

Report to the Portfolio Holder for Community Development

Subject: Community Centre Fees and Charges 2019/20

Date: 14th February 2019

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 1st April 2019.

Key Decision

This is not a Key Decision

Recommendation(s)

THAT:

1. To approve the revised 3% increase in Fees and Charges for 2019/20 as detailed in Appendix 1 and 2
2. To approve the new charges for the Brickyard and Burton Road Community Centres from 1st April 2019. (Appendix 2)
3. To approve the reduction of discounts to concessionary users to 25%. To be introduced from 1st April 2019

1. Background

- 1.1 A 3% income inflation increase for discretionary income has been agreed by Cabinet for 2019/20. 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 30% 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:

- The minimum £5,000 reduction in budget subsidy for the community centre portfolio, as outlined in the agreed Cabinet report regarding Community Asset Transfers and Development of Community Hubs on the 10th January 2019
- Income targets for the Community Centres in 2019/20 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 2018/19 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 25% 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 5 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 now adopt these prices on a permanent basis taking into consideration the level of bookings generated. The proposal will also remove the business hire rate applied to this site. At present there is only one business user, therefore, initially this change will reduce income by £180 per annum, but through a revised marketing plan and new pricing structure for this centre it is anticipated that income will exceed current levels over the coming year.
- Remove the current promotion at Burton Road as it is not generating any new business and we currently only have two groups. It is proposed to introduce a new rate of £10.00 per hour, which is in line with other similar meeting rooms in the area, with a view to generating more income.
- Council priorities and cost benefit to the service.
- The Pricing Category usage and income analysis presented in Appendix 4 and 5.

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 2019/20.

Finally there is a cost benefit to the Council to reduce the discount for Concessionary users to 25% (currently from £9.90 per hour to £10.90 per hour weekday rate) as this still remains a generous discount for those groups who meet the concessionary criteria, which is Registered Charities, Youth Groups and Non for Profit Organisations i.e. CIC's & Social Enterprises, Under 5's and Over 60+ groups. 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.

2. 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 1st April 2019.
- 2.2 It is proposed that the discount for concessionary users is reduced from 30% to 25% as from April 1st 2019.
- 2.3 It is proposed to adopt the promotional rate at the Brickyard Community Centre, which applies a 40% reduction to standard users on a permanent basis. This is detailed at Appendix 2. This pricing structure will remove the current business hire rate applied at the centre.
- 2.4 It is proposed to amend the current pricing structure at Burton Road Community Centre and introduce one rate of £10.00 per hour as from April 1st 2019.

3. Alternative Options

- 3.1 For the pricing structure and discount levels to remain the same or an alternative percentage increase in inflation to be applied.
- 3.2 However, applying the 3% inflation increase and the revised pricing structure is considered to be most appropriate in meeting the budgetary requirements set up in the Medium Term Financial Plan.

4. 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 25% generates an additional £1,175 in income per annum.

5. Appendices

- 5.1 Appendix 1 - Revised Fees and Charges 2019/20
Appendix 2 – Brickyard & Burton Road Community Centre Pricing
Appendix 3 - Other local authority charges
Appendix 4 and 5 – Booking analysis 2018 - 2019

6. Background Papers

- 6.1 None identified.

Reasons for Recommendations

- 7. To contribute to the delivery of a balanced budget both in 2019/20 and in the medium term, and satisfy statutory requirement.

APPENDIX 1 – PROPOSED HOURLY RATE INCREASE ACROSS COMMUNITY CENTRES FOR APRIL 2019*

	Current Price 2018/19 Per hour	Proposed Price Increase 3% Per hour
Standard Rate	Main Hall	Main Hall
Weekday		
8am - 5pm	14.10	14.50
5pm - 10.30 pm	21.50	22.10
Weekend - Sat/Sun		
8am - 5pm	17.20	17.70
5pm - 10.30pm	24.50	25.20

Please note:

