Financing Public Sector Monuments

The primary responsibility of the owner of any monument of national importance, whether owned by the state or privately, must be to conserve it for future generations. Of course, if it is owned by the State it ought, where ever possible, to be made available to the present generation as a source of joy and education, and as part of the public consciousness of a nation's history. Many private owners also share that view. However, the cost of conservation can be immense. It is therefore eminently sensible that any owner should consider whether he can finance the cost of conservation, or at least part of it, by using the monument as a source of income. This paper describes some of the experience and aims of English Heritage and others in trying to generate income to care for its monuments.

The Historic Buildings and Monuments Commission - or English Heritage to give it its popular name- was created by Act of Parliament in 1983 and began its effective life on 1 April 1984 after a short period for setting it up. It is an independent body with two main duties - to help to preserve monuments, historic buildings and conservation areas in England and to promote the public's enjoyment of and advance their knowledge of ancient monuments and historic buildings. As part of its responsibilities it also manages some 400 national monuments previously run by a Department of Central Government the Department of the Environment. Those monuments range from prehistoric to modern times - Bronze-age hillforts, Roman defence-works, Norman castles, medieval abbeys, stately domestic dwellings and nineteenth century industrial works - and include Stonehenge, Dover Castle, Rievaulx Abbey and Osborne House, the former home of Queen Victoria. Since becoming monuments, most of them have never been self-financing and probably never will be. Indeed, an admission charge is made at only 135 of them. The cost of conserving them will have to be borne by the state. This is done mainly by an annual grant from the Government but appreciable income can be developed either directly from admission charges, on-site sales, events such as the staging of mock battles, or indirectly through such support as sponsorship. In an age when Government resources are in short supply, but increasing affluence and leisure time provide a demand for interesting places to visit, it seems right that consideration is made of the extent to which self help, or the generation of more income through commercial enterprise, can and should play an increasing part in maintaining national monuments.

When English Heritage came into being it was clear that we had much to learn from the private sector and the National Trust about how to attract visitors. During the period from 1975 to 1984 there was a drop of 20% in visitors to Government historic properties and an increase of 33% and 11% to National Trust and privately owned properties respectively. It was during this time that there was a growing recognition of the need to invest in providing visitor facilities, attractions and publicity. In the early days of this movement, the swing to commercialism may on a few occasions have gone too far with historical values seeming to be subordinated to income generating ploys. Usually the monument itself drew the visitors but in some instances money-spinning features were consciously created which served to divert commercial pressures from the monument and also to generate revenue from which the monument could benefit. There are many examples of this such as the National Motor Museum at Beaulieu and attractions at Woburn Abbey and Longleat.

The first question which any public body has to ask to itself is whether it is right for such a body to charge for admission at a publicly owned monument. If the answer is "yes", two basic conflicts have to be faced. The first is how to conserve the fabric of a monument while maximising visitors. The second is how to reconcile maximising income with a responsibility to all members of the community.

Any monument or building is inevitably damaged by large numbers of visitors. The possibility of finding a satisfactory compromise between conservation and visitor numbers can only be established effectively through the production of a long-term management plan based on examination of the physical nature of the monument, its state of repair, and its vulnerability to stress; upon market research which has regard to tourist potential; and upon opportunities for presentation, education and visitor facilities. From that examination will flow what management decisions are required to answer such difficult questions as whether there is a maximum number of visitors who will do a minimum amount of damage and whether a monument could physically stand all the year opening or whether it and its content should be allowed a rest period of some months each year for cleaning and maintenance. Views on such matters will depend upon conservation philosophy, and beliefs about the acceptability of such practices as the frequent replacement of historic fabric. If one tries to translate the relationship between conservation and generating income from visitors into a financial question one may ask what percentage of the funds needed to conserve a building does one expect to derive from commercial activities which may cause wear and tear to the monument. Is it a sum equivalent to the cost of repairing the damage caused or is one looking for much more?

The second question is whether it is right to control access to property held in trust on behalf of society as a whole by charging for admission. In England, charges are made at about 60% of historic properties but that figure is lower in areas where there is a high proportion of publicly owned properties. In some instances, the decision not to charge may be a commercial one - it may cost more to charge than not to - but in others it may be a matter of political or social philosophy not to do so. More public bodies do, however, seem ready to charge as a method of self-help than in the past. English Heritage became responsible for properties where there was a long-standing history of charging for admission, and that has continued, although like many other bodies, we charge at different rates for different groups, e.g. the elderly in the community and also make arrangements for free admission of groups of school children.

