

RYE TOWN COUNCIL

HERITAGE CENTRE WORKING GROUP

Notes of (Initial) Meeting held on 8 September 2008

Members Granville Bantick (GB), Sonia Holmes (SH), Ian Potter (IP),
Shaun Rogers (SR), Sam Souster (SH)

Present Richard Farhall (RF), Judy Pettitt (JP)

Background Rye Town Services (RTS) has served 12 months' Notice of its wish to terminate the RTS-RTC Heritage Centre Management Agreement. RTS will vacate the property on 31 July 2009 – or earlier by mutual agreement. The Heritage Centre Working Group was established by Council on 21 July 2008. The membership was determined at the PRGP Committee meeting held on 18 August.

Remit The Council has asked the HCWG to consider future options for Rye Heritage Centre and to make recommendations. Council has expressed the view that recommending negotiating the termination Notice with a view to RTS continuing to manage the HC would not be acceptable. *[Should Members wish this option to be available prior to 21 January 2009, nine Councillors are required to sign a proposal for resolution to this effect.]*

Election of Chairman It was agreed to appoint SS.

Purpose of (initial) meeting 'Brainstorming' – identifying the need for additional information upon which to base recommendations to Council.

Main objective To ensure the continued provision of a Tourist Information Centre in Rye.

Secondary objectives

- (i) To ensure that 'Best Value' is obtained (whether by way of ensuring the continued provision of a quality tourist information or generating additional revenue for the Council/local taxpayer)
- (ii) Safeguarding the welfare of the Council's employees.

Timescale Ideally, any new operator needs to be in place well before Easter 2009 – ie January-February 2009.

RDC It was recognised that Rother is a key stakeholder as the main funder and would need to be satisfied that any new operator of Rye TIC had the capability and capacity to deliver a tourist information service in accordance with Networked TIC standards.

Existing contract Members were generally largely satisfied with the way RTS had managed the HC but considered that the company had failed to communicate regularly - and effectively - with RTC over a considerable period of time. On the positive side, RTS had replaced the decrepit Walkman audio tour players and had undertaken a refurbishment/rebranding of the Centre.

RTS's intentions Although Kerry de Courcy had written advising that RTS considered that the HC was the best place from which to provide a TIC - and that RTS had no intentions of

fulfilling its contract with RDC elsewhere in the town - it was understood that not all RTS Directors had been consulted.

AGREED To obtain written confirmation from RDC that RTS had given it Notice that it wishes to terminate the RTS-RDC contract, effective 31 July 2009. RF

Positioning It was agreed generally that the ideal place for a TIC was Crownfields/Station Approach, being a public transport terminus for bus, coach and rail travel – with a large adjacent car park. However, the location of the HC was a good ‘second choice’ (and had been identified as the best site within the ‘pre-new extension’ feasibility study).

Funding It was noted that RDC is unlikely to offer more than £30k pa to run Rye TIC and it has not been adding RPI to any of the other TIC contracts – even when seeking expressions for contracts coming up for renewal (as in the case of Battle). There was always the risk that it would seek to reduce the sum further.

Stock JP had visited the HC earlier in the day. The range of London merchandise was adequate but there was insufficient stock on the shop floor to accommodate the needs of, for example, a coach party of foreign students: staff would not have time to ‘top up’ during busy periods. Overall, the stock was attractively laid out but did not shout ‘buy me’ – and more could be made of window displays. She suggested that it should be possible to extract £200 from each coach party of students. The retail prices are reasonable (for Rye) but some of the bespoke items of merchandise are not inspiring. A greater quantity of stock was required on display. It was acknowledged that RTS probably did not have sufficient funds to invest in stock – a minimum order for one item of bespoke merchandise could be in the region of £1,000.

Core business It was agreed that any new operator should be required to take on the TIC and Town Model (the site was given to RTC on the condition that the Model be housed on it). Although the owner of the Old Pier Amusement machines had provided the Group with information indicating that the HC benefits to the extent of c£3,500pa from their presence, it was noted that another activity on the first floor might be more profitable. Ideally, to rent out office accommodation a separate access would be required. If additional retail stock was displayed on the first floor it is likely losses from theft would be higher.

