

## **Report to the Portfolio Holder for Community Development**

**Subject:** Community Centre Fees and Charges 2018/19

**Date:** 19<sup>th</sup> February 2018

**Author:** Service Manager, Community Relations

---

### **Wards Affected**

Borough-wide

### **Purpose**

The report details a revised set of fees and charges and modifications to the pricing structure and discounts for Community Centres and seeks approval for their introduction from 1<sup>st</sup> April 2018.

### **Key Decision**

This is not a Key Decision

### **Background**

- 1.1 A 3% income inflation increase for discretionary income has been agreed by Cabinet for 2018/19. This was the optimum figure in terms of generating additional income from fees and charges to support a balanced budget.
- 1.2 With Portfolio Holder and relevant Corporate Director approval, discretion can be made to apply varying percentage increases to relevant fees and charges as long as the overall cash amount for that area are met. This allows consideration to be made for factors that influence the rate at which fees and charges are set.
- 1.3 These factors include:
  - The Borough's priorities.
  - The comparative price of neighbouring authorities.
  - The effect an increase in price would have on the activity, including customer resistance.
  - The cost benefit of the service.
- 1.4 Pricing information, wherever possible has been gathered from neighbouring authorities and is detailed in Appendix 3. It should be noted that these are current year prices subject to increase by the individual authorities and that true comparisons are difficult to obtain due to the following factors: -
  - Size and type of facilities and their availability vary
  - Location of the facilities can have impact
  - Local private competition/provision have an impact in some areas

- Non local authority provision tends to have a more flexible approach to pricing
- The application of discounts and concessions vary

There are also gaps in some comparative prices, as some authorities do not make a comparative provision to our own.

- 1.5 As part of the Councils aim to target activities for concessionary groups (such as children under 5, people over the age of 60, registered charities/youth groups and non for profit organisations) there is an ongoing discount for hirers providing opportunities for these groups, which is currently calculated as 40% of the full hire price.
- 1.6 In setting the new prices and modifying discounts to concessionary users, consideration has been given to a number of factors:
  - Income targets for the Community Centres in 2018/19 based on the 3% increase and therefore where this additional income can be generated from.
  - The awareness of comparative facilities for hire (e.g. other local authorities and private halls) and the sensitivity around price increases in the current economic climate see Appendix 3.
  - Analysis of the booking trends and income received at the Community Centres according to the variables of the pricing structure i.e. business, standard and concessionary for 2017/18 to identify the main revenue stream for Community Centres and where there may be scope to take a more targeted approach to the discounts received by the Councils priority groups. There is an opportunity to review the level of discounts given to concessionary groups and the current and historical booking trends across the Community Centres demonstrate this. In line with competitive pricing and current customer usage, there is an opportunity to reduce the level of discount to concessionary users to 30% in an effort to align with competitive pricing, generate more income for the Council and reduce subsidy levels without impacting too negatively on existing users.
  - The ongoing Brickyard promotion of a 40% reduction, which has been running for 4 years and has made a significant contribution to usage and income levels at the centre, which would otherwise struggle for bookings given location and accessibility. It is proposed to introduce the same promotion at Burton Road Community Centre to generate more income at this site.
  - Council priorities and cost benefit to the service.

**It has been concluded that a blanket approach to the price increase would be the most suitable course of action. All hire charges for the Community Centres will go up by 3% (rounded up to the nearest appropriate point). See Appendix 1 for proposed prices for 2018/19.**

**Finally there is a cost benefit to the Council to reduce the discount for Concessionary users to 30% (currently from £8.20 per hour to £9.90 per hour standard day rate) as this still remains a generous discount for Under 5's, Over 60's, Registered Youth Groups and Charity groups, however there is also a further opportunity to increase income by 5% in 2019/20. This would mean concessionary users benefit from a 25% reduction off the standard rate and business users pay an enhanced rate of 25% above the standard rate making it a more balanced pricing structure for all users.**

## **Proposal**

- 2.1 It is proposed the Fees and Charges are revised as detailed in Appendix 1. This proposes a 3% increase on all charges and it is recommended these be introduced on 1<sup>st</sup> April 2018.
- 2.2 It is proposed that the discount for concessionary users is reduced from 40% to 30% as from April 1<sup>st</sup> 2018.
- 2.3 It also proposed to offer a promotional rate at both the Brickyard Community Centre and Burton Road Community Centre which applies a 40% reduction to standard and business users. This is detailed at Appendix 2. It is also proposed to remove the concessionary rate at both of these sites. Current concessionary users at these sites will be transferred to the standard rate to benefit from the promotion.
- 2.4 Prices have been set to achieve the discretionary income target due to the Cabinet agreed inflation increase, in consideration of the aforementioned factors.

