

**For publication**

**Venues Fees and Charges 2019/2020 (TV000)**

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Meeting: Cabinet

Date: 13<sup>th</sup> November 2018

Cabinet portfolio: Town centres and visitor economy

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 2019/20.
- 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 2019 will be as detailed in **Appendix A**.

- 2.2 That the room hire charges for the Winding Wheel from 1 April 2019 will be as detailed in **Appendix B**.
- 2.3 That the equipment hire charges at the Winding Wheel from 1 April 2019 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 2019 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 2019 will be as detailed in **Appendix D**.
- 2.6 That the room hire charges at Hasland Village Hall from 1 April 2019 will be as detailed in Appendix **E**.

### 3.0 **BACKGROUND**

- 3.1 In 2017/8 the Pomegranate Theatre operated at a deficit of £31,704 (net controllable costs). The theatre earned £1,077,836 in income in 2017/18, the majority of which, £672,884 came from gross ticket sales, £144,331 from bar and other front of house sales and £94,755 through the hire of the theatre.
- 3.2 In the same financial year, the Winding Wheel operated at a deficit of £208,977 (net controllable costs). It earned a total of £802,215 in income in 2017/18 of which £508,612 came from gross ticket sales, £148,713 from bar and other front of house sales and £77,853 from room lettings, and associated equipment hire.
- 3.3 In the same financial year, Hasland Village Hall operated at a deficit of £31,879 (net controllable costs). It earned a total of £32,091 in income from room hire in 2017/18.

- 3.4 In the same financial year, the Assembly Rooms, in the Market Hall, operated at a deficit of £45,230 (net controllable costs). It earned a total of £20,847 in income from room lettings in 2017/18.
- 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 £240,701 in 2017/18. This is a reduction of £447,230 which is equivalent to a reduction of 65%.
- 3.6 At the beginning of 2017, 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 2019/20**

##### 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 1<sup>st</sup> April 2019.

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 1<sup>st</sup> April 2019.

4.5 It is proposed that the theatre hire rates for professional companies and commercial use are unchanged as from 1 April 2019 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 2019.

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 2019.

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 2019.

5.0 **FINANCIAL IMPLICATIONS**

5.1 In 2017/18 the income from hire fees for the Pomegranate Theatre was £94,755. The original budget for 2018/9 is £95,450. However due to a reduced number of hires programmed in the second half of the current financial year, we estimate that hire income will be approximately £30,000 less in the current financial year than budget, and will be approximately £65,450.

5.2 In 2017/18 the income from hire fees for the Winding Wheel was £70,432. The original budget for 2018/19 from hire fees for the Winding Wheel was £73,600. We estimate that assuming current levels of business continue, this figure should be achieved.

5.3 In 2017/18 the income from equipment hire at the Winding Wheel was £7,421. The original budget for 2018/19 from equipment hire for the Winding Wheel was £6,200. We estimate that assuming current levels of business continue, this figure should be achieved

5.4 In 2017/18 the income from hire fees for Hasland Village Hall was £32,091. The original budget for 2018/19 was £28,620, and we estimate that assuming current levels of business continue, this figure should be achieved.

5.5 In 2017/18 the income from hire fees for the Assembly Rooms in the Market Hall was £20,847. The original budget for 2018/19 was £21,120, and we estimate that assuming current levels of business continue, this figure should be achieved.

6.0 **HUMAN RESOURCES /PEOPLE MANAGEMENT IMPLCATIONS**

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

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 2019 will be as detailed in **Appendix A**.

10.2 That the room hire charges for the Winding Wheel from 1 April 2019 will be as detailed in **Appendix B**.

10.3 That the equipment hire charges at the Winding Wheel from 1 April 2019 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 2019 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 2019 will be as detailed in **Appendix D**.
- 10.6 That the room hire charges at Hasland Village Hall from 1 April 2019 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**

<b>Key decision number</b>	846
<b>Wards affected</b>	<b>All</b>
<b>Links to Council Plan priorities</b>	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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<b>Background documents</b>	
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>	
<b>Appendices to the report</b>	
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