

Project Summary

Project Name:	Pembrokeshire Landscape Gallery
Project Description:	New gallery for permanent exhibition of Graham Sutherland paintings
Total Project Cost:	£3,307,300
Eligible Project Cost:	£3,307,300
Grant Requested:	£98,750
Grant Recommended:	£98,750
FTE Jobs created/safeguarded and cost per job:	8 FTEs/£12,344
<p>One of the missions of the new Landscape Gallery is to create a 'new and unique place and programme that explores Pembrokeshire – seen by Sutherland as “this place of light and land and longing ...” The work of Sutherland offers a filter through which people can be led to look at the landscape around them. Both the heritage of Sutherland and of the contemporary practice of art in Pembrokeshire and the way that this practice continues today, can be presented alongside each other in a way that offers a cohesive experience to visitors.</p> <p>The new gallery and visitor centre can act as an interpretive tool for walkers and cyclists seeking to explore the beauty and heritage of the Coastal Path and St Davids Head and will add value to other local attractions, products and places.</p> <p>The gallery has widespread support, including that of the Minister For Culture, Welsh Language and Sport and is identified as a key new attraction by the former Wales Tourist Board's Cultural Strategy for Wales, as well as 'Open all Year' the South West Wales Regional Tourism Strategy.</p> <p>Support is recommended at the level indicated.</p> <p>JLL 04/06</p>	

Project No : 30069
Project Name : Pembrokeshire Landscape Gallery
Project Description : New facility for the permanent exhibition of Graham Sutherland's art.
Applicants : Pembrokeshire Coast National Park Authority
Previous Applications : None

1. CURRENT POSITION

1.1 Background:

Ever since the artist Graham Sutherland left over 600 pieces of his work to Wales, with the intention that it be exhibited in Pembrokeshire, there has been a significant and growing demand for the creation of a new venue in which to exhibit the collection. At the same time, St Davids has become the focus for a considerable tourism industry in the northern half of Pembrokeshire. Much of this tourism business is rooted in appreciation for the landscape and for the quality of light, which has traditionally attracted artists to work here.

The project will create, through an expansion and development of the National Park Visitor Centre, St Davids, a new visitor attraction and cultural facility for the permanent exhibition of a selection of Graham Sutherland's paintings, along with temporary exhibitions of the work of contemporary artists working with similar themes of nature and landscape. The project will also include educational facilities and a café.

The National Park Visitor Centre at St Davids has won numerous building and environmental awards for its design. The opportunity now arises for the National Park Authority, working in partnership with the National Museums and Galleries of Wales (NMGW), to further develop this site to provide a permanent exhibition space for the Graham Sutherland Collection.

The project's key objectives are to:

- Create a venue and visitor attraction in Pembrokeshire for the exhibition of Graham Sutherland's work and the work of contemporary artists and crafts people
- Add value to local attractions and promote local products and places
- Increase the understanding of the heritage and sustainability of Pembrokeshire's environment.

The Visitor Centre, in which the new attraction will be sited, already benefits from good visitor numbers, averaging around 115,000 a year. In addition, St Davids is a key destination in Pembrokeshire and the Cathedral, the county's most visited heritage site, attracts around 250,000 visits a year. Nonetheless, the city suffers from an overall shortage of all weather and year round attractions and this limits duration of stay, length of season and visitor spend in the local economy.

The new attraction will benefit from its location in St Davids and its integration with the Visitor Centre. Conversely the project will enhance the Visitor Centre and add value to visitor trips to St Davids. The café will focus on local produce, providing a new direct outlet for local farming businesses to add value to the raw farm products by processing ready meals, cakes, pies, etc.

The new galleries and educational facilities will act as a hub for local businesses and encourage network development and joint initiatives, in areas like marketing, between synergistic, creative and related businesses. Reciprocally, by developing links with local selling galleries and with artists and crafts people with studios in the area, the new attraction will be able to encourage visitors to explore the local area and new craft trails and open studio events are likely to result.

The distinctive theme in the tourism economy to which the attraction will contribute is that of landscape and outdoor activity. Interpretation of this landscape and the Pembrokeshire environment lies at the heart of the role of the Pembrokeshire Coast National Park Authority and the new centre will make a substantial impact on the ability of the Authority to reach substantial numbers of visitors with interpretive and educational material.