Our experience, and that of other owners of heritage properties, is that within fairly wide boundaries the level of the admission charge is not in itself the major determinant of the number of visitors. For 1985, for example, two major properties, Warwick Castle and Beaulieu achieved high percentage increases in attendances at 14% and 15% respectively. Yet the charges at these monuments at £3.50 and £4.00 were considerably higher than the average of about £1.00 for heritage properties. The conclusion can only be that people are prepared to pay for what they judge to be good value for money. Nor has the high admission charge dissuaded visitors from returning for further visits. On economic grounds, English Heritage felt able to increase charges appreciably from the very low levels - 30p and 50p in some cases - which were in force when it took over. It is not always easy to identify with certainty the reasons for changes in visitor numbers from one year to another but it does seem that increases of over 50% at some monuments have not led to a decrease. Overall it has been possible to increase income from admission by about 20% for each of the past 3 years. Indeed, during the 1986 season income from admissions increased by 31% as compared with the 1985 season while the number of visitors of over 4 million decreased by only 1%, and it appears likely that that was due to bad weather and factors other than the increase in prices.

The readiness to invest in better facilities for visitors or fresh attractions is a key factor in generating more money. Many monuments are able to rely upon their unique quality as historical documents or architectural masterpieces to draw visitors back to them time and time again. Even so, some of the most financially successful regularly renew existing attractions or develop new ones, as for example, at Leeds Castle. Few out-door activities attract a higher percentage of leisure activity visitors than visits to historic houses -and the owner who ignores the leisure market does so at his peril. If the opportunity to use a monument to produce income is to be seized it has to be regarded as a business asset. That is brought out by the findings of the English Tourist Board annual survey which highlights better marketing and publicity, more exhibitions and special events, and extra attractions and improved facilities as the main reasons influencing visitor numbers. Of course, not all attractions are of a permanent nature, nor can their effect by measured solely in financial terms. Special events have public relations and goodwill advantages over and above any financial gain but, if carefully budgeted and controlled they can be run at worse at break-even level, and at best at a small profit. Clearly with open air events and the vagaries of the British weather a special events programme can become a liability rather than an asset.

At English Heritage we have two special events programmes. During 1987 there will be over 35 major events up and down the country largely featuring military re-enactments staged by societies of enthusiasts. These will range from Roman army manoeuvres to simulated Napoleonic war engagements and demonstration of First World War drilling. Many will have an educational and cultural dimension as well as a financial one. At our three London historic houses the well established series of 15 open air symphony and jazz concerts at Kenwood will again be supported by other poetry readings and indoor recitals. In addition, up and down the country our properties will be used regularly throughout the year for filming, photographic sessions, wedding receptions, smallscale car rallies, a sculpture exhibition, a flower festival and even a Punch and Judy show. Many of these will be revenue earning even though in a small way.

Competition for visitors has become increasingly fierce in recent years. That fact is underlined dramatically by an examination of the relationship between the growth in visitor attractions and visitor numbers. As many as 35% of England's attractions opened for the first time in the last 15 years, and half of them since 1980. Not all of those attractions are monuments which are archaeologically sensitive. The competition is, therefore, with places which do not have the same restrictions placed upon them as those where conservation is a primary consideration. The trend for more monuments to open to the public continues. A minimum of 26 historic properties opened regularly to the public for their first complete season in 1985 including 6 properties managed by English Heritage. Yet the national growth in total visitor numbers in the last decade was only by a small percentage, with, of course, appreciable ups and downs from year to year. The cake is about the same size but more people are cutting it. The conclusion can only point to the survival of the enterprising, the commercially efficient and those prepared to invest in response to visitor needs.

The ability of the public sector or large private organisations to invest may ensure commercial success at the expense of the small owner. Few public sector bodies would wish or expect to hold down their own investment for that reason; the chances are that if they did someone else would fill the vacuum and their own income would fall heavily. But can a public sector do something act to counter-act this effect? In such circumstances, there does seem merit in public and private sector joining in heritage groups to promote jointly neighbouring monuments in the expectation that even if the total number of visitors does not increase appreciably, the visits made by the committed heritage visitor will do so.

It is improbable that a public sector body will have to provide all the financing to develop an expansionist policy at its monument. Many private-sector developers are ready to invest in the leisure market where there is the clear prospect of a sufficient capital return. For example, at monuments with sufficient visitors catering facilities and even some extra attractions like audio-visual installations can almost certainly be contracted out to the private sector under leasing or licensing arrangements. It is a practice which English Heritage has adopted at Dover Castle where it will benefit financially under leasing arrangements, as will the catering company if they have done their sums correctly. It may be that English Heritage would benefit to an even greater extent if it undertook the catering itself - but it seems unlikely. It does not have the catering expertise nor the experience. What is, of course, essential is that there is strict management control under the contract of the service provided, its quality, range, type and frequency.

The need for investment combined with quality control applies also to the creation of new sales points or shops. Experience shows that improved sales points quickly repay the modest investment involves. At Berwick Barracks, for example, an improved ticket office and sales point produced a 40% increase in takings within 12 months.