## **Alternative Options**

- 3.1 An alternative percentage increase for inflation could have been applied. This however would not have been in consideration of the proposed Medium Term Financial Plan or current CPI inflation measures.
- 3.2 For the pricing structure and discount levels to remain the same.

## **Financial Implications**

- 4.1 Applying the proposed Fees and Charges detailed in this report will increase discretionary income and attain the income target set.
- 4.2 Reducing the Concessionary discount to 30% generates an additional £3,000 in income per annum.

## **Appendices**

- 5. Appendix 1 - Revised Fees and Charges 2018/19  
Appendix 2 – Promotion for Brickyard and Burton Road Community Centres  
Appendix 3 - Other local authority charges  
Appendix 4 and 5 – Booking analysis 2017 - 2018

## **Background Papers**

- 6. None identified.

## **Recommendation**

- a) To approve the revised Fees and Charges for 2018/19 as detailed in Appendix 1 and 2
- b) To approve the reduction of discounts to concessionary users to 30%. To be introduced from 1<sup>st</sup> April 2018.

### **Reasons for Recommendations**

- 7. To contribute to the delivery of a balanced budget both in 2018/19 and in the medium term, and satisfy statutory requirement.

## APPENDIX 1 – PROPOSED HOURLY RATE INCREASE ACROSS COMMUNITY CENTRES FOR APRIL 2018\*

	Current Price 2017/18 Per hour	Proposed Price Increase 3% Per hour
Standard Rate	Main Hall	Main Hall
Weekday		
8am - 5pm	13.70	14.10
5pm - 10.30 pm	20.90	21.50
Weekend - Sat/Sun		
8am - 5pm	16.70	17.20
5pm - 10.30pm	23.80	24.50

**Please note:**

Business rates are charged at Standard plus 25% increase and Concessionary rates are charged at Standard minus 30%.

\*A separate promotional rate to apply to the Brickyard Community Centre and Burton Road Community Centre – see Appendix 2.

**APPENDIX 2 – PROMOTIONAL HOURLY RATE AT BRICKYARD COMMUNITY CENTRE AND BURTON ROAD  
COMMUNITY CENTRE**

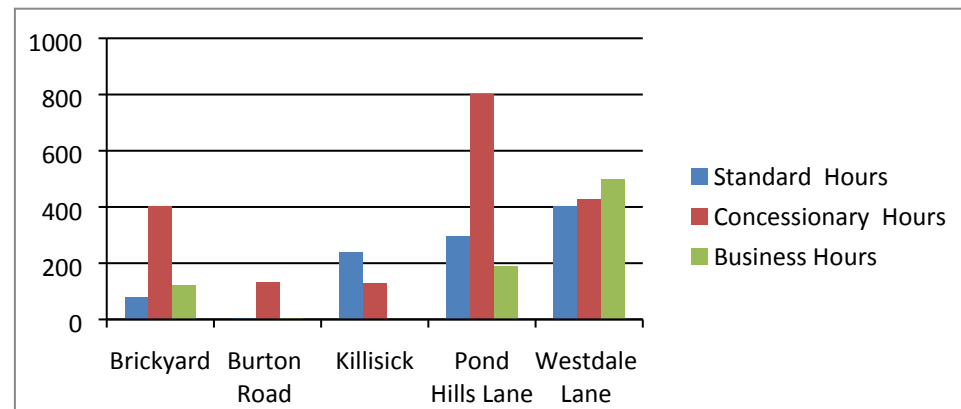
<b>Hire Rate (per hour)</b>	<b>Normal Price</b>	<b>Promotional Price</b>
<b>Standard – weekday</b>		
8.00 am – 5.00 pm	£14.10	<b>£8.50</b>
5.00 pm – 10.30 pm	£21.50	<b>£12.90</b>
<b>Standard - Sat/Sun</b>		
8.00 am – 5.00 pm	£17.20	<b>£10.30</b>
5.00 pm – 10.30 pm	£24.50	<b>£14.70</b>
<b>Business - weekday</b>		
8.00 am – 5.00 pm	£17.60	<b>£10.50</b>
5.00 pm – 10.30 pm	£26.90	<b>£16.10</b>
<b>Business - weekends</b>		
8.00 am – 5.00 pm	£21.50	<b>£12.90</b>
5.00 pm – 10.30 pm	£30.70	<b>£18.40</b>