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

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

APPENDIX 2 – PERMANENT HOURLY RATE AT THE BRICKYARD AND BURTON ROAD COMMUNITY CENTRE

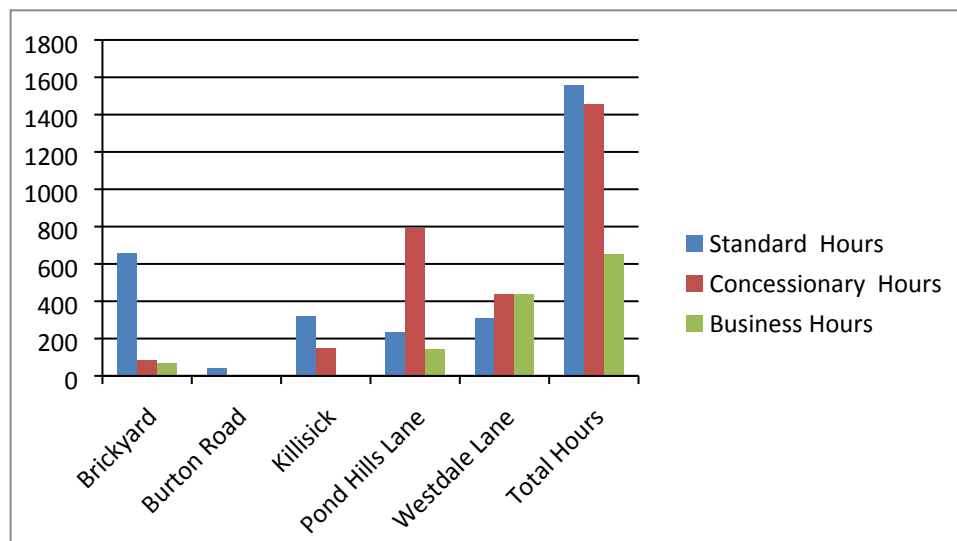
Hire Rate (per hour)	Normal Price	Brickyard Price (40% reduction)	Burton Road Price
Standard – weekday			
8.00 am – 5.00 pm	£14.50	£8.70	£10.00
5.00 pm – 10.30 pm	£22.10	£13.30	£10.00
Standard - Sat/Sun			
8.00 am – 5.00 pm	£17.70	£10.60	£10.00
5.00 pm – 10.30 pm	£25.20	£15.10	£10.00

APPENDIX 3 – COMPARISON WITH OTHER LOCAL AUTHORITIES

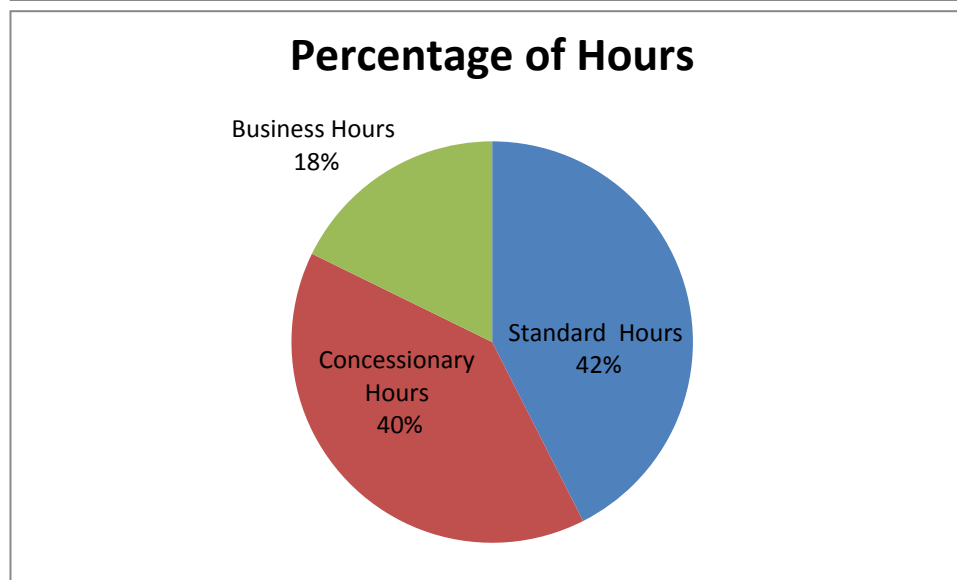
Based on standard daytime rate (2018/19) per hour				
Authority Area	Centre/Pavilion/Hall	Weekday	Weekend	Notes
Gedling Borough Council	All GBC Community Centres	£14.10	£17.20	
Gedling Borough Council	Pond Hills Lane – GBAA	£7.50 £5.00	£7.50 £5.00	Main Hall Small Room
Gedling Borough Council	Good Shepherd Church Community Centre	£10 - £37 day £12 - £49 eve		20% discount for regulars and charities
Gedling Borough Council	Haywood Road Community Centre	£12.00		
Nottingham City Council	Mapperley Methodist Church	£10 - £15		Some additional charges
Nottingham City Council	Chase Neighbourhood Centre	£14	Additional £10 caretaker fee	
Nottingham City Council	Edwards Lane Estate	£14.95	£14.95	
Nottingham City Council	Greenway Community Centre	£15 - £35	£15 - £35	
Nottingham City Council	Sherwood Community Centre	£16.50	£16.50	An additional £25 caretaking fee evenings and weekend
Nottingham City Council	Bakersfield Community Centre	£27 - £30 or £10 – £12 (with a £60 yearly affiliation fee)	Same	
Rushcliffe Borough Council	West Park Sports Pavilion	£30 - £49	£30 - £49	For parties
Newark & Sherwood	Hawtonville Community Centre		£15 Sundays only	Additional £5 p/h for use of kitchen. £8.00 p/h for use of foyer area.
Newark & Sherwood	Fernwood Village Hall	£15 - £22	£15 - £22	
Newark & Sherwood	Rainworth Village Hall	£10 - £25	£10 - £25	

