

## Update on Rye Heritage Centre for Policy meeting on 27<sup>th</sup> November 2017

### August to October sales figures:

These are the takings through the till in each month, with last year's figures for comparison. As such, they are inclusive of VAT where applicable, but do not include any BACS payments paid direct into the Heritage Centre bank account (such as Town Model group bookings)

	2017 Till takings	2016 Till takings
August	17613	18286
September	14589	13316
October	10154	10158
<b>TOTAL:</b>	<b>42356</b>	<b>41760</b>

### Promotion of businesses and attractions within the town, 2017 Season statistics:

- 4000 Visit Rye Bay Guides distributed
- 50 postal brochures requests arranged
- 345 Rye Harbour Nature Reserve booklets, 146 Camber Castle booklets and 440 postcards sold for Friends of Rye Harbour Nature Reserve contributing a total of **£498.70**
- 107 copies of Ghosts of Rye, 40 Smugglers in Rye and a smaller selection of other historical publications sold contributing **£575** to the Rye Castle Museum/ Rye College Local History Group
- 40 packs of John Izod Rye postcards sold raising **£200** for Rye and District Community Transport
- **Accommodation Bookings:** Since April 1<sup>st</sup> 2017, the centre has taken **£880** in accommodation booking commissions, and generated **£8837** worth of accommodation revenue for local hoteliers and guesthouses. We hosted B & B evening in October which was well attended and has helped re-establish closer ties with the wider community. Another, larger scale 'VIP' event for a wider range of accommodation providers and for local attractions is planned for the beginning of March. This will be an opportunity for us to distribute up to date posters and leaflets, as well ensure we have correct contact details and rates for accommodation ready for the peak season.
- Staff in the centre also dealt with a huge volume of enquiries regarding the Rye Jazz Festival, Rye Arts Festival, Wild Boar Week, Rye Fawkes bonfire and the recent Classic Car rally.
- We are also now a ticket agent for Rye Creative Centre's pantomime, which is raising funds for ARCC.

## Stock Update

- The Rye Town Trail that was originally commissioned by the TIC on Lion Street from Domain Support is now being sold in the Centre and is proving very popular with visitors. A larger order at a more favourable rate has been placed to keep us stocked up ready for the start of next season.
- A new range of Sussex jams and pickles is selling steadily. Chocolate and crisps are still sluggish, but these do not have as much of a specific regional connection. It is hoped that we can approach Rye Chocolates to see if they would be interested in allowing us to stock some of their confections!
- New T-Shirts, umbrellas with the Baron's Seal of Rye are now available in the Centre. T-shirts are selling steadily, and will hopefully prove popular with visitors from the USA, Canada, Australia and New Zealand - as well as proud Rye locals!
- Over the winter, we are planning on finalizing the requirements for selling local wines.

## Ghost Walks

- 2017 season ghost walks got off to a bumpy start as it is no longer possible to access the Ypres Tower due to lack of availability of suitable keyholders to facilitate this at the Castle Museum. It is hoped that should the Castle Museum staffing situation change we will be able to offer this as part of the Ghost Walks again in the future. Ideas for other venues are being explored, such as Jeake's House, the cellars of The Mermaid Inn and possibly the attic of the Town Hall.
- It was decided to reduce the ticket price of the Ghost Walks to reflect this change from £12.50 (which covered the cost of the contribution to the Castle Museum) to £10. However, this change has also meant that we have been able to increase the Ghost Walk capacity from 14 people to 30 people.
- All Ghost Walks have been publicised via boosted posts and events listings on Facebook, via posters, and on the websites of the Heritage Centre, Visit 1066 country and RyeSussex. Walks are now led by Paul Goring, in his Town Crier regalia and a replica lantern, which gives the walks a unique selling point.
- So far, there have been 4 Ghost Walks this year- 2 private bookings and 2 public walks, which have generated **£500** profit for the centre.
- There are 3 more walks currently planned for 2017 and the hope is that we will be able to run them all year round, as the demand currently far outstrips the supply. This is definitely an area of opportunity for the Centre!

