

ANNEX 3

Model for testing concepts

In order to consider if a concept can proceed to the next detailed planning stage, we need to consider:

SWOT analysis

The classic SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) give an overview for each fee incremental revenue opportunity. Identified opportunities can overcome weakness and threats.

Value proposition

A value proposition is a statement that clearly identifies the benefits a company's products and services will deliver to its customers

For the Tonbridge Castle and grounds OSG, we are aligning the value proposition to the Residents, Business and Visitor needs, outlining the benefits to the local economy within Tonbridge & Malling Borough Council.

Key performance measure

With any initiative TMBC launches, it is paramount to have a set of Key performance measures in place. Where possible we are using industry standard best practice measures to be able to understand how any initiative is performing.

Scoring – against set criteria

To enable benchmarking between the different initiatives we are using the following indicators, each having a weighting of importance shown against them - 1) Little importance, 2) Slightly important, 3) Important, 4) Very important, and 5) Critical.

- Residents / Community need
- Market / Competition
- Alignment to TMBC Strategies
- Resource (TMBC / External partner)
- Cost / funding requirements
- Revenue opportunities

Scoring – against indicator

The scoring ranges from 1 to 5 and is dependent primarily on the impact to TMBC. The higher the risk, cost or minimal incremental fee revenue the lower the score would be.

An example of the evaluation for a Café / Bistro restaurant are shown on the next three pages

Concept: Café / Bistro restaurant

Evaluation example

Strength	Weakness	Value proposition
<ul style="list-style-type: none"> • Strong consultation feedback for Café / Bar from residents • High profit margins • Attracting people to meetup for cream teas • Celebrate special occasions - birthday lunches and evening meals • Pre Lawn entertainment lunch or dinner • Move financial risk of running opportunity to outside business/organisation. • Assessable access • To continue purchasing all goods and services from local community where possible. 	<ul style="list-style-type: none"> • Required capital investment in Kitchen to be sited on outside wall to invest now for a sustainable future • We would need to enhance support staff (Caretakers) to cover evening trading. • High turnover of staff- average restaurant employee lasts two months and manager/supervisor four months. 	<ul style="list-style-type: none"> • Addressing customer need through Tonbridge Castle consultation • Rental income from Franchise operator/private company to run this operation. • Iconic historic venue with views over Castle Lawn • Offering a range of hot and cold food, Cream Teams, drinks, and alcoholic drinks for consumption on or off the premises, for all day and evening dining. • Large catchment area • Digital online bookings • Focus venue to celebrate special occasions, group meals, seasonal themed events and tailored promotions • Potential quality fine dining • Sell dining as part of package with Castle tour and Castle Lawn events. • Themed nights with entertainment • Local employment opportunities and local economy uplift for other businesses through partnerships.
Opportunities	Threats	
<ul style="list-style-type: none"> • Café kitchen to support all Castle events (Conference and banqueting). • Serving hatch to Castle Lawn • To allow an outside business Franchise to bid to run the Café/restaurant/bar. • Themed food days and night • Quality fine dining • Local employment – enabling people to access work and use their skills / develop new skills • Select certain nights for select and appropriate entertainment. • To open the Watergate concession unit as weather is good, or opportunity arises • Bring in people that will spend money on other businesses/activities 	<ul style="list-style-type: none"> • Kent County Council does not decommission the Gateway facias to restore the rooms to usable state (KCC Contract to be reviewed). • Business and franchise would have to invest heavily to be able to trade and may not succeed. 	

Key Performance Measures	
<ul style="list-style-type: none"> • Sales – impacts breakeven point and gross profit – track historical sales to determine forecasting, planning and reduce costs. • Break-Even Point • A restaurant's prime cost is the sum of all its staff costs (salaried, hourly, benefits, etc.) and its Cost of Goods Sold (COGS) • Overhead Expenses • Net Promoter Score (NPS) – how likely it is for a customer to recommend your restaurant • Table turn time – measured through Point of Sale (POS) 	<ul style="list-style-type: none"> • Customer retention rate – percentage of customers that return to your restaurant • Revenue per seat hour – Hours the restaurant is open – number of available seats and revenue generated • Seating layout efficiency – divide number of occupied seats by total number of seats – determines If you have more 4 and 6 tables than you need • Staff turnover rate – (High turnover of staff in the industry)

