

For publication

Venues Fees and Charges 2018/19 (J000)

Meeting:	Cabinet
Date:	5 th December 2017
Cabinet portfolio:	Deputy Leader
Report by:	Arts and Venues Manager

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1.0 Purpose of report

- 1.1 To review the scale of charges for lettings at the Pomegranate Theatre, the Winding Wheel, the Assembly Rooms in the Market Hall and Hasland Village Hall for 2018.
- 1.2 The report will not deal with any proposed changes to ticket prices, as these are negotiated with the visiting production companies throughout the year when productions are booked.
- 1.3 The report will not deal with any proposed increase in bar and catering prices. These prices are normally reviewed twice a year, and are set by the cost of the purchases, bar performance, VAT and what increases, if any, it is felt that the market can sustain.

2.0 Recommendations

- 2.1 That the theatre hire charges for the Pomegranate Theatre from 1 April 2018 will be as detailed in **Appendix A**.

- 2.2 That the room hire charges for the Winding Wheel from 1 April 2018 will be as detailed in **Appendix B**.
- 2.3 That the equipment hire charges at the Winding Wheel from 1 April 2018 will be as detailed in **Appendix B**.
- 2.4 That the theatre hire charges for the Winding Wheel for professional companies and commercial use from 1 April 2018 will be as detailed in **Appendix C**.
- 2.5 That the room hire charges at the Assembly Rooms in the Market Hall from 1 April 2018 will be as detailed in **Appendix D**.
- 2.6 That the room hire charges at Hasland Village Hall from 1 April 2018 will be as detailed in **Appendix E**.

3.0 Background

- 3.1 In 2016/17 the Pomegranate Theatre operated at a deficit of £127,325 (net controllable costs). The theatre earned £994,828 in income in 2016/17, the majority of which, £671,105 came from gross ticket sales, £144,375 from bar and other front of house sales and £88,421 through the hire of the theatre.
- 3.2 In the same financial year, the Winding Wheel operated at a deficit of £218,521 (net controllable costs). It earned a total of £759,320 in income in 2016/17 of which £476,896 came from gross ticket sales, £161,291 from bar and other front of house sales and £81,812 from room lettings, and associated equipment hire.
- 3.3 In the same financial year, Hasland Village Hall operated at a deficit of £27,233 (net controllable costs). It earned a total of £28,219 in income from room hire in 2016/17.
- 3.4 In the same financial year, the Assembly Rooms, in the Market Hall, operated at a deficit of £42,569 (net controllable costs). It earned a total of £20,349 in income from room lettings in 2016/17.
- 3.5 The Council implemented an improvement programme for the venues, following a review in 2011, the key aims of which were to integrate the operation of the venues, improve the arts and cultural offer of the two theatres and reduce the overall subsidy to the Council tax payer. This has seen a significant reduction in the net operational

costs for the service. The net controllable costs of the Winding Wheel and the Pomegranate Theatre have been reduced from £687,931 in 2011/12 to £345,847 in 2016/17. This is a reduction of £342,084 which is equivalent to a reduction of 49%.

- 3.6 At the beginning of this year, due to the ongoing financial challenges which the Council faces, the Venues were asked to find further saving in its net operational costs. It has been tasked with reducing the net controllable costs of the service to NIL by the end of 2020/21.

4.0 Proposed Charges for 2018/19

4.1 Hire Fees – Pomegranate

When hiring the Pomegranate Theatre there are three different price categories, which are as follows:

Group A: Charities, amateur musical, drama societies and educational establishments.

Group B: Dancing schools.

Group C: Professional companies and commercial use.

There is no proposal to change the classification of hirers at the Pomegranate Theatre.

- 4.2 Due to the requirement to further reduce the net operational costs of the Pomegranate Theatre, and following a review of the different rates, it is proposed that the existing rates be increased as detailed in **Appendix A** as from 1st April 2018.

4.3 Hire Fees – Winding Wheel

The Winding Wheel has two main categories of hire fees. Community charges, which apply to social gatherings and non-profit making organisations, and commercial charges, which are levied on profit making events and organisations. There is no proposal to change the classification of hirers at the Winding Wheel.

- 4.4 Due to the requirement to further reduce the net operational costs of the Winding Wheel, and following a review of the different rates, it is proposed the existing rates be changed as detailed in **Appendix B** as from 1st April 2018.

4.5 It is proposed that the theatre hire rates for professional companies and commercial use are unchanged as from 1 April 2018 as detailed in **Appendix C**.

4.6 The hirers at the Winding Wheel are also charged for additional equipment they may require, including seating, technical equipment, staging, etc. It is proposed that the existing rates be increased as detailed in **Appendix B** as from 1 April 2018.

4.7 **Hire Fees – Assembly Rooms, Market Hall**

The Assembly Rooms has two main categories of hire fees. Community charges, which apply to social gatherings and non-profit making organisations and commercial charges, which are levied on profit making events and organisations. There is no proposal to change the classification of hirers.