The project has wide-reaching support across all sectors. The remit letter to NMGW from the National Assembly's Minister for Culture, Welsh Language and Sport includes "To contribute to the Welsh Assembly Government's vision and the priorities identified the National Museums and Galleries should ... support the Pembrokeshire Coast National Park Authority and other local bodies in the development of the display of the Sutherland Collection at St Davids." This instruction from the National Assembly is reflected in the NMGW's Corporate Plan 2004/05 – 2006/07, as is the future contribution of revenue funds to the operation of the new centre (subject to Assembly funding settlements).

The Wales Tourist Board's Cultural Tourism Strategy provides similar encouragement, and support is also offered by the Friends of the Graham Sutherland Collection, St Davids City Council, the South West Wales Tourism Partnership, the Dean of St Davids Cathedral and the St Davids Peninsular Tourist Association.

1.2 Management Structure:

The development of the project has been a partnership between the Pembrokeshire Coast National Park Authority (PCNPA) and the NMGW. This partnership will continue through to the operation of the developed centre and gallery, to which NMGW will contribute revenue support, loans of artworks and technical and transport support for same, and advisory services in education, curation and interpretation. These will be regulated by way of service level agreement between the Park Authority and the Museum.

Once open, the developed centre will be managed, on behalf of PCNPA, by the National Park Visitor Centre Manager, who has considerable direct experience of the management of the Centre since it opened in 1999.

1.3 Applicant Experience:

The project will be delivered and managed by the National Park Authority, which has experience of operating visitor centres and attractions. Assistance will be provided by NMGW.

1.4 Existing Business:

This is a new enterprise for the National Park Authority. The Park was established in 1952 and has operated as a free-standing, special purpose Local Authority since 1st April 1996.

The existing National Park Visitor Centre at St Davids (on the site of the proposed project gallery) is a networked Tourist Information Centre, with visitor numbers averaging 115k per year. It is funded in part by the sale of goods, with the deficit met by the National Park Authority. Goods sold include maps, books and National Park memorabilia and in 2004/05 sales reached £61k, with £63k expected to be achieved in 2005/06. The estimated deficit for 2005/06 was £78k.

1.5 Other Business Interests

The National Park Authority's remit includes:

- Conservation of the Natural Environment
- Conservation of the Cultural Heritage
- Promoting understanding and enjoyment
- Recreation and Park Management

2. THE PROJECT

2.1 Description:

The existing Information Centre comprises a curved, single storey building that

forms approximately a quarter sector, with a two-storey circular tower to one end of the curved building. The building is set within landscaped grounds and there is a large public car park on the opposite side of the road.

The proposed project includes for:

- Constructing a large single storey extension to the end of the curved building to provide gallery space, together with an education room, studios, workshops and ancillary accommodation
- Converting part of the existing building to provide a café for up to 80 covers
- Relocating the retail area and tourist information centre into the existing gallery area
- Extending the car park to provide 140 additional car parking spaces
- Constructing a central paved courtyard in the front of the centre and paths and landscaping on site.

2.2 Project Costs:

Building works	£2,694,000
F.F. & E	£118,800
Fees	£394,500
Contingency	£100,000
Total eligible cost	£3,307,300

2.3 Funded by:

Objective 1	£1,620,635
Own resources	£316,570
P2P	£1,234,551
Invest Wales (Tourism)	£98,750
Further shortfall	£36,794
Total funding	£3,307,300

The 'own resources' is a combination of NMGW and PCNPA funds, confirmed by the Director, Learning and Programmes, NMGW.

The Objective 1 and P2P approvals are pending. As P2P provides funding of last resort the amount may vary to cover the further shortfall identified above.

2.4 Project Standards:

The Consultant Quantity Surveyor has noted that the project will be of very high quality architectural design. The existing building design is very striking and, in its prominent position alongside the A487 into St Davids, it will rightly gain attention.

The art galleries that extend to the rear of the new extension will be set partly into the ground, with the very rear gallery, which will display the Graham Sutherland art, being fully set within an earth mound. The building will be covered by a grass roof.