### APPENDIX 3 – COMPARISON WITH OTHER LOCAL AUTHORITIES

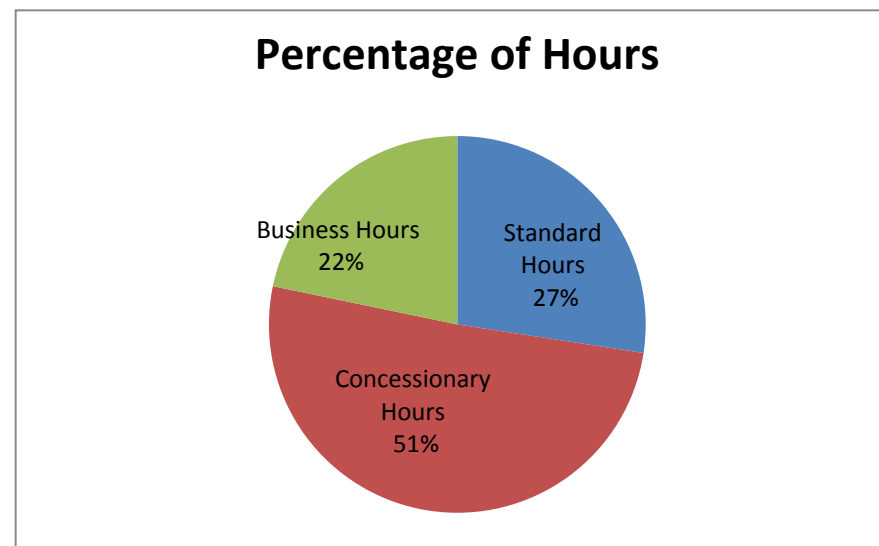
Based on standard daytime rate (2017/18) per hour				
Authority	Centre/Pavilion/Hall	Weekday	Weekend	Notes
Gedling Borough Council	All GBC Community Centres	£13.70	£16.70	
Nottingham City Council	Edwards Lane Estate	£14.95	£14.95	
Nottingham City Council	Sherwood Community Centre	£16.50	£16.50	An additional £25 caretaking fee evenings and weekend
Nottingham City Council	Bakersfield Community Centre	£22.00 - £26.00	£22.00 - £26.00	
Nottingham City Council	Bells Lane Community Centre	£16.00	£16.00	Additional £9 p/h for use of kitchen
Rushcliffe Borough Council	West Park Sports Pavilion	£30 - £49	£30 - £49	
Newark & Sherwood	Hawtonville Community Centre	£14.00	£14.00	Additional £5 p/h for use of kitchen. £8.00 p/h for use of foyer area.

#### APPENDIX 4 - ILLUSTRATION OF USAGE BROKEN DOWN BY PRICE CATEGORY ACROSS ALL COMMUNITY CENTRES 2017/18

Community Centre	Standard Hours	Concessionary Hours	Business Hours
Brickyard	79	404	121
Burton Road	5	133	4
Killisick	241	130	0
Pond Hills Lane	296	802	188
Westdale Lane	403	429	499
<b>Total Hours</b>	<b>1024</b>	<b>1898</b>	<b>812</b>



	Standard Hours	Concessionary Hours	Business Hours
<b>Percentage of Hours</b>	<b>1024</b>	<b>1898</b>	<b>812</b>





**APPENDIX 5 - ILLUSTRATION OF INCOME BROKEN DOWN BY PRICE CATEGORY  
ACROSS ALL COMMUNITY CENTRES FOR 2017/18**

Community Centre	Standard Amount	Concessionary Amount	Business Amount
Brickyard	£916	£4116	£1856
Burton Road	£78	£1396	£91
Killisick	£4073	£1619	£0
Pond Hills Lane	£5429	£7350	£4781
Westdale Lane	£5958	£3516	£10071

	Standard Amount	Concessionary Amount	Business Amount
<b>Total</b>	<b>£16,454</b>	<b>£17,997</b>	<b>£16,799</b>