Scoring Matrix example

Indicator	Weighting 1 - 5	Weighting Scoring 1 – 5	Rational	Scoring 1 – 5	Total score (Weighted x Score)	
Resident / Community need	1	Little demand	<ul style="list-style-type: none"> Large catchment area Appeal to everybody, who wants to experience food and drink in an iconic location Huge number of residents walk in the grounds and need to have a drink / snack while enjoying the open space A very good venue for celebrating special occasions with cream teas, meals etc <p>Consultation</p> <ul style="list-style-type: none"> From 640 returns: 529 want at Café (X%) 	5	20	
	2	Some demand				
	3	Demand				
	4	Strong demand				
	4	Strong demand				
	5	Very strong demand				
Market / Competition	1	No market for concept	<p>Tonbridge Castle, where the proposed Café/restaurant would be sited, if set back from Tonbridge High Street.</p> <ul style="list-style-type: none"> Old Fire Station is closest premises selling coffee to the castle. <p>Café in/off Tonbridge High Street</p> <p>Jel's Café, 74 High Street, Psws Cat Café, Angel Walk, The Bakehouse, 124 High Street, Finch House Café & Fine Foods, The Pavilion, 66mm coffee, River Walk, Creams Factory, 160 High Street, The Finnchouse Café, High Street</p> <p>Basil Wholefoods, 30 High Street, Goodfellas Café, 76 High Street, Jimmys Café, 28 Avebury Avenue, Caffe Nero, 34 High Street, Nancy's Tearoom, Lamberts Yard</p>	4	12	
	2	Some demand for concept				
	3	Demand for concept				
	4	Strong demand for concept				
	4	Strong demand for concept				
	5	Very strong demand for concept				
Members views Alignment to Strategies	1	No alignment with strategy	<p>Achieving Efficiency</p> <ul style="list-style-type: none"> focusing on ensuring good value for money Changing demands and needs of our residents and businesses 	<p>Embracing Effective Partnership Working and Funding</p> <ul style="list-style-type: none"> achieving more by working and engaging effectively with a wide range of local partners from the private, public, voluntary and community sectors. 	4	16
	2	Little alignment with strategy				
	3	Some alignment with strategy	<p>Innovation</p> <ul style="list-style-type: none"> Digital booking at Café/restaurant and on-line booking of meal/attraction packages. 	<p>Measuring Future Success</p> <ul style="list-style-type: none"> The post implementation 5-year review plan each year, will ensure the agreed operation is monitored at regular intervals and corrective action is taken as an when required. 		
	4	Aligns with strategy				
	4	Aligns with strategy				
	5	Fully aligns with strategy				

Indicator	Weighting 1 - 5	Weighting Scoring 1 – 5	Rational	Scoring 1 – 5	Total score (Weighted x Score)										
Resource – Staff	<table border="1"> <tr><td>1</td><td>TMBC employs all staff</td></tr> <tr><td>2</td><td>TMBC employs some staff</td></tr> <tr><td>3</td><td></td></tr> <tr><td>4</td><td></td></tr> <tr><td>5</td><td>Staff employed by external company</td></tr> </table>	1	TMBC employs all staff	2	TMBC employs some staff	3		4		5	Staff employed by external company	5	External Company Employing Staff	4	20
1	TMBC employs all staff														
2	TMBC employs some staff														
3															
4															
5	Staff employed by external company														
Cost / funding	<table border="1"> <tr><td>1</td><td>TMBC invest in 100% set up</td></tr> <tr><td>2</td><td>TMBC invest in 60% set up</td></tr> <tr><td>3</td><td>TMBC invest in 40 % set up</td></tr> <tr><td>4</td><td>TMBC invest in 10% set up</td></tr> <tr><td>5</td><td>External company pays set up fees</td></tr> </table>	1	TMBC invest in 100% set up	2	TMBC invest in 60% set up	3	TMBC invest in 40 % set up	4	TMBC invest in 10% set up	5	External company pays set up fees	3	External company to cover costs of fit out of designated space	3	9
1	TMBC invest in 100% set up														
2	TMBC invest in 60% set up														
3	TMBC invest in 40 % set up														
4	TMBC invest in 10% set up														
5	External company pays set up fees														
Revenue opportunities	<table border="1"> <tr><td>1</td><td>Little incremental revenue identified</td></tr> <tr><td>2</td><td>Some incremental revenue identified</td></tr> <tr><td>3</td><td>Incremental revenue identified</td></tr> <tr><td>4</td><td>Strong incremental revenue identified</td></tr> <tr><td>5</td><td>Very strong incremental revenue identified</td></tr> </table>	1	Little incremental revenue identified	2	Some incremental revenue identified	3	Incremental revenue identified	4	Strong incremental revenue identified	5	Very strong incremental revenue identified	4	Notes: Not all revenue will be realised in year 24-25 due to the closure of the Gateway in July 2024, decommissioning and setup/build of identified opportunity.	Total Scoring	77
1	Little incremental revenue identified														
2	Some incremental revenue identified														
3	Incremental revenue identified														
4	Strong incremental revenue identified														
5	Very strong incremental revenue identified														

Ref:	Incremental revenue Opportunities	Year (£000's)					Proceed to detailed planning	Do not proceed
		24-25	25-26	26-27	27-28	28-29		
001	Fee from outside contractor running café (Current advertised rental fees for retail premises in Tonbridge £25.91 - £29.54 per Sq. ft per year) Example 1,100 Sq. ft *£28 plus annual inflation (Discuss premium rate)						Yes/No	Yes/No
R002	Refreshment orders for conference and banqueting at higher margins to TMBC						Yes/No	Yes/No
R003	Tender for concession at Watergate						Yes/No	Yes/No
R004	Selling to Events on Lawn where no catering is engaged.						Yes/No	Yes/No
R005							Yes/No	Yes/No

Note:

- Incremental fee revenue would need to be tapered, to reflect metrics of launching each initiative and growth.
- When undertaking the analysis of each fee revenue opportunity, the chart would incorporate Red, Amber and Green (RAG) scheme tracking.