

**EDUCATION, SKILLS AND CULTURE CABINET BOARD**

**23 January 2020**

**Margam Country Park**

**Business Plan**


***(Income Generation Plan)***

**Action Plan Priorities Progress**

## **1 Background**

- 1.1 The business plan for Margam Country Park was approved by Members at the Education Skills and Culture Board on the 9<sup>th</sup> November 2017. The business plan committed Margam Country Park to exploit all appropriate commercial activities and opportunities to reduce the current subsidy and in the medium to long term aim for full cost recovery.
- 1.2 Whilst Austerity has previously resulted in budget cuts for Margam Park, it is recognised that income generation is now the priority. To deliver this, it was important that the staffing structure at the Park reflected the commercial aspirations of the business plan. A new staffing structure and new management arrangements were brought in in 2017, to achieve a more commercial business approach. These are presently being reviewed.
- 1.3 The business plan committed to a catering review, to decide on business efficiencies, and best delivery model. It further committed to a review of the current assets of the Park, to ensure their potential is maximised, which included Twyn Yr Hydd. The catering review was completed and a report was presented to members for approval on the 18<sup>th</sup> November 2018.
- 1.4 A Cross Directorate steering group (comprising Directors and/or Heads of Service from Education Leisure & Lifelong Learning, Finance and Corporate Services and Environment and operational officers) has been established to oversee the implementation of the business plan.
- 1.5 A new fixed term 3 year marketing post has been created to provide professional marketing support for both the Princess Royal Theatre and Margam Park/Orangery.
  - 1.5.1 A new marketing strategy for the Orangery has been produced. The objectives of the marketing strategy are to increase brand awareness of the Orangery as a prestigious wedding venue, live events and corporate hire venue.
  - 1.5.2 An increase of brand awareness has already equated to a rise in yearly income. The venues digital marketing footprint has been analysed, and improved across all platforms. A new wedding promotion video was commissioned and went live in November 2019.
  - 1.5.3 The Orangery's website has been updated to a modern, user friendly template. The website will introduce metrics to track conversions and monitor marketing spend. Traffic to the website has increased by over 20% in 6 months and a means to capture data of potential leads has been introduced.

**Action Plan update:**

Priority	Actions Progress	2016-17 £	2017-18 £	Actual 2018-19 £	RAG  GREEN
<b>Increase Income</b>	There has been an increase in gross income of £375k since 2016-17	£1,074,030	£1,236,024	£1,448,484	
<b>A detailed catering review.</b>	A review was been completed, and a report presented to the EDSC Board 18 <sup>th</sup> October 18.				
<b>Margam Orangery</b>	<p>In January 2015 the catering at Margam Orangery &amp; Charlottes Kitchen transferred to the management of Margam Country Park. Since the transfer, the following business priorities have been implemented.</p> <ul style="list-style-type: none"> <li>• A new staffing structure.</li> <li>• Staff training programme.</li> <li>• Increased local employment opportunities.</li> <li>• Supplier review and contract renegotiations for food and alcohol.</li> <li>• Review of pricing and profit</li> </ul>	£49,335 <b>(Loss)</b>	£2,900 <b>(Trading Profit)</b>	£24k <b>(Trading Profit)</b>	

