

For publication

Venues Fees and Charges 2021/2022 (TV000)

Meeting:	Cabinet
Date:	15 th December 2020
Cabinet portfolio:	Town Centres and Visitor Economy
Directorate:	Arts and Venues

1.0 Purpose of the report

- 1.1 To review the scale of charges for lettings at the Pomegranate Theatre, Winding Wheel Theatre, the Assembly Rooms in the Market Hall and Hasland Village Hall for 2021/22.
- 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. 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 2021 will be as detailed in **Appendix A**.
- 2.2 That the room hire charges for the Winding Wheel Theatre from 1 April 2021 will be as detailed in **Appendix B**.
- 2.3 That the equipment hire charges at the Winding Wheel Theatre from 1 April 2021 will be as detailed in **Appendix B**.
- 2.4 That the theatre hire charges for the Winding Wheel Theatre for professional companies and commercial use from 1 April 2021 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 2021 will be as detailed in **Appendix D**.

2.6 That the room hire charges at Hasland Village Hall from 1 April 2021 will be as detailed in **Appendix E**.

3.0 Reason for recommendations

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

4.0 Background

4.1 In 2019/20 the Pomegranate Theatre operated at a deficit of **£33,292 (net controllable costs)**. The theatre earned £1,237,205 in income in 2019/20, the majority of which, £802,292 came from gross ticket sales, £153,163 from bar and other front of house sales and £82,448 through the hire of the theatre, and £132,304 from gross booking fees for both venues.

4.2 In the same financial year, the Winding Wheel Theatre operated at a deficit of **£298,683 (net controllable costs)**. It earned a total of £855,268 in income in 2019/20 of which £534,247 came from gross ticket sales, £178,235 from bar and other front of house sales and £90,071 from room lettings, and associated equipment hire.

4.3 Net controllable costs for the venues are defined as total costs of operating the venues less internal council recharges, IAS 19 adjustments, and capital depreciation costs.

4.4 In the same financial year, Hasland Village Hall operated at a deficit of **£20,111 (net controllable costs)**. It earned a total of £41,423 in income from room hire in 2019/20.

4.5 In the same financial year, the Assembly Rooms, in the Market Hall, operated at a deficit of **£46,517 (net controllable costs)**. It earned a total of £13,616 in income from room lettings in 2019/20.

4.6 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 from the Council tax payer. This

has seen a significant reduction in the net operational costs for the service. The annual net controllable costs of the Winding Wheel Theatre and the Pomegranate Theatre have been reduced from £687,931 in 2011/12 to £331,975 in 2019/20. This is a reduction of £355,956 which is equivalent to a reduction of 52%.

- 4.7 In the new Council plan for 2019-2023, under the priority Providing value for money services, and the objective, *Become and stay financially self-sufficient, the objective Reduce the subsidy (net operational costs) further for our theatres* is included.
- 4.8 A medium-term financial plan for the Venues was developed in 2019. This plan outlined a route to deficit reduction which relied on a focussed commercial approach to the management and operation of the venues. It combined income growth, and cost savings achieved through procurement and negotiation. The plan built on the financial improvements achieved at the venues in recent years and envisaged incremental change , which would deliver financial benefits in a sustainable way.
- 4.9 However, the business plan is now being revised due the closure of theatres in March 2020 due to the Covid 19 pandemic. The Pomegranate Theatre was partially re-opened for cinema screenings in July 2020, and live events in October 2020. The Winding Wheel Theatre was re-opened for live events in October 2020. However, due to the social distancing restrictions in force, the number of performances to date has been very limited. In addition, due to the various other restrictions due to the pandemic, the opportunity and the demand for theatre and room hire has been significantly reduced. The theatres were closed again for live performances and cinema for the second lockdown which commenced on 5th November 2020.

5.0 Proposed charges for 2021/22

- 5.1 The current fees and charges for each venue have been reviewed. Consideration has been given to the costs of operating each venue, particularly recent increases in staffing and utility costs. In addition, we have considered local market conditions, customer feedback and the demand for each venue, and the impact of the pandemic.

The pandemic has had a significant impact on venue hire during 2020 and 2021. Bookings have been re-scheduled and cancelled. The extended

duration of the pandemic has exacerbated this situation, and the demand for the venues has reduced considerably. There is concern that some local community groups who regularly hire the venues may not reform after the pandemic or may not want to hire some of the venues again in the same way. Due to the pandemic, groups are changing their activities and their approach. Following the end of the pandemic, we anticipate that there may be a period of reduced demand, before uncertainty is replaced by confidence within the local community.

In order to recover income at the venues, after the pandemic has ended, it is proposed that fees and charges are not increased on 1st April 2021 and are kept at the current rates until April 2022. The only exceptions to this are certain staffing and beverage charges.

In addition, we will instigate a new marketing plan to promote the venues to new customers and win new venue hire business.

5.2 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.

- 5.3 Due to the requirement to recover income at the Pomegranate Theatre, it is proposed that the existing rates are unchanged, and are as detailed in **Appendix A** as from 1st April 2021.