4.8 It is proposed that the existing rates are increased as detailed in **Appendix D** as from 1 April 2018.

4.9 **Hire Fees – Hasland Village Hall**

The Hasland Village Hall has three main categories of hire fees. Community charges, which apply to social gatherings and non-profit making organisations, community concessionary charges, which applies to children and senior citizen groups not receiving any other grant or concession and commercial charges, which are levied on profit making events and organisations. There is no proposal to change the classification of hirers.

4.10 It is proposed that the existing rates are increased as detailed in **Appendix E** as from 1 April 2018.

5.0 Financial Implications

5.1 In 2016/17 the income from hire fees for the Pomegranate Theatre was £88,421. The original budget for 2017/8 is £92,400. We believe that based on the bookings for the second half of the year to date, we believe that we will achieve the budget for the year.

5.2 In 2016/17 the income from hire fees for the Winding Wheel was £73,749. The original budget for 2017/18 from hire fees for the Winding Wheel was £93,600. Unfortunately hire fee income is below

budget after six months trading as at the end of September, which is partially due to the closure of the venue during August and September to refurbish the two lifts. We believe that it will be very challenging to achieve budget this year. Current bookings for the second half of the year currently are less than originally budgeted. Whilst we will continue to work hard to improve bookings, at this stage it is considered prudent to revise the projected income figure for 2016/17 to £73,600.

- 5.3 In 2016/17 the income from equipment hire at the Winding Wheel was £8,063. The original budget for 2017/18 from equipment hire for the Winding Wheel was £7,530, but projected income figure for 2016/17 has been revised to £6,000.
- 5.4 In 2016/17 the income from hire fees for Hasland Village Hall was £28,219. The original budget for 2017/18 was £25,050, and after six months trading as at the end of September, income is ahead of target, and whilst some of the improvement is due to phasing, the projected income figure for 2016/17 has been increased to £27,000.
- 5.5 In 2016/17 the income from hire fees for the Assembly Rooms in the Market Hall was £20,349. The original budget for 2017/18 was £18,650, and after six months trading as at the end of September, income is ahead of target, and whilst some of the improvement is due to phasing, the projected income figure for 2016/17 has been increased to £20,000.

6.0 Human Resources/People Management Implications

- 6.1 There are no human resources or people management implications from these proposals.

7.0 Risk Management

- 7.1 In the current economic climate, the entertainment, leisure and business markets are under pressure. There is also increasing local competition in this area from other modern venues and hotels. It is, therefore, inevitable that the risks in attaining the income targets are increasing.

Description of the Risk	Impact	Likelihood	Mitigating Action
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Decreased number of community group hirers	Medium	Medium	Offer alternative venues to these hirers
Increased competition	High	Medium	Improved marketing capacity and activity. Use of packages.

8.0 Equalities Impact Assessment (EIA)

8.1 The Council has agreed both a Venues Programming Policy and an Arts and Culture Strategy. These documents identify, in more detail, the impact that these proposed price increases will have on the various equalities groups and an action plan to militate against any negative impact will be developed. The Equality Impact Assessments are available from the Policy Service.

9.0 Alternative Options to be Considered

9.1 An alternative option would be to introduce a significantly greater hire charges than those increases proposed for the Pomegranate Theatre, the Winding Wheel, Hasland Village Hall and the Assembly Rooms. However, this would risk putting off potential hirers, especially charities and local amateur and community groups.

9.2 Given the increasing competition and current economic situation, an alternative option would be not to increase hire charges. However, all venues operate at a considerable deficit and in order to develop a sustainable business plan, charges for these services have to increase.

10.0 Recommendations

10.1 That the theatre hire charges for the Pomegranate Theatre from 1 April 2018 will be as detailed in **Appendix A**.

10.2 That the room hire charges for the Winding Wheel from 1 April 2018 will be as detailed in **Appendix B**.

- 10.3 That the equipment hire charges at the Winding Wheel from 1 April 2018 will be as detailed in **Appendix B**.
- 10.4 That the theatre hire charges for the Winding Wheel for professional companies and commercial use from 1 April 2018 will be as detailed in **Appendix C**.
- 10.5 That the room hire charges at the Assembly Rooms in the Market Hall from 1 April 2018 will be as detailed in **Appendix D**.
- 10.6 That the room hire charges at Hasland Village Hall from 1 April 2018 will be as detailed in **Appendix E**.

11.0 Reasons for Recommendations

- 11.1 To make further progress towards a sustainable financial position for the venues.

Decision information

Key decision number	766
Wards affected	All
Links to Council Plan priorities	To provide value for money services The proposed changes to fees and charges will contribute to increased income at the Venues and is part of our plan to achieve zero subsidy.

Document information

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Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	

Appendices to the report

Appendix A	Pomegranate Theatre Hire Charges
Appendix B	Winding Wheel Hire and Equipment Charges
Appendix C	Winding Wheel Theatre Hire Charges
Appendix D	Assembly Rooms Hire charges
Appendix E	Hasland Village Hall Hire Charges