	<p>margins for catering and bar.</p> <ul style="list-style-type: none"> <li>• Introduction of new wedding packages and branding</li> <li>• Appointment of Marketing Officer</li> <li>• Introduction of Wedding Showcases.</li> <li>• New wedding booking process introduced.</li> <li>• Replacement of kitchen equipment.</li> <li>• Business expansion into the conference and training market.</li> <li>• Business expansion to include non-catered weddings e.g. Asian weddings.</li> <li>• Review of operational and health and safety procedures resulting in 5* awarded.</li> </ul> <p>Customer rating and Facebook rating for the Orangery is 4.7 against a maximum of 5, Google users rate the venue 4.6 out of 5 &amp; Trip adviser is 5* with 628 reviews.</p>				
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<b>Increase Weddings in the Orangery.</b>	<p><b>Weddings:</b></p> <p>2015-16 19</p> <p>2016-17 27</p> <p>2017-18 30</p> <p>2018-19 39 (2 Asian weddings)</p>				
<b>Increase other functions in the Orangery</b>	<p>Orangery functions show an upward trend.</p> <p>2015-16 there were 26 functions.</p> <p>2016-17 there were 132 functions.</p> <p>2017-18 there were 146 functions</p> <p>2018-19 there were 161 functions booked.</p> <p>The offer at the Orangery has been extended to include Christmas Join a party nights, and theme nights.</p> <p><b><i>The Orangery is now offering children's Seasonal Events</i></b></p> <p>Summer Beauty and the feast Children's event, 4 sessions of 200 guests per session, spread over two days</p>		£14k profit	£21k profit	
			£0	£5k profit	

	<p>Children's Halloween Party.</p> <p>Easter Themed.</p>		£350 profit	<p>£1k profit</p> <p>£1k profit</p>	
<b>Orangery Bar</b>	In 2015 the Bar was subject to a full operational review, this included.	£38k (Trading Profit)	£67k (Trading Profit) <i>Including two large weddings generating £30k income</i>	£66k (Trading Profit)	
<b>Charlottes Pantry</b>	<p>Charlottes Pantry's operational review identified the need to refurbish the café and re configure the lay out.</p> <p>New fridges were supplied by Coca Cola. Ice cream freezers and serving counters supplied by Mario's all on free loan.</p> <p>Replaced ageing equipment. The refurbishment was completed in early 2018.</p> <p>During the winter of 2017 the opening times were extended to offer catering facilities throughout the week to attract visitors to the park.</p> <p>In the summer of 2017 a new mobile catering unit was situated in the children's village adjacent to the Orangery. This was sourced</p>	<p>£15k (Trading Profit)</p> <p>£0</p>	<p>£34k (Trading Profit)</p> <p>£17k Gross Income</p>	<p>£45k (Trading Profit)</p> <p>£21k Gross Income</p>	

	free of charge and opens only during good weather, thus keeping staffing costs to the minimum.				
<b>Margam Gift Shop</b>	<p>In 2018 the Country Park shop was subject to an operational review. As a result of the review, the offer was extended to include further hot and cold drink, snacks, ice creams etc.</p> <p>50% of Margam gift shop floor space (which was un used), has been leased to an outdoor clothing company</p>	£32k (Trading Profit)	£35k (Trading Profit)	£37k (Trading Profit)	Annual rent £6k
<b>Margam Discovery Centre</b>	<p>The present lease which expires in 2019 generates income from a 50% profit share and 50-50 share of the NPT schools increased charge.</p> <p>New 15 year lease is being negotiated which will remove council subsidy and will include the field study contribution to landlords building maintenance costs.</p>	£52k	£70k	£68k	<p><b>2019-20</b> Saving of £200k subsidy</p> <p>£50k contribution to landlords building maintenance costs.</p>

<b>New marketing post</b>	New marketing strategy implemented, with a greater on line presence. Mystery visits to local wedding competitors have been carried out.				
<b>Car Parking</b>	Charges and season ticket pricing will be reviewed for 2018-19  New season ticket was introduced October 1 <sup>st</sup> 2018	£200k (Car parking income)  Oct 2017 13 tickets sold £301	£231k (Car parking income)  Oct 2018 93 tickets sold £2k	£255k (Car parking income)	
<b>Seek grant/investment funding for Infrastructure improvements</b>	Visit Wales £130k grant for car park improvements.  HLF Grant £9k for the 1 <sup>st</sup> World War flower exhibition.  Preliminary discussions have been held regarding a HLF grant application.			£139K (Grants)	
<b>New Developments</b>	Alliance Leisure Ltd, have completed a feasibility study, including a full cost appraisal, in relation to the provision of double zip line and zip safari, together with new family attraction including a catering offer.  At the Cabinet meeting on the 20 <sup>th</sup> November 19, approved the developments.				