Staffing It was noted that the Transfer of Undertakings (Protection of Employment) Regulations 2006 would apply if the core business was transferred to another operator – ie staff who had been employed for more than 12 months would transfer with the business (assuming it was a ‘stable economic entity’) and that their terms and conditions of employment would largely be protected. This would apply also to the Manager (employed by Rye Lodge). However, if the main business was terminated (including not being provided at a different location) there would be a liability for redundancy payments.

Market appeal/value It was considered that the HC is in a prime location. The (current) presence of a TIC and the Model serve to attract potential customers to the premises. This, in itself, should be attractive to prospective tenants. JP cited the analogy of a village shop containing a post office.

RECOMMENDATION That the Council obtains a professional assessment of the market rent of the HC. RF

Options summary

1 Rent the premises out to a 'sympathetic' major retailer/established 'name' prepared to retain the TIC and Model (and audio tour wands)

Considerations

- Approach the likes of English Heritage, National Trust, Tourism SE (expressed interest in the past)
- Standard (full repairing) business lease easy to obtain – avoiding legal costs and RTC paying for repairs to the fabric of the building
- Would generate a fixed guaranteed annual rental sum
- Some of the potential providers identified may have a policy of promoting only their own premises.
- RDC would be likely to enter into a TIC funding agreement with such an operator.

2 Rent the premises out to any operator prepared to retain the TIC and Model (and preferably audio tour wands)

- First step: invite expressions of interest
- Standard (full repairing) business lease easy to obtain – avoiding legal costs and RTC paying for repairs to the fabric of the building
- Would generate a fixed guaranteed annual rental sum
- RDC would be less likely to enter into a TIC funding agreement with an 'inexperienced' operator.
- An owner/manager may prefer to reduce staffing levels and employ a family member (for example) and would not wish to be constrained by TUPE Regs

3 Rent the premises out to any operator for any purpose

- First step: invite expressions of interest
- Standard (full repairing) business lease easy to obtain – avoiding legal costs and RTC paying for repairs to the fabric of the building
- Would generate a fixed guaranteed annual rental sum
- Could entail the loss of the TIC, Model and audio wands - and staff being made redundant
- RTC would be criticised for failing to support tourism (unless it used the rent to subsidise running a TIC from other premises in the town).

4 Run the HC in-house – retaining (at least) the TIC and Model and audio tour wands)

Considerations

- Most of the staff are employed by RTC
- The manager is employed by RTS but might be amenable to transferring to RTC
- RTC ran the HC for 14 years prior to RTS
- The Town Clerk and Assistant Town Clerk do not have time to manage the Centre directly
- RTC might, like RTS, struggle to make a trading surplus. On the assumption RDC's grant would remain at £30k pa, RTC would need to improve existing revenue streams, identify new ones and/or cut costs
- Based on previous experience, RDC should be confident in RTC's ability to run Rye TIC – but, depending on negotiations over devolved services, there is a risk

relations between the two authorities could deteriorate and impact on the TIC contract

- Offering the TIC/premises to another operator would (continue to) free up RTC resources and generate a guaranteed annual rental income

5 Sell the building

Considerations

- The capital receipts could be used to buy/rent alternative, central premises from which to run a TIC.
- RDC's grant (£30kpa) would not be sufficient to run a TIC without other sources of income. In the absence of sources generated on the premises RTC would need to subsidise the operation.
- A move to a smaller site with fewer activities would require reduced staffing levels.
- It is unlikely a suitable alternative home for the Model could be found if the new owner was unwilling to purchase/manage/maintain it.
- Selling the property during a time of depressed market values – rather than rent it out – would be difficult to justify to an auditor.

RECOMMENDATION That the Council obtains an assessment of the freehold value of the property. RF

(Note: The Assets Valuations Earmarked Reserve has a balance of £870)

RF 9.9.08