## Guided Walks

- In September, the Centre also planned and delivered a private guided tour of Rye for a group of Japanese village council delegates from the World Heritage Site of Shirakawa-Go. The Mayor and *Rye News* came to the Centre to greet them, souvenir gifts were exchanged, and as part of the tour the group were taken to view the Council Chamber.
- The success of this tour has given us the confidence to take further bookings for private guided tours of Rye for 2018 at £10 per person.

- We are also now working with Rye History Walks on a commission basis, and negotiating to run more historical guided walks of Rye from the Centre in 2018.

### **Attendance at tourism meetings**

In October I attended the following meetings:

- **East Sussex Tourism Trends:** A presentation for 1066 group members on the results of research into visitor numbers, demographics, point of origin, spend and satisfaction within the 1066 area.  
Key points of interest to Rye – we are the top of the charts for the most likely place for visitors to recommend to a friend in East Sussex, with 96% of people surveyed saying they would recommend Rye for a visit.
- **1066 Executive Board meeting:** I was given permission to attend as an observer to better understand how the 1066 Country board works and meet some of the key players. Opportunities to work with Visit 1066 to better promote Rye may come from this.
- **Finding New Perspectives on 1066 Country workshop**  
This was a 1066 group member meeting to work with Blue Sail and Playne Design on generating content for the new website and for future marketing campaigns, and on helping attractions and businesses within this area to better market themselves.  
There were also very good leads and ideas here for how Rye is perceived both within the area and in general tourism literature, which will help with marketing the Centre.

### **Winter admin time plans:**

Work over the coming winter has been divided into 3 key areas:

- **Administration and systems tasks** To be handled by Jessica Neame and including - but not limited to - entering the revised 2017 budget into QuickBooks so that profit and loss data can be produced for the Council, finalizing the setup of the Unity Trust bank account to reduce banking charges, arranging the installation and setup of the new telephone lines, sourcing the best deal for the Centre for electricity (the current contract runs out in December), working with Gibbons Mannington to improve bookkeeping procedures, invoicing groups for 2018 bookings and managing the timesheets.

- **Promotion and future events** To be handled by Gill Pascall, and to include: updating and expanding the database of accommodation contacts, planning the VIP/B & B event for March, liaising with Paul Goring, David Hopkins and Mike Carver for Ghost and Guided walks in 2018, producing a database of local schools for a mailout to promote group visits, exploring alternative venues for 2018 Ghost walk experiences.

- **Stock, Centre fittings and figures analysis** To be handled by Louisa O'Shaughnessy and to include: Organizing the purchase and installation of all new fittings required in the Centre, reprogramming the till to allow for more accurate sales analysis, organizing and supervising a deep clean and rearrange of the Old Pier Penny Arcade, planning stock purchases for 2018 season, organizing and supervising the deep clean of the Town Model, modernizing the Rye Heritage Centre website, liaising with international groups to arrange 2018 visits.

Louisa O'Shaughnessy, HC Manager, 14 November 2017

## Rye Heritage Centre

## EXPENDITURES BY SUPPLIER SUMMARY

August - September, 2017

	TOTAL
Adams of Rye Ltd	560.00
Artwrite Ltd	14.15
Atlas UK	450.00
Bargain Box	9.18
Bookers	8.99
British Telecom	494.65
Business Stream	52.24
Capability Chris	26.65
Carole Group Ltd	171.53
Casa Grande Limited	155.19
CJ Consultancy	729.00
Clarence & Bean	164.60
Domain Support	70.00
Dover District Council - White Cliffs	23.70
e-on	340.89
East Sussex Pension Fund	3,545.57
Electrosonic	2,178.00
Elgate Products Ltd	1,074.48
Friends of Rye Harbour Nature Reserve	175.00
Gardners Books Ltd	657.46
Gibbons Mannington & Phipps LLP	215.00
HM Revenue & Customs	893.78
J M Waste Management	65.00
J Salmon Ltd	781.25
James Dean Pottery	480.95
Jempsons	19.48
Love for Local Ltd	150.68
NatWest	275.70
Philip Mansergh	18.20
Post Office	5.40
PRS for Music	314.50
Romney Marsh Ceramics	350.50
Rother District Council	2,354.00
Royal Mail	115.14
Rye and District Community Transport	100.00
Rye DIY	2.25
Rye Heritage	20.97
Rye Town Council	487.59
SDL Imports	242.44
Smudge	45.00
SOS Business Supplies	110.08
Sweet Williams	0.60
The Kent & Sussex Tea & Coffee Company	70.00
Tradition Giftware Ltd	346.96
Ulster Weavers	426.60
Universal Mail UK	842.40
Wages	8,514.34
Worldpay	262.81

