

## Rye Heritage Centre report to Rye Town Council- April and May 2019:

### *Analysing the fall in income of the Heritage Centre*

Rye Heritage Centre has seen a dramatic fall in income for the first two months of the 2019/2020 financial year when compared to 2018/2019.

At this point in 2018, the centre had generated £26, 082.53 in income, and had a surplus of £3,688. In April and May 2019, the income has fallen to £19,664, 81, with an operating loss of -£5,541.22. With the costs of the new EPOS till system (£2399.03) and the new centre signage (£1084.34) being met directly from Town Hall funds, the actual centre losses total -£2057.85.

The focus of this report will be on exploring the factors that have led to this financial situation, and outlining the actions being taken to mitigate any further loss. Further detail and an expansion on the points mentioned below will be provided at the Council meeting on 24<sup>th</sup> June, but all relevant figures and calculations are included below.

#### **Impact of the reduced opening hours.**

In April and May 2018, the Heritage Centre was open 7 days a week, with closing time being 4.30pm in April and 5pm in May.

This year, based on the recommendations of the Heritage Centre Strategic Review, the centre has been open 6 days a week, 10am – 4pm (closed on Thursdays). The aim was to reduce staffing and utilities costs at quieter times whilst retaining maximum income. It was proposed that a percentage of the takings from the closure days would be naturally incorporated into the days that the centre was open, as footfall would increase on the days that the centre was open.

Although Tuesdays had initially been proposed as a closure day, the announcement that the newly refurbished Lamb House would once again be open on Tuesdays this season (as it had been every year except 2018) prompted the move to Thursday closure. Although this is market day in Rye, the positive impact of the market on heritage centre takings has always been minimal, as visitors to the market are primarily coming to shop at the market, not to explore the town. Historically, the footfall of the centre is much higher on days that Lamb House is open.

As a result of these changes to opening times, the centre was open for a combined total of 82 hours less in April and May 2019 than in April and May 2018 (412 hours open in 2018, 330 hours open in 2019)

Using the April and May till takings figures, we can find the average spend per hour to calculate the extra revenue potentially available in these hours.

April: £8614.53 till takings/168 hours open = £51.28 x 27 hours closed =£1384.56

May: £9734.30 till takings/162 hours open = £60.08 x 55 hours closed = £3304.40

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£4688.96

Some impact from the centre closure was factored into the 2019/2020 budget projections, with no growth over 2018 forecast for April, and a drop in income of £650 for May. However, bearing in mind that all parties involved in taking this hours reduction decision thought that there would be an increase in footfall on alternative days, that the entirety of the Easter holidays fell in April this year, a full May half term holiday and four bank holidays during these months, the budget was prepared as if the daily average takings for these months in 2019 would remain at, if not exceed, those of 2018.

This has not proven to be the case. We have received reports at the centre from several local accommodation providers that they have been sending visitors to the centre to find it closed, and it seems that these visitors are not returning on another day. On days when staff have been working in the centre on a Thursday carrying out administrative tasks or attending a private group booking, the amount of visitors arriving at the centre wishing to gain entry has been higher than anticipated. We have also noticed an increase in the centre in the number of days where we must turn down requests to see the town model show due to the earlier closure. It seems reasonable to conclude that the reduction in opening hours has had a larger negative effect on takings than initially thought.

#### **Reduction in student group bookings and spend:**

Changes to the opening hours alone cannot account for all the loss of income. The other area of major impact on takings is the reduction in student group bookings and consequent loss of gift spend.

The average daily takings in the centre have not been maintained or grown as forecast but have fallen.

Average Daily takings:

April 2018: £339.01 (ex VAT) /April 2019: £292.14 (ex VAT)

May 2018: £411.45 ( ex VAT)/ May 2019: £349.22 ( ex VAT)

The dramatic fall in group bookings highlighted at the last council meeting can now be fully analysed, and the results are startling.

In April and May 2018, the centre received £2736 via BACS payments for group visits, and an additional £1724 (ex VAT) in group admissions through the till, giving a total of £4460 on group admissions.

In April and May 2019, this fell to £1824 via BACS and £1202.50 (ex VAT) through the till, giving a total of £3026.50 on group admissions.

This alone gives a loss of income of £1433.50, but the loss of the associated gift spend is the main factor behind the fall in average daily spend.

Approximately 1 group in 4 would stay in the centre and spend an average of £5 per head on souvenirs and gifts. If the £1433.50 above represents approximately 215 adults and 859 students, and 25% of these missing visitors had spent £5, this would have generated approximately £1119 ( ex VAT) in income.

**Factors to consider:**

Tourism South East communication May 2019:

“Our key neighbours (France, Netherlands, Belgium Germany) are unsettled by the Brexit process and although the weak pound is a positive driver, feedback from last year’s meetings and VisitBritain shows that we have work to do the current perceptions of travelling to England.”

