

**HAMPSHIRE COUNTY COUNCIL.
SIR GEORGE STAUNTON COUNTRY PARK.
JOINT MANAGEMENT COMMITTEE.****FRIDAY 29TH JANUARY 2010.****2010/11 PRICING STRUCTURE REPORT.****Contact: Lewis Paterson (Telephone: 023 9245 3405).****1. Introduction**

- 1.1. The following report sets out the proposed entrance charges to Sir George Staunton Country Park ornamental farm and gardens.
- 1.2. The proposed charges are maximum charges and it is hoped that where possible the Park Manager will be able to operate at a lower pricing scale.
- 1.3. Entrance charges are a key revenue generator at Staunton and as such careful consideration has been given to market forces and competitor pricing scales, both locally and nationally.
- 1.4. An averaged overall pricing increase of 1% is proposed, a full breakdown of charges can be seen at Appendix A. It should be noted that generally increases have been below or very close to inflation with the exception of adult entrance rates. The following considerations have been borne in mind when proposing the charges;
 - Anticipated 2010/11 budget pressures (increasing staffing costs; increased premises costs, including utilities; and increasing infrastructure costs);
 - Comparison with competitor attractions;
 - Competition from the Culture All Pass; and
 - Market sensitivity.

2. Budget Considerations

- 2.1. In 2005 an ambitious ten year forecast budget was prepared for Sir George Staunton Country Park. This initially focussed on clearing the budget deficit before going on to develop the Park as a key visitor attraction. We were successful in clearing our reserves deficit one year ahead of schedule however with the implementation of the Hampshire County Council Remuneration & Benefits Scheme and poor Easter weather in 2008 Staunton is again in deficit. The 2009/10 budget has stabilised the Park and it is aimed to make a small contribution to the deficit (circa £8,000). In order to help further stabilise and begin to build future growth it is vital that future budget pressures can be dealt with as effectively as possible.
- 2.2. Key impacts on next years revenue budget are likely to be;
 - Rising staff costs (as a continuing result of remuneration & benefits);

- Rising utilities costs;
- Increasing budgetary pressure on Partners which may make it difficult for them to increase their contributions in line with the Joint Management Agreement;
- The continuing poor economic climate placing more pressure on visitor spend; and
- Increasing pressure from the Culture All Pass which is contributing significantly to a drop in membership sales at Staunton.

2.3. With partnership grants increasing on an annual basis at 2.5% this is not sufficient to cover additional costs, it is also foreseeable that not all partners will be in a position to increase grants in line with inflation. The two key drivers to increasing income therefore remain to increase visitor numbers or increase entrance tolls. The proposed increase in tolls will enable us to deliver a small return to reserves during the 2010/11 financial year to hopefully clear the deficit. The key driver to this will be increasing visitor numbers through providing an excellent value attraction. Should market conditions improve this will allow us to start building reserves in line with the ten year plan.

2.4. The advent of the culture all pass during 2009 has contributed significantly to a drop in membership sales. Although Staunton takes receipts from passes sold at the gate there is no share of revenue from passes purchased at other Hampshire County Council sites (Table 2.1, below). In addition persons who purchased Culture All Passes at Staunton during 2009 will undoubtedly be targeted for on-line purchase of their 2010 Pass which will again take revenue from Staunton further worsening the situation.

	April to Oct 2008	April to Oct 2009	Variance %
Total Membership Sales	4072	2548 (489 Culture All Passes)	-37%
Total Member Visits	15,903	15,208	-4%

Table 2.1: Membership sales vs. usage

3. Comparison with Competitors

3.1. A key element of our marketing activity has always been benchmarking with competitors. It has been difficult to identify similar attractions which can offer the diversity of Staunton. We therefore select and compare Staunton to a range of similar garden and farm attractions, from the local area as well as nationally.

3.2. Table 3.1 shows individual and averaged adult charges for thirteen other attractions during 2009.

Attraction	Adult Ticket Price (2009)
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Garden Attractions	
Eden Project	£15.00
Exbury Gardens	£8.00
Hinton Ampner	£7.85
Mottisfont Abbey	£8.00
West Dean	£6.75
Sir Harold Hillier Gardens	£8.25
Average	£8.98
Farms	
Cannon Hall Open Farm	£3.95
Cholderton Rare Breeds	£5.75
Longdown Activity Farm	£7.00
Manor Farm Country park	£6.00
Fishers Farm Park	£12.00
Drusillas Park	£13.80
Average	£8.08
Overall Average	£8.53

Table 3.1: Competitor Attraction Charges

- 3.3. The proposed 2010/11 maximum adult charge at Staunton is already below (by 24%) the overall averaged competitor charge for the current year. It is also below the current averaged farm charges by more than 20% on the current year and 28% lower than the averaged garden attractions charge for 2009.
- 3.4. When compared to the principal local competitors of Manor Farm and Fishers Farm Park our proposed maximum charge for 2010/11 also sits between their 2009 charges.
- 3.5. Following last years more significant increase in membership rates and the increased pressure from the Culture All Pass it is proposed to continue working within the existing maximum charge for next year. In order to attract new members, and entice back former members to Staunton it is intended to reduce membership charges and make the package more attractive. It is also intended to offer Culture All as a 'bolt on' addition to those who wish to purchase it – thereby supporting the ethos of this scheme without damaging a vital income stream to Staunton.
- 3.6. Table 3.2 shows that our proposed membership rates are approximately half or less the cost of an average sample of our competitors (local rate 42%, full rate 52%).

