

TENTERDEN TOWN COUNCIL – EXTERNAL COMMITTEE

CINEMA FOCUS GROUP

MINUTES OF A MEETING ON 11TH OCTOBER 2018

Present: Cllr. Mike Carter, Cllr. Sue Ferguson, Phil Burgess (Town Clerk), Claire Gilbert (Deputy Town Clerk), Tom Evans (Chair), Alan Bates, Colin Campbell, Paul Hale, Chris Head, Carol Parkin, Fran Sharp, Bob Somerscales, Gill Topley, Wilfred Watters.

1. **Apologies for Absence.** Nic Phillips and Lindsay Phillips. Apologies had been received via email before the meeting, but not seen until after, from Kimberley Trow and Seren Welch.
2. **Minutes** of the meeting held on 30th August 2018 were agreed with one correction: Gill Topley was present, not Fran Sharp.
- 2.1 As discussed at the last meeting, Alan Bates and Colin Campbell had joined the Working Groups and it was agreed that they would become formal members of the Cinema Focus Group. It was agreed that members who have not regularly attended meetings would be contacted to find out if they were still members; an up to date email contact list will be circulated to members.

3. **Town Council's Position.**

Phil Burgess, Town Clerk, addressed the group to outline what he believed was the Council's current position. At present, the two Councillors on the Focus Group are the most keen on a cinema, however, the group will have a task convincing the remaining 14 Councillors of any further expenditure towards feasibility studies. Phil suggested that the group request the £30,000 for the next stage should be deducted from the £500,000 that the Council would have to spend anyway on the Pebbles to bring it up to a lettable state following the expiry of the lease. Phil commented that although the cinema was one of the most wanted projects for the Town, indications were that residents did not want the Council to finance it.

Phil Burgess left the meeting.

4. **Matters Arising.**

- 4.1 Minute 5.1 from 30th August meeting – Claire had obtained a 'shopping list' from Stefanie Fischer as requested and this had been circulated. Sue Ferguson commented that this document would be useful for the Council itself to use when looking at the Pebbles. Tom Evans reported that the list provided was a reasonable proposal. Colin Campbell commented that given the Pebbles was Grade II listed, the Council would have to conduct a basic survey before any works are undertaken, therefore, they would have to pay for a survey anyway.
5. **Working Group Reports.** Tom Evans thanked the working groups for producing their reports, which had been circulated on 9th October 2018 to members.

5.1 Operators Working Group. Tom commented on the report circulated: he was surprised that Kino were not listed as interested, which was fed back by Ron Inglis. Paul Hale reported that they will meet with each of the operators to gauge interest and find out how much they would be willing to commit. Tom asked if it was possible for the meetings with operators to take place before the 12th November External Committee meeting.

Mike Carter asked whether the last feasibility report could be given to the operators; initially it was agreed to ask the Council, however, the reports are in the public domain.

Tom commented that a list of specific questions needed to be drawn up to ensure consistency with all operators; it was also suggested that the working group should review the accounts of potential operators to check their financial soundness. Tom commented that a copy of the feasibility report could be sent to operators asking them to respond if interested. Alan Bates suggested giving operators a questionnaire to complete.

Paul reported that conducting site visits to interested operators would be preferable to inviting them to Tenterden. Chris Head suggested talking to the Independent Cinema Office to put in an advert for expressions of interest.

5.2 Finance & Structuring Working Group. Chris Head reported that Paul had looked at the drive time data provided by Ron Inglis and it was felt the estimate provided was fairly conservative as Paul's estimate came to 94,000 against Ron's 70,000 visits. Chris commented that it was critical that the cinema is self funding. The cost of 1.5 million did not seem to include all expenses and up to 3 million was a more realistic cost.

Colin Campbell reported that VAT was a critical issue. To avoid extra VAT costs, the Council could get the building ready as they were able to claim the VAT back. The building could then be handed over for fitting out. Colin suggested that co-operation was needed from a local authority to help with the VAT.

Mike Carter suggested that Burrell, Foley, Fischer should be sent Chris Head's building estimates for comments as to whether the increase up to 3 million is viable. The Group was not sure that this would be appropriate.

Tom suggested the Group talked about where the money could be raised from. Alan commented that crowd-funding was made up of donations and it might be advisable to look at investors. Tom commented that it is a community project split into two parts: Tenterden Town Council and Residents; we should be looking at local investors.

Chris suggested getting a plan in place and secure some funding, then look at shortfall investors. Tom suggested presenting to the Council possible ways of funding a viable business and highlighted four areas that could be presented:

- (i) a cinema is viable;
- (ii) not high risk in our view;

- (iii) need to say if a genuine operator is interested;
- (iv) this is where the money might be raised from once the feasibility study has been conducted.

Tom tabled, and went through, a cost and funding models sheet for the Pebbles which he had produced. Colin suggested putting Ashford Borough Council (ABC) instead of the Town Council on the funding sheet. Colin had spoken to a couple of contacts who had a clear message: we will not get any current grant funding – the best that can be hoped for is a loan from the Public Works Loan Board. Most reserves at ABC are earmarked already and ABC would be a no go for investing as they are heavily investing in Ashford itself. In ABC's view, Tenterden does not need regenerating. However, Colin suggested that once the figures are robust, the leader of ABC could be approached.

Chris suggested writing to industrial investors to see if they would be interested and also look at different levels of investment.

Tom thanked the members of the working group; the next stage would be to pitch to the External Committee.

- 5.3 Route Map Working Group. Alan went through the working group's report. The route map is a living document and will change over time. It was suggested that a call for investors sheet will need to be produced like Rye did; Tom agreed to re-circulate Rye's sheet.

Colin reported that the company formation, operator's requirements and funding possibilities need to be in place in the Initiation Stage of the map. A main company needs to be set up properly to protect the directors. Tom suggested that Colin contacts the Fletcher Directors for advice as they had been in this situation.

Alan reported that a more sophisticated model of finances needs to look at the finer details. Colin commented that a significant amount of profit will come from the cafe. Alan suggested looking at different rents that operators would pay.

- 6. Next Steps.** The report that goes to the External Committee on 12th November needs to be clear and concise, preferably two sided A4. The finance, operators and adjusted route map reports could be included. It was agreed that it needs to be simple. Tom agreed to edit the documents together, once updated/ revised, and suggested that as many members as possible should attend the meeting as possible; at least one member from each working group should be there to answer any questions.
- 7. Any Other Business.** None.
- 8. Date of Next Meeting.** Tuesday, 30th October 2018 at 7pm to finalise report to External Committee.