Latest Visit Britain/Visit England forecasts for 2019 inbound tourism (February 2019)

“A decline in confidence in travel post March 29th is a significant and growing downside risk to this forecast and the outturn from European markets in particular could be significantly less than this forecast assumes.”

**Actions being taken to control centre revenue with immediate effect:**

- Strict control of stock purchasing limited to only local supplier items that are selling well and running low.
- Postponement of the proposed website development.
- Careful monitoring of staff hours spending to ensure that wages spending is kept to the bare minimum whilst maintaining staff contract obligations.

**LOS 18.6.19**

CS 48(b)

# Rye Town Council

## INCOME BY CUSTOMER SUMMARY

April 2019

	INCOME	EXPENSES	NET INCOME
Bethersden Primary School	28.75		£28.75
CLC - Club Langues et Civilisations	60.00		£60.00
Cultural Accomodation Travel Services	113.75		£113.75
Envol Espace	253.75		£253.75
Europe Incoming	77.50		£77.50
Evatours	65.00		£65.00
Langues et Voyages	20.83		£20.83
P G Trips Association	52.50		£52.50
Reiskundig N.L	68.75		£68.75
Till takings	8,614.53		£8,614.53
Verdie Open Class	121.25		£121.25
<b>TOTAL</b>	<b>£9,476.61</b>	<b>£0.00</b>	<b>£9,476.61</b>

# Rye Town Council

## EXPENSES BY SUPPLIER SUMMARY

April 2019

	TOTAL
Ahmad Tea	-9.60
Artwrite Ltd	10.42
Aurora World Ltd	502.36
B & J Hargreaves	63.37
Blended Therapies	109.00
Boghopper Books	63.96
Care Signs	789.34
Carole Group Ltd	746.00
Clarence & Bean	725.24
DWD Telecoms	105.15
East Sussex Pension Fund	508.14
Eposnow	2,399.03
Evo Payments International	17.36
Gardners Books Ltd	300.64
Greenworks Solutions Ltd	80.00
Hastings Ketchup Co Ltd	72.00
History Walks by David Clarke	87.00
HM Revenue & Customs	298.61
Its Lolly Limited	16.00
James Dean Pottery	433.85
Jempsons	11.65
Judge Sampson Ltd	376.84
Kirsty Doherty	295.00
Love for Local Ltd	93.36
Morplan	97.50
NPower	1,096.19
P&P Waste Movers	110.00
Paul Raynor Designs	64.00
Philip Mansergh	27.30
PRS for Music	476.67
Romney Marsh Ceramics	60.00
Rother District Council	1,237.75
Royal Mail	124.66
SDL Imports	719.90
Simply Ice Cream	16.67
Strange Fruits	120.00
The Proper Tea Company	36.00
The Sussex Handmade Soap Company	90.00
Tradition Giftware Ltd	475.54
Wages	3,427.48
Yellow Publications	186.20
<b>TOTAL</b>	<b>£16,460.58</b>

# Rye Town Council

CS 48b)

## INCOME BY CUSTOMER SUMMARY

May 2019

	INCOME	EXPENSES	NET INCOME
Brook Green UK	36.25		£36.25
Civi-ling	73.75		£73.75
CTS Reisen	22.50		£22.50
Espace-Langues et Decouvertes	42.50		£42.50
Euro Voyages	58.75		£58.75
Kuoni Destination Management (Cruise)	20.83		£20.83
Langues et Voyages	32.92		£32.92
Meetings and Events UK Ltd t/a Intercruises Shoreside and Port Services	63.33		£63.33
Sheldwich Primary School	40.00		£40.00
Till takings	9,734.30		£9,734.30
Verdie Open Class	62.50		£62.50
<b>TOTAL</b>	<b>£10,187.63</b>	<b>£0.00</b>	<b>£10,187.63</b>

# Rye Town Council

## EXPENSES BY SUPPLIER SUMMARY

May 2019

	TOTAL
Artwrite Ltd	22.07
Baywash	10.00
Captcha Studios	70.00
CJ Consultancy	235.00
Domain Support	448.00
DWD Telecoms	105.49
East Sussex Pension Fund	503.92
Elgate Products Ltd	629.80
Eposnow	59.45
Evo Payments International	31.01
Hastings Ketchup Co Ltd	72.00
History Walks by David Clarke	78.00
HM Revenue & Customs	425.96
Its Lolly Limited	16.00
J M Waste Management	82.50
Jempsons	2.89
NatWest	5.00
Post Office	2.80
Romney Marsh Ceramics	24.00
Rother District Council	1,240.00
Royal Mail	124.66
Rye Heritage	0.67
Rye Shoes	6.54
Simply Ice Cream	117.47
Tracey Brown	39.00
Universal Mail UK	244.00
Wages	4,068.92
Yellow Publications	79.80
<b>TOTAL</b>	<b>£8,744.95</b>

