

For publication

Venues Fees and Charges for 2023/2024 ([Delegation Reference](#))

Meeting:	Cabinet
Date:	17 th January 2023
Cabinet portfolio:	Town Centres and Visitor Economy
Directorate:	Leisure, Culture and Community Wellbeing
For publication	

1.0 Purpose of the report

- 1.1 To review the scale of charges for lettings at the Winding Wheel Theatre, the Assembly Rooms in the Market Hall and Hasland Village Hall for 2023/24.
- 1.2 This report will not include a review of charges for the Pomegranate Theatre as it is temporarily closed due to major building renovation works, and is not due to re-open until 2025.
- 1.3 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 room hire charges for the Winding Wheel Theatre from 1 April 2023 will be as detailed in Appendix A.
- 2.2 That the equipment hire charges at the Winding Wheel Theatre from 1 April 2023 will be as detailed in Appendix A.
- 2.3 That the theatre hire charges for the Winding Wheel Theatre for professional companies and commercial use from 1 April 2023 will be as detailed in Appendix B.
- 2.4 That the room hire charges at the Assembly Rooms in the Market Hall from 1 April 2023 will be as detailed in Appendix C.

2.5 That the room hire charges at Hasland Village Hall from 1 April 2023 will be as detailed in Appendix D.

3.0 Reason for recommendations

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

4.0 Report details

Approach to setting fees and charges

4.1 In accordance with the Council's Medium-Term Financial Strategy, fees and charges are required to be reviewed on an annual basis to ensure that the cost of providing the service is recovered appropriately.

4.2 The process being followed for the review of income to be realised includes an assessment of each fee to identify how it meets the Council's strategic purposes and the level of increase that is proposed as well as taking account of present economic conditions.

4.3 The proposed changes to fees have been based on a robust estimate of the impact of cost increases and demand within the services. This includes assessing the affordability of any of these increases to our residents and customers. Cost pressures and changes in demand include:

- Increases in energy costs
- Inflationary increases (October CPI 11.1%) resulting in increases in supplier costs and materials
- NJC Pay Claim for 2022-23 which has resulted in a higher than budgeted for pay increase for staff and a higher than anticipated budget for the 2023-24 Pay Claim
- Any specific service issues around cost increases or service usage

Review of 2021/22 financial year

4.4 Due to the Covid 19 pandemic, and a series of lockdowns and restrictions, all income has been adversely affected since March 2020. The Pomegranate Theatre was partially re-opened during July to October 2020. The theatres were then closed again for the second lockdown from November 2020. The Pomegranate Theatre was closed until May 2021, when it re-opened with social distanced seating in place. This restriction was relaxed at the end of July 2021.

4.5 From January to August 2021, the Winding Wheel Theatre was licensed as a vaccination centre, and then re-opened for live theatre and venue hire at the

end of August 2021. Hasland Village Hall and the Assembly Rooms became available for general hire again from May 2021.

- 4.6 In 2021/22 the Pomegranate Theatre operated with a small deficit of £774 (net controllable costs). Net controllable costs for the venues are defined as total costs of operating the venues less internal council recharges, International Accounting Standards 9 adjustments, and capital depreciation costs. The theatre earned £1,074,096 in income in 2021/22, the majority of which, £595,535 came from gross ticket sales, with a further £249,000 from government grants and schemes, and £93,475 from bar and other front of house sales and £4,297 through the hire of the theatre, and £93,795 from gross booking fees for both venues.
- 4.7 In the same financial year, the Winding Wheel Theatre operated at a deficit of £272,281 (net controllable costs). It earned a total of £680,399 in income in 2021/22, the majority of which £414,632 came from gross ticket sales, with a further £101,070 from bar and other front of house sales and £61,550 from the hire of the venue and associated charges, and £84,649 from fees and charges for use of the venue as a vaccination centre.
- 4.8 In the same financial year, Hasland Village Hall operated at a deficit of £37,455 (net controllable costs). It earned a total of £20,337 in income from room hire in 2021/22.
- 4.9 In the same financial year, the Assembly Rooms, in the Market Hall, operated at a deficit of £52,434 (net controllable costs). It earned a total of £3,891 in income from room lettings in 2021/22.
- 4.10 The Covid 19 pandemic has had a significant impact on venue hire during 2020 to 2022. Bookings have been re-scheduled and cancelled. Some community groups disbanded during the pandemic, and some have either not re-formed or are meeting less regularly with smaller numbers.
- 4.11 To illustrate this, the level of venue hire income was significantly lower in 2021/22 (approximately 11 months of trading post pandemic) as compared with the 2019/20 (approximately 11 months of trading pre-pandemic) can be seen in Table 1 below.

Table 1 Venue Hire Income comparison 2019/20 v 2021/22

Venue	2019/20	2021/22	Change %
Pomegranate	£82,488	£4,297	-95%
Winding Wheel	£90,071	£61,550	-32%
Hasland Village Hall	£41,423	£20,337	-51%
Assembly Rooms	£13,616	£3,891	-71%

Current year context – 2022/23

- 4.12 The Pomegranate Theatre operated as normal until the end of June 2022, when it temporarily closed due to planned major building renovation works. As the Pomegranate Theatre is not scheduled to re-open until 2025, we have commenced a process of transferring Pomegranate Theatre productions to the Winding Wheel Theatre, where it is technically and financially feasible to do so. We have already transferred the pantomime, and some local community hirer productions.
- 4.13 Consequently since July 2022, the Winding Wheel Theatre has been utilised to a greater extent than normal as it has become the only entertainment venue operated by the Council.
- 4.14 Bookings at Hasland Village Hall have improved as more people have hired the venue for weddings, parties and events. However the demand for the Assembly Rooms remains weak, apart from regular community hirers using the meeting rooms.

