

## Cover sheet: Notes for interpreting the proposed 2019-2020 budget for Rye Heritage Centre

### Income:

- Adoption of the recommended amendments to the HC opening hours contained in the Strategic Review have been taken into account when preparing these income figures. Whilst core opening hours and peak trading times have been maintained, it is inevitable that reduced days and shorter days will have a negative impact on the level of sales achievable. The income figures for 2019- 2020 have been produced by analysing the level of income generated by each revenue stream in the financial years 2016-2017, 2017-2018 and 2018-2019 to identify areas of growth and areas of decline. The resulting forecasts for each revenue stream have then been adjusted proportionally to reflect the proposed opening days. Further details can be found on sheets 2 and 3 of the Budget spreadsheet: *Income- Yearly Summary* and *Income- Monthly breakdown [available on request]*.

### Cost of Goods Sold:

- The increase in revenue from 'experiences' such as the Town Model and Guided walks, and switching to using more local suppliers means that the cost of stock needed for the centre should fall to around 25% of the forecast total income. Less stock is being held in stock rooms, and bulk orders are avoided unless strictly necessary. Further details can be found on sheet 4 of the Budget spreadsheet: *Expenditure- COGS [available on request]*

### Expenditure- Overheads:

- All overheads have been increased by 3% from 2018-2019 FY figures to allow for inflation.
- Business Rates are not yet available, but have been increased by 5% from 2018-2019 rates for insurance.
- Savings have been made in the following areas:
  - **Advertising:** as many of the contracts for advertising have not changed in price, or were subject to two year contracts in 2018-2019.
  - **Music in Store:** It is proposed that moving forward, the HC invests in royalty free CDs for in store music, which would prevent the need for a PRS licence. The DVD player in the centre has reached the end of its life, and there is no pressing need to replace this.

- **Staff Costs:** Staff rates of pay have been increased by 2.85%, but have also been reduced in line with the opening hours changes proposed in the HC Strategic review. This has resulted in an overall saving of £1645.67 over 2018/2019.
- **Staff uniform:** Uniform is now provided from the exclusive Rye T-shirts sold in the HC.
- The following areas require additional investment in 2019-2020, and have therefore seen an increase:
  - **Computer costs and Website:** The PC on the shop floor has reached the end of its life and needs replacing. A more efficient PC- perhaps combined with an EPOS system, would reduce time spent on routine enquiries, stock ordering and administration.  
Despite an 'in-house' refresh last year, the HC website is in need of a professional overhaul. With reduced opening hours and staffing hours, it would be of enormous benefit to have a website that could accept bookings for HC events.
  - **Repairs and Renewals: Premises.** New Signage is needed for both the interior and exterior of the centre, as proposed in the HC Strategic Review
  - **Membership fees:** Membership of Tourism South East, in addition to Visit 1066, will provide the centre with more visibility and publicity.

Further details can be found on sheets 5 and 6 of the Budget spreadsheet: *Expenditure-Overheads* and *Expenditure- Staffing [available on request]*

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