PRO4 36.2 (b)

## Rye Heritage Centre

### INCOME BY CUSTOMER SUMMARY

August - September, 2017

	INCOME	EXPENDITURES	NET INCOME/(EXPENDITURE)
CTS Reisen	26.67		£26.67
Embassey Summer	244.17		£244.17
G2 Travel	55.00		£55.00
Intercruises Shoreside and Port Sevices	607.50		£607.50
Kuoni Destination Management (Cruise)	48.75		£48.75
Miki Travel Limited	33.33		£33.33
Till takings	28,052.45		£28,052.45
<b>TOTAL</b>	<b>£29,067.87</b>	<b>£0.00</b>	<b>£29,067.87</b>

PRO4 36.2(c)

**Rye Heritage Centre**  
 Budget vs Actuals: 2017-2018 - FY18 P&L  
 April to September 2017

	ACTUAL	BUDGET
<b>INCOME</b>		
Bank Interest	£1.26	
Unapplied Cash payment income	£6.00	
Vatable Sales (models and gifts)	£61,031.32	£88,900.00
Zero sales (books etc.)	£18,419.38	£22,650.00
<b>Total Income</b>	<b>£79,457.96</b>	<b>£111,550.00</b>
<b>COST OF SALES</b>		
Shop Purchases	£27,308.21	£47,216.38
<b>Total Cost of Sales</b>	<b>£27,308.21</b>	<b>£47,216.38</b>
<b>TOTAL</b>	<b>£52,149.75</b>	<b>£64,333.62</b>
<b>EXPENDITURES</b>		
Advertising	£1,815.50	£2,391.00
Alarms	£248.00	£500.00
Bookkeeping and Accountancy Fee	£1,125.00	£1,800.00
Cleaning	£271.81	£560.00
Computer costs and website	£729.00	£1,000.49
Credit card / Bank charges	£1,497.76	£2,152.54
Entertainment / Refreshment	£16.14	£250.00
Events - Ghost Tours	£182.50	£1,035.00
Light and Heat	£1,504.68	£2,700.00
Membership Fees		£1,015.00
Music in Store	£447.62	£447.62
Payroll Expenses	£35,646.53	£63,713.22
Postage HC	£125.63	£115.00
Printing Costs		£92.00
Rates	£7,058.50	£11,766.50
Repairs and Renewals - Model	£2,178.00	£2,578.00
Repairs and Renewals - Office Equipment	£42.62	£100.00
Repairs and Renewals - Premises	£234.74	£250.00
Staff Uniform	£170.43	£250.00
Stationery / Sundry Items	£496.87	£820.00
Telephone / Internet	£1,133.46	£1,900.00
Water Rates	£33.18	£205.00
Exhibition and Fittings	£1,812.44	£3,500.00
<b>Total Expenditures</b>	<b>£56,770.41</b>	<b>£99,141.37</b>
<b>NET OPERATING INCOME</b>	<b>-£4,620.66</b>	<b>-£34,807.75</b>
<b>NET INCOME / (EXPENDITURE)</b>	<b>-£4,620.66</b>	<b>-£34,807.75</b>

## 36.2d) HC GOVERNANCE OPTIONS

*Note This briefing is based on personal research and advice received from SSALC advisor, Ian Davison of Surrey Hills Solicitors*

After staffing, at an estimated £12,000 for 2018-19, the largest item of expenditure at the Heritage Centre (HC) is business rates.