Quality and suitability judgements also have to be made about the nature of the goods sold. Does one concentrate on articles related to the monument or go for a much wider range of goods - locally produced jam and cheeses for example? And does one confine the goods to ones produced in one's own country? Our belief is that the long term interest demands that goods should be related to the monument even if only tenuously and that good quality and value for money are essential.

In order to attract more visitors and to inform and entertain them better English Heritage has decided to invest more than in the past on the presentation and interpretation of its monuments and publications.

Therefore, since May 1985, we have opened 13 major new exhibitions or displays, produced 10 new souvenir guides and up-dated 100 academic hand books.

If the financing of public monuments is to run in a financially sound manner there must be clarity in determining the objective of any expenditure. Is it solely to attract more visitors, in which case it should have a positive rate of return, or is it, for example, an educational activity for which it may be legitimate to subsidise the cost? It can be very easy to justify excessive costs by saying that they meet a public responsibility, as indeed some of them do. In such cases, it may be justifiable to accept a low rate of return because of a dual purpose but this needs to be a conscious decision and is potentially a dangerous path to follow. In general, an exhibition is considered by English Heritage on a commercial basis, duly appraised financially. It is accepted that some academic publications are unlikely to cover their costs but with attractive souvenir guides the aim is to earn profits and to provide them only where the numbers of visitors make it likely that they will do so.

As well as investing in assets English Heritage is investing in people with the two-fold aim of improving the financial performance of our monuments and improving the experience of visitors. The annual overall increase in the average amount spent by each visitor has depended upon an improved performance by custodians at the monuments. There has been extensive training on how to welcome and to sell to visitors. That training has in part been paid for by sponsorship by Shell Oil Company who generously provided their premises and training staff. Uniforms have been re-designed to make custodians look less like prison wardens. Competitions have been run to encourage better performance in the recruitment of members. A greater sense of responsibility has been placed upon them by authorising them to respond to the press and appear on television on issues relating to their monuments. At some of the largest monuments, monument managers have been appointed, a new post with specific responsibilities to coordinate work and visitor attractions.

Mention has been made of the sponsorship of training by a major corporation. It is only one example and it illustrates that sponsorship should not be sought just in cash but in services also. Another example is that British Airways have provided free air transport for an historic table purchased in Australia. Indeed, many companies find it much easier to provide sponsorship by way of their normal trading activity than by way of cash.

Competition for sponsorship is, of course, fierce and commercial bodies will often expect something for what they provide. At a publicly managed monument that will to the need for selectivity as to the extent and nature of any advertisement or publicity that is offered. Any advertisement or publicity is unsuitable if it runs counter to the character of the monument and should be unacceptable even if refusal means loss of the sponsorship.

Any newly established organisation is likely to wish to build up its own core of support to create a sense of public commitment a well as for financial reasons, Following the example of many other bodies English Heritage has established a membership scheme which since 1984 has built up to over 100,000.

That membership scheme does not yet provide a profit on its activities, but it is now about breaking even in relation to existing members. In the early days while membership is being built up expenditure on recruitment is likely to skew the annual result since one is normally advertising for new members at the tail-end of one season in readiness for the beginning of the next. Our experience is that by far the most effective way of recruiting new members is by staff at the monuments. It is probably six or seven times more expensive to recruit a new member through advertising in the national press than it is to recruit members at the monuments themselves. We have not used television as part of our recruitment campaign as it would not be cost-effective. Provision of a newsletter 3 times a year, instructive visits to monuments, laboratories and restoration studios and the offer of goods and concerts at a reduced price. In the longer term we see the membership scheme not only as a most welcome Supporters Club but also as a profit making activity even if the early years are regarded as the "seed-corn" years. The great interest in British culture and history coupled with the success of our membership scheme makes us welcome enthusiastically the creation of "American Friends of English Heritage".

In all activities to use national monuments to generate income one has to observe the basic rule that the monument must be conserved and respected. Within those rules there are immense opportunities for the public sector to use monuments to provide for their own upkeep and thus release more money to be spent on other important monuments which because of their location or character are not suitable for a commercial approach.

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Footnote: The source for several of the statistics used in the text is the English Heritage Monitor 1985, produced by the English Tourist Board.

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The primary responsibility of the owner of any monument of national importance is to conserve it for future generations. However, the cost of conservation can be immense. It is therefore sensible that any owner should consider whether the monument itself can be used to generate income to help finance its conservation.

In 1984, English Heritage became responsible for the management of about 400 national monuments. It inherited and and continues a policy of charging for admission at its monuments. If charges for admission are made at a publicly owned monument, two potential conflicts have to be reconciled. One is how to conserve the fabric of the monument while seeking to attract more visitors: the second is how to reconcile maximising income with a responsibility to all members of the community.