Proposed charges for 2023/24

- 4.15 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.

Hire Fees – Winding Wheel

- 4.17 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.
- 4.18 Due to the requirement to generate income at the Winding Wheel, it is proposed that the existing community and commercial rates, are increased, and are as detailed in Appendix A as from 1st April 2023.
- 4.19 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 the existing rates are increased. These are detailed in Appendix A as from 1 April 2023.
- 4.20 It is proposed that the Winding Wheel Theatre hire rates for professional companies and commercial use are increased as from 1 April 2023 as detailed in Appendix B.

Hire Fees – Assembly Rooms, Market Hall

- 4.21 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.
- 4.22 It is proposed that the existing rates are increased as detailed in Appendix C as from 1 April 2023.

Hire Fees – Hasland Village Hall

- 4.23 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.
- 4.24 It is proposed that the existing rates are increased as detailed in Appendix D as from 1 April 2023.

Alternative options

- 5.1 An alternative option would be to maintain charges at the same level for the Winding Wheel, Hasland Village Hall and the Assembly Rooms for a further year. However, since 1st April 2022, venues staffing and premises costs have increased significantly, and it is appropriate to recover this increase in costs from the hirers.
- 5.2 Another 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 increased.

6.0 Implications for consideration – Financial and value for money

- 6.1 Hire income at the Winding Wheel Theatre in 2021/22 (excluding the vaccination centre income) was £40,982. The original budget for 2022/23 was £84,200, and whilst the team are working hard to maximise income, it is currently forecast that income will be approximately £72,000 for the year. With the proposed increase in fees and charges it is estimated that the income for 2023/24 will be £80,640.

- 6.2 In 2021/22, the income from equipment hire at the Winding Wheel Theatre was £5,219. The original budget for 2022/23 for equipment hire income was £8,110, and current forecasts estimate that this will be achieved. With the proposed increase in fees and charges it is estimated that the income for 2023/24 will be £8,840.
- 6.3 In 2021/22 the income from hire fees for the Assembly Rooms in the Market Hall was £3,891. The original budget for 2022/23 was £16,180, and whilst the team are working hard to maximise income, it is currently forecast that income will be approximately £6,200 for the year. With the proposed increase in fees and charges it is estimated that the income for 2023/24 will be £6,820.
- 6.4 In 2021/22 the income from hire fees for Hasland Village Hall was £20,337. The original budget for 2022/23 was £34,220 and current forecasts estimate that this will be achieved. With the proposed increase in fees and charges it is estimated that the income for 2023/24 will be £37,620.

7.0 Implications for consideration – Legal

- 7.1 There are no legal implications from these proposals.

8.0 Implications for consideration – Human resources

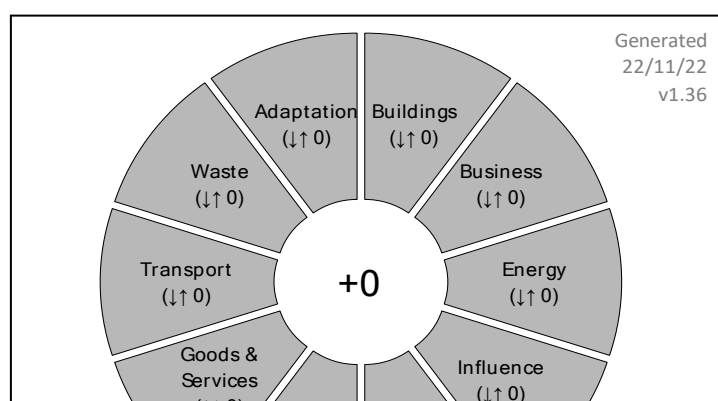
- 8.1 There are no human resources or people management implications from these proposals.

9.0 Implications for consideration – Council plan

- 9.1 In the 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.
- 9.2 The proposed increase of the fees and charges will help contribute to the increase of income at the Venues.

10.0 Implications for consideration – Climate change

- 10.1 These proposals have been discussed with the Council’s Climate Change Officer, and he has confirmed that there are no implications for Climate Change from these proposals.



11.0 Implications for consideration – Equality and diversity

11.1 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.

12.0 Implications for consideration – Risk management

12.1 Due to the current economic climate, and the development of the "digital meeting place", entertainment, leisure and business markets are under pressure. It is, therefore, inevitable that there are risks in attaining income targets.

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
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.	Medium	Low
Hirers are not prepared to pay increased charges for hiring the venues	High	Medium	Work closely with hirers to find solutions to budget issues	Medium	Low

Decision information

Key decision number	<i>All key decisions must be in the Forward Plan at least 28 days in advance. There are constitutional consequences if an item is not in the Forward Plan when it should have been. Contact Democratic Services if in doubt.</i>
Wards affected	ALL

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.	
N/A	
Appendices to the report	
Appendix A	Winding Wheel Hire and Equipment Charges
Appendix B	Winding Wheel Theatre Hire Charges
Appendix C	Assembly Rooms Hire charges
Appendix D	Hasland Village Hall Hire Charges