The galleries are spacious and internal features are simple and generally plain in order to best show the artwork that is being displayed. The entrance, reception, TIC and shop are also spacious and quite plainly furnished to high quality. Design features of particular note include:

- The annular shape of the building with the mono-pitched zinc roof
- The colonnade to the front of the building
- The grass roof to the rear extension
- The spaciousness of the galleries and of the rest of the public areas
- The exposed timber roof beams
- The high quality but plain internal finishes.

The Senior TIC Networking Officer at Visit Wales welcomes the proposed changes to the Visitor Centre. The art gallery and cafe will enhance the offer and encourage more visitors to use the TIC.

Access

The building will be fully accessible for disabled persons. A platform hoist will be installed between the front gallery and the main gallery, because of the drop in levels. A disabled persons' toilet will be provided to serve the café area, and another off the front gallery adjacent to the education room and studio.

The site is generally level and there will be easy mobility access from the public car park through to the main entrance.

Planning

Planning permission has been obtained, with no onerous conditions.

Environment

The existing National Park Visitor Centre is environmentally friendly, built with reclaimed local stone and sustainable wood, and has a grass roof (with turf sourced locally). These principles of sustainability will be extended to the new parts of the building.

Building management will work to an environmental practice guide developed by the architect, contractor and Park staff, which will ensure that all systems are optimally run to reduce negative impacts. In addition, the new gallery and visitor centre will seek to have positive environmental impacts through raising awareness among, and educating, both local people (especially school children) and visitors.

The Park Authority has an overall commitment to environmental sustainability, the development of environmental awareness and of sustainable tourism. Thus the new development will significantly advance Pembrokeshire's profile as a sustainable tourism destination.

2.5 Period of Development:

The applicant has advised of the following programme:

All funding approvals	December 2005
Design development	January – April 2006
Procurement tendering	May – June 2006
Assessment and approvals	July 2006
Construction	September 2006 – June 2007
Fitting out	July 2007

However, as all funding approvals have not yet been achieved, it is clear that this timescale will not be met. It is therefore unlikely that the project will be complete until early 2008. The total project period is estimated at 21 months.

2.6 Reference:

Not applicable – Local Authority project.

3. MARKETING

The proposed project will provide an all-year round attraction that will extend the season. Public car parking is available adjacent to the site and admission to the Centre and the Gallery is free. Together with the new visitor attractions at the Cathedral, this proposal will help to develop St Davids into an outstanding cultural tourism destination.

The general market for the attraction can be segmented into:

- Local visitors – primarily within 60mins drive time
- School visits and participants in education programmes – within 60mins drive time
- Regional day-trippers – primarily within the 120mins drive time west of Cardiff
- Coach and organised group trips
- Out of region tourists and visitors, including short breaks, visitors to the Pembrokeshire cluster of attractions and those on activity holidays with an interest in environmental matters
- Specialist visitors for the Sutherland collection. Following the success of major shows at Olympia, elsewhere in London and in Swansea over the last two years, there is proven demand for Sutherland's work.

The attraction will plan its marketing strategy with these catchments in mind, portraying its combination of products, expected lengths of stay and rate of repeat visiting in the light of the likely expectations of different segments. Commonly, for

instance, local visitors expect to return more often to free-entry venues, to stay for less time and to spend less on secondary spending. Day-trippers may stay longer as an element in their general visit to St Davids, experience the full range of the centre's offer and reward the venue with higher secondary spending.

Research shows that activities undertaken while on holiday include:

- Walking 74%
- Cycling 11%
- Field study/nature/wildlife watching 22%
- Visiting castles/monuments/churches, etc 33%
- Visiting museums/art galleries/heritage centres, etc 19%

The proposed attraction will appeal to those significant numbers of people who are interested in nature (22%) and art galleries and similar attractions (19%) but can also capitalise on the common interest in walking and cycling by acting as a departure point and interpreter for a range of landscape and cultural walks/rides around St Davids Head and North Pembrokeshire.