Attraction	Adult Membership Price (2008)
Sir Harold Hillier Gardens	£28.50
Longdown Activity Farm	£44.00
Fishers Farm Park	£70.00

Drusillas Park	£45.00
Average	£46.88
Proposed Staunton Local Membership	£24.50
Proposed Staunton Membership	£19.50

Table 3.2: Competitor Annual Membership Charges

4. Market Sensitivity

- 4.1. In the current financial climate market sensitivity has been an important consideration when arriving at the maximum proposed charges. Following a period of significant growth visitor numbers at Staunton have stabilised over the past two years. While it is intended, and likely, that growth will continue over the medium term our revised target for 2010/11 is for zero growth. This is seen as prudent given the current uncertainty in the tourism and leisure markets.
- 4.2. Care has been taken to compare favourably with competitor pricing when arriving at this structure.
- 4.3. In setting a maximum charge the Joint Management Committee will give the Park Manager the flexibility to operate within defined parameters to ensure that Staunton is as competitive as possible whilst ensuring its business viability.
- 4.4. Where possible price increases have been kept to a minimum to enable these further development and promotion of these areas.
- 4.5. Following an initially successful period of membership building through low charges Staunton experienced a drop in sales during 2009. It is proposed continue working within the existing maximum charge but reduce the real cost of membership to make the pass more attractive to potential customers. In addition it is proposed to increase the age of entry from 3 to 5 years of age for the children of our Members thereby offering a viable pre-school age scheme. With Staunton playing an increasingly important role in the community it is felt imperative that a lower rate membership should still be provided for local members who make up approximately 53% of membership. The discount offered to Staunton Members of 5% in our retail section will be increased to 10% which it is hoped will further increase the sales of Estate Produce. A discount of up to 20% will be given to Members choosing to book their children's birthday party at Staunton, which it is intended will stimulate our diminishing market share in this valuable sector.

5. Recommendation

- 5.1. That the 2010/11 maximum charges as set out in Appendix A be approved.

Section 100 D – Local Government Act 1972 – background papers

The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report. NB this list excluded:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

<u>TITLE</u>	<u>FILE</u>
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None	*
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Staunton Country Park
Proposed Maximum Entrance Charges for 2010/11
(commencing 01/04/10)

Entrance Charge	Max. Charge		% inc
	Current 2009	Proposed 2010	
Adult	£ 6.20	£ 6.50	5%
Senior Citizen	£ 4.60	£ 4.70	2%
Child (3 – 16 years)	£ 4.60	£ 4.70	2%
Special Needs / Helpers**	£ 3.20	£ 3.30	3%
Family (up to 2 Adult & 2 Junior OR 1 Adult & 3 Junior)	£ 19.90	£ 19.90	0%
Group Rates (Applies to a minimum of 10 paying persons)			
Adult	£ 4.90	£ 5.20	6%
Senior Citizen	£ 3.70	£ 3.80	3%
Child*	£ 3.70	£ 3.80	3%
Special Needs / Helpers**	£ 3.00	£ 3.00	0%
* With educational groups one adult is permitted free entry with every 5 children; pre schools 1 with every 3 children.			
** Essential helpers admitted free of charge			
School Groups guided visit per child	£ 4.00	£ 4.00	0%
School Groups self guided per child (with resource pack)	£ 3.60	£ 3.70	3%
Season Tickets			
Adult, Junior or Senior - General***	£ 24.50	£ 24.50	0%
Adult, Junior or Senior - Local***	£ 19.50	£ 19.50	0%
Corporate member (adult / junior / senior)	£ 19.50	£ 19.50	0%
***Members children admitted free of charge until 5 years of age.			
Angling			
Adult Season Ticket	£ 49.50	£ 49.50	0%
Senior Citizen / Disabled Season Ticket	£ 42.00	£ 42.00	0%
Junior Season Ticket	£ 33.00	£ 33.00	0%
Adults Day Ticket	£ 8.10	£ 8.10	0%
Senior Citizen / Disabled Day Ticket	£ 7.10	£ 7.10	0%
Junior Day Ticket	£ 6.00	£ 6.00	0%
OVERALL AVERAGE INCREASE			1%