Members were advised previously that if the HC obtained charitable status, the Centre would receive mandatory rates relief of 80% - and would be entitled to apply to RDC for discretionary relief on the 20% balance.

The purpose of this briefing paper is to help Members determine whether it is both practicable – and desirable – to seek to gain charitable status.

The appropriate charitable ‘vehicle’ would most likely be either a Charitable Incorporated Organisation (CIO) or Community Interest Company (CIC).

### **Advantages of charitable status**

#### **a) Rates relief**

80% mandatory business rates relief and 0-20% discretionary relief.

#### **b) Gift Aid**

If the donor is a UK taxpayer, any donations could be ‘Gift Aided’ – ie the charity could reclaim the basic rate of tax paid by the donor (currently 25p in every £1 that is gifted).

In relation to the Town Model admission charge: the standard fee would be ineligible for Gift Aid; however, if the customer donated an additional 10% of the entry cost the *total* admission fee paid would be eligible for tax relief. A donation to cover entry for a 12-month period would also qualified for Gift Aid.

*Note Giving the donor a benefit in return for making a donation (eg a fridge magnet or coffee) might render the donation ineligible for Gift Aid.*

#### **c) Volunteers**

It is conceivable that that a small number of individuals might be prepared to volunteer their time: for example, by introducing – and showing - visitors in and out of the Town Model.

#### **d) Funding**

Charitable status could open up a wider range of grant funding opportunities. Many grant giving trusts are not open to applications from local authorities.

#### **e) Managing the impact on Council Tax Payers**

'Outsourcing' the HC could eliminate – or guard against – the need for RTC (as a local authority) to subsidise the HC. However, RTC would be free to make gifts to the charity at any time – and RTC could recover any VAT incurred on the purchase of gifted goods or services.

### **Disadvantages of (or seeking) charitable status**

#### **a) Charity Commission**

Based on recent experience, Ian Davison has advised that the Commission is becoming warier of local authorities attempting to become sole corporate managing trustees of a charity because it is concerned about the potential for Members to confuse their charity and local authority roles.

#### **b) Trading and tax**

The objects of a charity must be wholly charitable. Charity profits are exempt from corporation tax (or income tax in the case of charitable trusts) where the trading is 'primary purpose' (directly in pursuit of its objects) or ancillary (eg running a café at a visitor attraction). However, 'non-primary purpose' trading (such as selling gifts at the HC) is taxable and, if this is 'significant', and if not a CIC, it would be necessary to establish a trading arm (therefore increasing administration, accounting and financial reporting requirements).

#### **c) Loss of asset**

If the HC was transferred to a charity, even if RTC was the sole managing trustee of that charity, the asset would become the property of the charity – and could not be returned to RTC (as a local authority). If the charity disposed of the asset it would retain the receipts. If the charity was wound up any funds remaining would have to be applied so that they fulfilled, as closely as possible, the charity's original purpose/s.

*Note An alternative would be to lease the building to a charity (which could then claim rates relief – providing it was not a CIC). If the lease failed possession of the building would revert to RTC. Both the lease and any associated agreements (eg in relation to staff, opening stock, opening hours and performance) would need to be tightly worded.*

**d) VAT**

The Town Hall and HC currently share the same group VAT number. If the HC separated from RTC it would need to register for VAT separately and the advantages of group registration would be lost.

*Note Few charities enjoy VAT advantages - generally, fees received for the care, treatment or instruction of children, the elderly, the sick and the disabled only are exempt from VAT.*

**e) TUPE**

If staff are transferred to the charity, under the Transfer of Undertakings (Protection of Employment) Regulations their terms and conditions of employment go with them; however, there is no legal requirement for the new operator to preserve the pension rights they enjoy currently.

**f) Financial and Reporting Requirements**

Whichever charitable structure was adopted there would be additional administrative and financial (including audit) costs.

RF 21.11.17