It is anticipated that the gallery will attract around 145k visitors per annum, of which approximately 40k are expected to be visitors who are visiting specifically because of the gallery, given the demonstrable audiences for Sutherland and for contemporary art. Among those visiting Pembrokeshire anyway, an added trip to St Davids will increase the probability of an extended stay and have more impact on the local economy. This figure can be broken down as:

Current visits to Visitor Centre (25% of all visits to St Davids)	115000
Increased to 30% of visits to St Davids	25000
Sub-total visitors to Visitor Centre	140000
Visitor Centre visitors entering gallery (75%)	105000
New, purposeful visits to gallery	40000
All visitors to gallery	145000

The other key market for the gallery will be the school and education market. The proposed project will include provision relevant to the Welsh curriculum for geography, environmental studies, history and art. There is a considerable population of schoolchildren within the catchment area for the gallery, seen as Carmarthenshire, Ceredigion and, of course, Pembrokeshire. If the centre and gallery attracts visits from only one school in twenty from these three counties, it would still constitute in the order of 80 class visits per annum – or two per week in term time.

The marketing strategy is still in development. However, it is anticipated that the opening of the Gallery will be marked by a major national launch and marketing campaign, with a festival event in St Davids. There is a budget of circa £16k per annum for marketing, which is reasonable given that the gallery will also benefit from corporate marketing by the NMGW and the Pembrokeshire Coast National Park.

4. FINANCIAL APPRAISAL

4.1 Summarised financial details

See financial appendix

4.2 Brief Appraisal:

4.2.1 Profit & Loss Account

The existing Visitor Centre achieved turnover of £119k in 2004/05 and this is estimated to increase to £141k in 2005/06. Latterly, the bulk of this (£78k) related to contributions from PCNPA, with £63k arising from retail sales of maps, books and sundries. Projected profit and loss accounts for the new Centre and Gallery show a turnover of £318k in Year 1, rising to £339k by Year 3. The retail side will continue and is expected to achieve sales of £105k by Year 3. The largest proportion of revenue will come from the café, which will provide refreshments such as light meals and snacks. Income from this stream is expected to grow to £128k by Year 3. Entrance to the Gallery will be free, in line with Welsh Assembly Government and NMGW policy, other than for attendance at classes and courses.

Wage costs equate to just under £16k per FTE job, which is reasonable in this sector. The increase over existing wage costs supports the number of FTE jobs created by the project. A marketing budget of around £16k will be provided and the centre will also benefit from corporate marketing.

The Gallery and Tourist Centre will continue to be supported by the National Museums and Galleries and by the National Park Authority. Together they will make up any shortfall in running costs.

4.2.2 Balance Sheet

This is a Local Authority project and it has not been possible for the applicant to provide separate balance sheets and cash-flow statements for the project.

4.3 Additionality:

This is a public sector project and will not proceed unless all of the proposed public sector funding is in place. The amount sought from WEFO (Objective 1) and from Pathways to Prosperity (P2P) has been confirmed by the National Museums and Galleries of Wales. However, it appears likely that the P2P support is somewhat flexible and a higher level of support may be possible from that source. However, as P2P is a funder of last resort, the definitive figure will not be known until all other funding is confirmed.

5. ECONOMIC IMPACT

5.1 Job Creation:

	Existing	Project	Total
Full Time	1	4	5
Part Time	7	8	15
Casual			
Total Jobs	8	12	20
FTE Jobs	4.5	8	12.5

Current staff:

- Centre Manager
- Assistant
- Caretaker
- Seasonal staff

Additional staff:

- Curator
- Assistant/administrator (20 hours)
- Education organizer
- Extra seasonal and casual staff
- Café staff

5.2 Average Wage:

£15,943 per FTE

5.3 WTB Cost per Job:

£12,344

5.4 Multiplier Effect:

It is anticipated that local businesses will benefit from greater tourism activity, longer stays, more all weather visits and a longer season encouraged by the existence of an indoor attraction in the city. These beneficiaries include businesses already located in and around St Davids, providing accommodation, visitor services, food and drink and retail. Other new businesses will result from the increased activity arising from the new centre.

The Visitor Centre already maintains close links with accommodation providers, offering a booking service, and this network will be continued and developed. These businesses will be recruited to an advisory and consultative group by the Visitor Centre.

Creative businesses, artists and craftspeople in the region will be identified through the Cultural Enterprise database. This contains over 8,000 such enterprises in Wales and has a specialist member of staff for Pembrokeshire. This will be supplemented by regular communication with the Arts Council for Wales and local business support and information providers.