<b>Margam Castle</b>	Heritage Lottery Fund application is being considered.				
<b>Other current assets of the Park.</b>	<p>Three months filming company tenancy for Twyn yr Hydd in 2018.</p> <p>The Filming company above requested to return in 2019, park management and estates colleagues have negotiated £130 per week retainer.</p>			<p>Initial Lease (25th June - 5th Oct 2018) Twyn yr Hydd <b>£7,500.00</b></p> <p>Additional income from project during this period <b>£3,728.00</b></p> <p>Extension of lease for part use of Twyn Yr Hydd for storage (6th Oct 2018 – 25th May 2019) <b>£4,290.00</b></p> <p>Total: £15,518</p>	
<b>Training Rooms,</b>	Training rooms are now occupied by the physical activity and sport service (P.A.S.S.) at an annual rent of £7k from 2018-19.	£0	£0	£7k	
<b>Train.</b>	Train in 2019-20 will require circa £15k for repairs. An operational review to be completed winter 2019, reviewing operating days, time, during term time, to increase profitability.	£29k	£30k	£30k	

<p><b>Tender seasonal concession.</b></p>	<p>Procurement process unfortunately precluded any seasonal concessions.</p> <p>The park has worked closely with Margam Adventures Ltd based at the park, which have now extended their offer to include.</p> <ul style="list-style-type: none"> <li>• Peddle Go Carts</li> <li>• Stand up paddle boarding</li> <li>• Bike hire</li> <li>• Kayaking</li> <li>• Birthday parties *</li> <li>• Corporate training days.*</li> </ul> <p><b><i>*Catering for these are provided by Margam Park.</i></b></p>	<p>£0</p> <p>£0</p> <p>£0</p>	<p>£0</p> <p>£1.5k</p>	<p>£6k Rent and 10% of CIRCA £60K turn over.</p> <p>£4.2k</p>	
<p><b>Jeep Safari</b></p>	<p>New for 2018 was the introduction of deer rutting safaris. The deer are both of interested to visitors and one of the parks unique selling points, being the largest open access deer Park in Wales.</p> <p>A total of 9 safaris were organised as a pilot.</p> <p>The offer will be extended in 2019</p>	<p>£0</p>	<p>£0k</p>	<p>£5k</p>	

<p><b>Promote Margam Park as a filming venue.</b></p>	<p>The park has registered with a number of new location agencies, as a result the park is in discussion with a production company for a major filming project for December 18.</p> <p>With the adoption of the new business plan, a staffing review was implemented, with one officer now responsible for events and filming.</p> <p>The following filming has taken place.</p> <ul style="list-style-type: none"> <li>• Bad Wolf Ltd. For the filming of A Discovery of Witches £3,650</li> <li>• Apostle Films Ltd. For filming Apostle £1,500</li> <li>• Craith 1 Ltd. For the filming of Hidden £1,050</li> <li>• Bad Wolf Ltd. For the filming of A Discovery of Witches £2,000</li> <li>• Twenty Twenty Production Services Ltd for filming of Jerusalem £2,200</li> <li>• Groff Entertainment for filming Paranormal Lockdown £3,875</li> </ul> <p>The following new production</p>		<p>£82k</p>	<p>£15k.</p>	
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	<p>companies now have the Park Listed as a venue for filming.</p> <ul style="list-style-type: none"> <li>· Creative Locations,</li> <li>· British Film Commission,</li> <li>· Venue Finder,</li> <li>· We are UK Film</li> <li>· Lavish Locations Wales</li> <li>· UK Fixer</li> <li>· UK Film location,</li> <li>· Wales Screen.</li> <li>· Salt Films</li> </ul>				
<b>Friends of Margam</b>	<p>Work with Friends group to increase volunteering. Work with the Friends to increase the awareness of the history of the park, to include an interpretation display. To improve the visitor experience thus increasing visitor numbers</p>			500 hours per months equates to £51k per year.	