5.4 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.

5.5 Due to the requirement to recover income at the Winding Wheel Theatre, it is proposed that the existing rates are unchanged, and are as detailed in **Appendix B** as from 1st April 2021.

5.6 It is proposed that the theatre hire rates for professional companies and commercial use are unchanged as from 1 April 2021 as detailed in **Appendix C**.

5.7 The hirers at the Winding Wheel are also charged for additional staffing and equipment they may require, including seating, technical equipment, staging, etc. It is proposed that most of the existing rates are unchanged with the exception of certain staffing and beverage charges. These are detailed in **Appendix B** as from 1 April 2021.

5.8 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.

5.9 It is proposed that the existing rates are unchanged as detailed in **Appendix D** as from 1 April 2021.

5.10 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.

5.11 It is proposed that the existing rates are unchanged as detailed in **Appendix E** as from 1 April 2021.

6.0 Alternative options

6.1 An alternative option would be to increase charges 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.

- 6.2 Given the current economic situation, an alternative option would be to reduce hire charges. However, all venues operate at a considerable deficit and the venues staffing and premises costs are increasing year on year. In order to develop a sustainable business plan, charges for services must be at least maintained at their current level.

7.0 Implications for consideration – Council Plan

- 7.1 To provide value for money services

The proposed maintenance of the fees and charges at their current level will help contribute to the recovery of income at the Venues, after the restrictions of the pandemic are eased. However, it is unlikely that it will be possible to reduce the deficit at the venues in 2021/22, as we anticipate that trading conditions will be challenging in the first half of the financial year.

8.0 Implications for consideration – Financial and value for money

- 8.1 In 2019/20 the income from hire fees for the Pomegranate Theatre was £82,448. The original budget for 2020/21 was £78,000. However due to the Covid 19 pandemic, we will not achieve the target, because although the theatre re-opened during July to November 2020, all the local amateur and community hirers have either cancelled or postponed their bookings of the theatre prior to April 2021. We are hopeful that bookings for the second half of 2021/22 will return to normal levels, but that will depend on the pandemic.
- 8.2 In 2019/20 the income from hire fees for the Winding Wheel Theatre was £80,984. The original budget for 2020/21 from hire fees for the Winding Wheel Theatre was £80,960. However due to the Covid 19 pandemic, we will not achieve the target, because although the venue has now re-opened, most of the hirers have either cancelled or postponed their bookings of the venue prior to April 2021. We are hopeful that bookings for the second half of 2021/22 will return to normal levels, but that will depend on the pandemic.
- 8.3 In 2019/20 the income from equipment hire at the Winding Wheel Theatre was £9,124. The original budget for 2020/21 from equipment hires for the

Winding Wheel Theatre was £7,800. However due to the Covid 19 pandemic, we will not achieve the target, because although the venue has partially re-opened, most of the hirers have either cancelled or postponed their bookings of the venue prior to April 2021. We are hopeful that bookings for the second half of 2021/22 will return to normal levels, but that will depend on the pandemic.

8.4 In 2019/20 the income from hire fees for Hasland Village Hall was £41,423. The original budget for 2020/21 was £32,900. However due to the Covid 19 pandemic, we will not achieve the target, because although the venue has partially re-opened, most of the hirers have either cancelled or postponed their bookings of the venue prior to April 2021. We are hopeful that bookings for the second half of 2021/22 will return to normal levels, but that will depend on the pandemic.

8.5 In 2019/20 the income from hire fees for the Assembly Rooms in the Market Hall was £13,616. The original budget for 2020/21 was £15,560. However due to the Covid 19 pandemic we will not achieve the target, because although the venue has partially re-opened, most of the hirers have either cancelled or postponed their bookings of the venue prior to April 2021. We are hopeful that bookings for the second half of 2021/22 will return to normal levels, but that will depend on the pandemic.

9.0 Implications for consideration - Legal

9.1 There are no legal implications from these proposals.

10.0 Implications for consideration - Human resources

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

11.0 Implications for consideration - Risk management

11.1 Due to the uncertainties from the current pandemic, and 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
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Decreased number of community group hirers	High	Medium	Offer alternative venues to these hirers where possible	Medium	Low
Increased competition	High	Medium	Improved marketing. Use of packages. Focus on medium term bookings	Medium	Low

12.0 Implications for consideration – community wellbeing

12.1 The availability of a wide range of venues with different capacities and facilities for local community groups at affordable prices is an important ingredient in the Council’s health and wellbeing agenda. Enabling people to meet together can help alleviate loneliness and isolation. In addition, participating in arts events can have a powerful and lasting effect on health, both physical and mental health.

13.0 Implications for consideration – Economy and skills

13.1 There are no implications from these proposals.

14.0 Implications for consideration – Climate Change

14.1 There are no implications from these proposals.

15.0 Implications for consideration – Equality and diversity

15.1 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 prices 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.

Decision information

Key decision number	979
Wards affected	All wards

Document information

Report author	
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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