Any monument or building is inevitably damaged by large numbers of visitors. A long term management plan relating to conservation, public access and information, and marketing is essential if the impact of visitors is not to render long-term damage.

Charging for admission and responsibility to all members of the community can be reconciled to a large extent by differential charging. Experience suggests that within fairly wide boundaries the admission charge is not the major determinant of visitor numbers. What is important, especially in relation to repeat visits, is whether the cost represents good value for money.

Competition for visitors grows increasingly fierce. Considerable numbers of additional properties have been opened in the recent years. Visitor numbers have not grown at anything like the same pace. If the income producing potential of a monument is to be realised it has to be regarded as a business asset. Good marketing and publicity, lively exhibitions and special events, extra attractions and improved facilities all influence visitor numbers.

Investment in training staff is as important as investing in capital assets. It is cheaper to recruit members of any support organisation at the monument than through other forms of publicity or advertising.

The public sector need not provide all the finance for an expansionist commercial policy. Licenses or leases can be granted to the private sector for various facilities e.g. catering. This can be profitable for the owner and the licensee. New sales points, the range of goods sold and special events should be of a kind which do not vulgarise the monument if they are to provide financial support. Quality control is essential.

A public body should decide precisely why it is incurring expenditure for its differing activities. Some can be justified as part of its public responsibility e.g. educational services: others can be justified only as part of a commercial activity and should be appraised as such.

In all activities to use national monuments to generate income, the essential principle is that conservation comes first - but within that rule there are massive opportunities for the public sector to use a commercial approach in using a monument to contribute to its upkeep.

FONDS POUR LES MONUMENTS DU SECTEUR PUBLIC

Le propriétaire de n'importe quel bâtiment d'une importance nationale doit assumer comme responsabilité principale sa préservation pour l'avenir. Cependant, la préservation d'un monument peut être tres coûteuse. C'est alors raisonable pour le propriétaire de se demander s'il lui est possible de produire de son monument un revenu qu'on pourrait employer a l'égard de sa conservation.

En 1984, 'l'English Heritage' prit la responsabilité d'administrer environ 400 monuments nationales. Suite a une tradition déjà établie, le droit d'entrée dans ces bâtiments est payant. Si le monument est une propriété de l'Etat, il faut accorder deux conflits eventuels: d'abord, comment préserver la structure du monument et en même temps, chercher à augmenter le nombre des visiteurs. Ensuite, comment aboutir a un revenu maximum en suivant sa responsabilité envers tous les membres de la societé.

Chaque monument ou bâtiment regulièrement visité par beaucoup de gens est invariablement abîmé. Pour éviter cela, il faut un plan administratif a long-terme pour balancer la préservation, le droit d'entrée, l'interprétation et la commercialisation.

Le meilleur compromis entre l'imposition d'un prix d'entrée et la responsabilité envers la société est de charger un prix differentiel. On sait par expérience que le prix d'admission tout seul ne détermine pas le nombre de visiteurs que reçoit un monument. Le plus important pour répéter un visite c'est d'avoir reçu la valeur du prix payé.

De jour en jour, la competition pour attirer les visiteurs devient de plus on plus serrée. Nombreuses d'autres propriétés sont maintenant ouvertes au public. Cependant, on n'a pas eu une augmentation parallèle dans le nombre de visiteurs. Pour réaliser un potentiel de revenu d'un monument quelconque, il faut le regarder comme un important atout d'affaires et pour augmenter le nombre de visiteurs, il faut employer une méthode de commercialisation de publicité convenable, des expositions intéressantes, des évenements speciaux, des attractions additionelles et un service publique perfectionné.

Un investissement dans la formation du personnel est aussi important qu'un investissement dans les atouts capitaux. Il est moins coûteux de recruter des adhérants d'une organisation partisane sur les sites que de les allécher par les autres formes de publicité existante.

Il ne faut pas totalement dépendre sur le secteur publique pour le capital necessaire pour un politique expansionniste et commercial. Un permis ou un bail a long-terme peut etre alloué au secteur privé pour quelques-uns des services offerts, par example, l'approvisionnement. Cela peut être avantageux et pour le propriétaire et pour le detentuer du licence. Mais il ne faut pas que les services offerts - les spectacles, les magasins, la marchandise - vulgarisent le charactère du monument s'ils vont fournir le capital nécéssaire pour sa préservation. Il faut toujours en contrôler la qualité.

Une agence publique doit préalablement décider la raison de dépense sur des differentes activités. Certaines peuvent etre justifiées selon une responsabilité envers le public, par example, dans la domaine de l'éducation. D'autres qui ont pour but un gain financier doivent être évalués a leur juste valeur.

En bref, une priorité absolue doit être donné a la préservation d'un monument nationale même en l'utilisant pour produire un revenu. Toutefois, il y a de grandes occasions pour le secteur publique de se servir du monument commercialement pour contribuer a son entretien.