APPENDIX 4 - ILLUSTRATION OF USAGE BROKEN DOWN BY PRICE CATEGORY ACROSS ALL COMMUNITY CENTRES 2018/19

Community Centre	Standard Hours	Concessionary Hours	Business Hours
Brickyard	655	83	67
Burton Road	42	0	2
Killisick	320	147	0
Pond Hills Lane	232	789	142
Westdale Lane	308	436	439
Total Hours	1557	1455	650



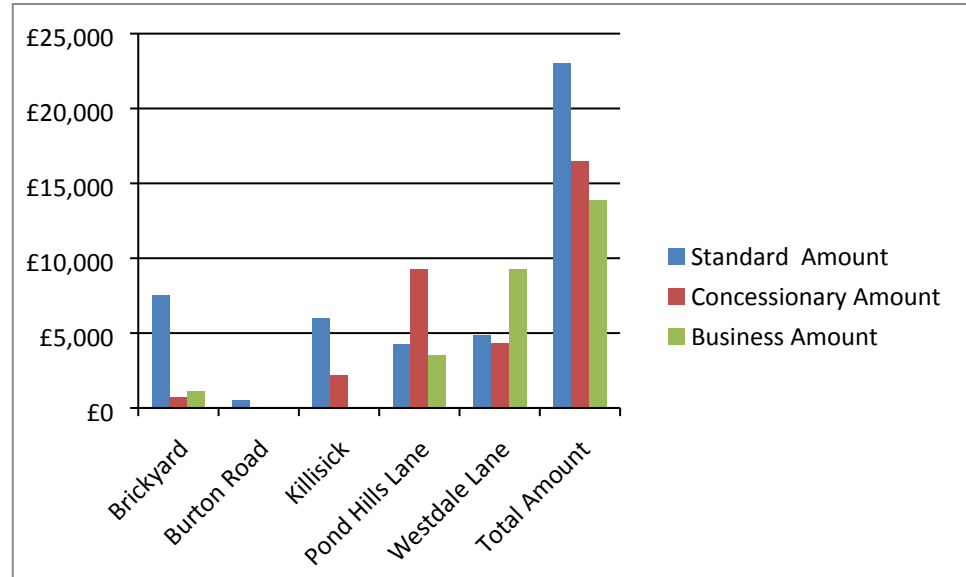
	Standard Hours	Concessionary Hours	Business Hours
Percentage of Hours	1557	1455	650



APPENDIX 5 - ILLUSTRATION OF INCOME BROKEN DOWN BY PRICE CATEGORY

ACROSS ALL COMMUNITY CENTRES FOR 2018/19

Community Centre	Standard Amount	Concessionary Amount	Business Amount
Brickyard	£7,491	£714	£1,073
Burton Road	£513	£0	£28
Killisick	£5,989	£2,159	£0
Pond Hills Lane	£4,220	£9,244	£3,485
Westdale Lane	£4,814	£4,314	£9,274
Total Amount	£23,027	£16,431	£13,860



	Standard Amount	Concessionary Amount	Business Amount
Price Category Percentage	£23,027	£16,431	£13,860

Price Category Percentage