Following the opening of the project, its impact on the local and regional economy will be specifically tested by independent evaluation at twelve and twenty-four months following completion. As a minimum, the following tests of impact and employment will be made:

- Visitors to the centre
- Number of night stays from a sample of centre visitors
- Accommodation used
- Day visits by origin area
- Direct impact of the project with business beneficiaries
- Employment at the centre
- Linkage effects arising from the project
- Spend and retention of supplies and services at the centre
- Estimated employment supported
- Impact of supplier spend
- External effects arising from off-site visitor spend
- Estimated gross staying visitor spend
- Estimated employment stimulated by the project
- Total estimated impact of the project.

5.5 Displacement:

The provision of a gallery for the display of the Graham Sutherland Collection would be unique and, rather than displacing other art and culture attractions, would add value to the offer in North Pembrokeshire. However, the provision of a café on the site raises the question of displacement of business from small providers in the city of St Davids. This issue was raised recently with the proposal to create a refectory at the Cathedral. Another café, at the opposite end of the city, may further impact upon that and other local businesses. Apart from the Cathedral however, indications are that few of these are open all year. It is considered that an attraction of this standing, particularly one providing classes and courses on site, requires a catering facility to enable it to become viable as a complete tourism product

6. RECOMMENDATION

St Davids is a key destination in Pembrokeshire. The historic core of the city is designated an Outstanding Conservation Area, while the city and peninsular together have over 30 scheduled ancient monuments and 200 listed buildings. In recent years the city has experienced more than 500k visits per annum. Nonetheless, the city has more capacity now for visitors since the creation of the Visitor Centre and car parks at the east end of the city have helped to reduce congestion and to add another activity to the itinerary of many visitors.

The new gallery would benefit the overall attraction of visits, both in the penetration of current visitors to St Davids and in terms of new visitors to the city, from the development of a more substantial exhibition and activity programme. As a new indoor attraction, it will also offer new opportunities for visitors in the shoulder months and out of season and will enable a new approach to the marketing of the north of the county in the visitor and particularly short-breaks market.

Pembrokeshire's tourism strategy places a priority on raising awareness of landscape, flora and fauna, heritage and culture of Pembrokeshire. The proposed project fulfils this in all respects.

It is recommended that a grant of £98,750 be approved at 3% of eligible project costs, whichever is the lower, subject to:

- PCNPA and NMGW each confirms, in writing, that any deficit will be met throughout the compliance period
- The Visitor Centre and Gallery be registered by VAQAS
- All staff to attend Welcome Host.

JLL
04/06

SECTION 4 – FINANCIAL APPENDIX

Summarised Financial Details: Visitor Centre/Landscape Gallery

Financial year	31st August	2004/05	2005/06	Year 1	Year 2	Year 3
Profit / Loss Account						
Admissions		250	258	29,281	29,834	30,739
Food/catering		0	0	121,891	124,193	127,961
Shop		60,700	62,521	99,300	102,344	105,449
Other		58,257	77,876	67,695	70,574	74,665
Total sales income		119,207	140,655	318,167	326,945	338,814
Direct costs		-35,000	-35,000	-79,895	-81,405	-83,874
Gross Profit		84,207	105,655	238,272	245,540	254,940
Wages and Salaries		64,094	76,938	187,855	193,491	199,295
Marketing costs		2,000	2,060	15,860	16,160	16,650
Repairs and maintenance		5,000	5,150	4,765	4,855	5,003
Bank charges						
Other expenses		13,113	21,506	29,689	30,431	31,321
Total operating expenses		84,207	105,654	238,169	244,937	252,269
Operating profit		0	1	103	603	2,671
Pre Tax Profit (Loss)		0	1	103	603	2,671
Other Information						
Gross Profit Margin %		71%	75%	75%	75%	75%

Assumptions/Notes

1. Admission to facility and gallery will be free, other than for attendance at classes and courses. The admissions figure relates to car parking.
2. 'Other' income relates to the on-going investment of Park Authority and Museum.
3. Net Operating Profit is targeted to break even only, as an operating unit within the Pembrokeshire Coast National Park Authority.
4. Cash flows cannot be constructed for the project alone, as all costs and income are dealt with within the overall PCNPA cashflow.
5. Balance sheets cannot be constructed for the project alone, as all assets and liabilities form part of the overall PCNPA balance sheet.