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Rye Heritage Centre  
Budget vs Actuals: 2019-20  
April 2019 to May 2019

2019

	ACTUAL	BUDGET
<b>INCOME</b>		
Bank Interest	£0.07	
Unapplied Cash payment income		
Vatable Sales (models and gifts)	£15,591.81	£79,060.00
Zero sales (books etc.)	£4,072.43	£25,015.00
<b>Total Income</b>	<b>£19,664.31</b>	<b>£104,075.00</b>
<b>COST OF SALES</b>		
Shop Purchases	£7,411.02	£26,755.22
<b>Total Cost of Sales</b>	<b>£7,411.02</b>	<b>£26,755.22</b>
<b>TOTAL</b>	<b>£12,253.29</b>	<b>£77,319.78</b>
<b>EXPENDITURE</b>		
Advertising	£1,084.34	£2,761.00
Alarms		£540.00
Bookkeeping and Accountancy Fee		£1,920.00
Cleaning	£284.59	£620.00
IT Hardware & software	£2,651.83	£4,345.00
Credit card / Bank charges	£85.37	£965.00
Entertainment / Refreshment	£10.99	£250.00
Events - Ghost Tours		£1,200.00
Light and Heat	£1,096.19	£2,500.00
Membership Fees		£850.00
Music in Store	£476.67	£165.00
Payroll Expenses	£9,233.03	£52,578.75
Postage HC	£3.47	£40.00
Printing Costs		£450.00
Rates	£2,477.75	£12,725.00
Repairs and Renewals - Model		£2,990.00
Repairs and Renewals - Office Equipment		£0.00
Repairs and Renewals - Premises		£715.00
Staff Uniform		£50.00
Stationery / Sundry Items	£197.44	£1,000.00
Telephone / Internet	£192.84	£1,380.00
Water Rates		£225.00
Travel Expenses		£50.00
Exhibition and Fittings		£0.00
Website		£1,500.00
<b>Total Expenditure</b>	<b>£17,794.51</b>	<b>£89,819.75</b>
<b>NET OPERATING INCOME</b>	<b>-£5,541.22</b>	<b>-£12,499.97</b>

⊛ A DEFICIT OF £2,000 AFTER DEDUCTING EXPENDITURE ON AN EPDS SYSTEM AND SIGNAGE (BOTH FUNDED FROM THE TOWN HALL 2019-20 BUDGET).



## Rye Heritage Centre

Budget vs Actuals: 2018- 2019 - FY19 P&L

April 2018 to May 2018

2018

	ACTUAL	BUDGET
<b>INCOME</b>		
Bank Interest	£0.11	
Unapplied Cash payment income		
Vatable Sales (models and gifts)	£20,838.90	£104,000.00
Zero sales (books etc.)	£5,243.52	£27,300.00
<b>Total Income</b>	<b>£26,082.53</b>	<b>£131,300.00</b>
<b>COST OF SALES</b>		
Shop Purchases	£6,862.03	£39,833.27
<b>Total Cost of Sales</b>	<b>£6,862.03</b>	<b>£39,833.27</b>
<b>TOTAL</b>	<b>£19,220.50</b>	<b>£91,466.73</b>
<b>EXPENDITURE</b>		
Advertising		£2,230.00
Alarms		£520.00
Bookkeeping and Accountancy Fee		£1,855.00
Cleaning	£271.52	£532.50
Computer costs and website		£647.00
Credit card / Bank charges	£142.61	£1,873.44
Entertainment / Refreshment	£11.24	£250.00
Events - Ghost Tours	£90.00	£1,000.00
Light and Heat		£2,500.00
Membership Fees		£625.00
Music in Store		£465.00
Payroll Expenses	£11,916.16	£56,346.05
Postage HC	£5.64	£50.00
Printing Costs	£23.40	£651.00
Rates	£2,424.00	£12,200.00
Repairs and Renewals - Model		£2,645.00
Repairs and Renewals - Office Equipment		£0.00
Repairs and Renewals - Premises	£64.16	£300.00
Staff Uniform		£80.00
Stationery / Sundry Items	£414.81	£750.00
Telephone / Internet	£188.86	£1,525.00
Water Rates		£215.00
Travel Expenses		£50.00
Exhibition and Fittings		£0.00
<b>Total Expenditure</b>	<b>£15,552.40</b>	<b>£87,309.99</b>
<b>NET OPERATING INCOME</b>	<b>£3,668.10</b>	<b>£4,156.74</b>