

Notes on the 2018/2019 Heritage Centre Draft Budget

Income

- The expectation is that the recovery in sales that started in July of this financial year will continue.
- The estimated sales figures for 2018-19 are also based on an overall positive like for like, due to the following general factors: the Centre beginning to see the results of an improved and wider advertising spend to improve footfall, the refit of the interior encouraging higher spend, a fully stocked Centre from the very start of the season which should result better sales figures than the first quarter of 2017.
- Group admission rates to the Town Model have not been increased for over a decade. These are due to be increased to £1.50 for under 16s and £2 for adults in 2018, with group visit organisers already having been informed of this. It is calculated that this will increase Town Model revenue by 12.5% over the revised 2017/2018 figure. In addition, the introduction of a £25 deposit/fee for cancellation is likely to improve the attendance rate of groups.
- The highest earning revenue stream for the Centre is the general 'gifts' category, which encompasses the vast majority of the souvenir spend. This is also the category most vulnerable to fluctuations and fads. The majority of the estimated takings for 2018/2019 is based on a return to the 2016/2017 season levels of gift sales. This is a 10% increase over the revised 2017/2018 sales figures. This will be achieved via the improved gift offering to encourage a wider range of visitors to make a purchase in the Centre, more promotion of the new exclusive ranges via social media, and increased promotion by staff.
- It should be noted that these sales figures are achievable, but- as has occurred this financial year- external factors and unpredictable visitor numbers can have a severe and adverse effect on the gift spend in the Centre. This is the most vulnerable area of the Centre's activity. To ensure maximum sales, the Centre needs to spend effectively on advertising, make best use of links to other attractions in the town and the 1066 area to increase footfall, and ensure that the gifts in stock are of good quality and displayed in an appealing fashion.

Expenditure – Cost of Goods Sold

- The Centre will be starting the 2018-19 financial year fully stocked. The COGS figure represents the amount of stock that will need to be purchased to both achieve the necessary sales figures, and leave the Centre fully stocked for the 2019/2020 season.

Expenditure-Staffing

- Inflation at 3.5% has been applied to all hourly rates for the 2018/2019 financial year.
- Allowance has been made for pension contributions.
- These figures are based on the Centre reducing opening hours to 10am-4pm in April 2018, October 2018, February 2019 and March 2019. Opening hours will be kept at 10am -5pm May-September. The Centre tends to be busiest in the morning through to approximately 3pm, with very little trade after 3pm/3.30 pm except in peak season.
- It is proposed that the Centre closes fully from 1st November 2018 to February 9th 2019 (start of half term), with the exception of Bonfire weekend, Christmas in Rye weekend, ghost walks and private bookings. Currently, more is spent on staff hours to open at weekends in winter than is taken through the till, and a saving of £3,886 in staff costs can be made by doing this. This will also reduce energy costs.
- If the seasonal sales assistant appointed for 2017-18 is retained there will be no need to recruit an extra summer temporary assistant in 2018. This staffing budget includes 10-15 hours per week for the current seasonal sales assistant should they be retained which will provide adequate cover for lunch breaks, large group visits and office time for management.
- An extra 265 hours has been allowed across all staff as a contingency for covering holiday in Centre opening months, covering sickness and any out of hours events or meetings.
- 5 hours per week Town Hall admin and bookkeeping time has been allowed. This is a more accurate assessment of the length of time required on a weekly basis for bookkeeping, invoicing and timesheets once the larger projects of replacing and updating current systems is complete.
- Winter admin time: A maximum admin allowance of 5 hours a week each for the manager, senior sales assistant and admin assistant has been included in this figure This is a generous allowance and it may be the case that not all of this is needed. This number of hours would also cover any extra opening hours needed should any private bookings be made for winter, or for opening the Centre for ghost walks.
- Overall, the salary bill has been reduced by £7,364.

Expenditure - Overheads/running costs

All running costs have had a 3% increase applied where applicable to allow for inflation.

Banking charges:

- It has been assumed that by the 2018/2019 financial year, the new Unity Trust online bank account will be fully operational. A £5 per month contingency has been allowed for keeping the current NatWest account open, and the fees for the Unity Trust account have been calculated at £600 in total for the year, to include fees for BACS transfers at 35p per transaction. A saving of at least £320 per year will be made by switching to BACS payments.
- A greater saving has not been made in this category due to the high credit card charges currently levied by Worldpay. This is an area that is due to be investigated this winter to see if savings can be made.

Light and Heat

- The current contract with eon is up for renewal and there is, therefore, an opportunity to search for a cheaper deal. The figure for next year's light and heat has been kept the same, as it is not yet known how much can be saved. The Centre has also had all heaters recently checked, and by using the storage heaters more efficiently, it is hoped that further savings can be made.

Telephone/Internet

- For 2018/2019, this figure includes a one off set up cost for new telephone line contracts of £300. In future years, the annual cost should fall to approximately £1,225.

Louisa O'Shaughnessy, November 2017