

Report to: Parish Council
Date of Meeting: 20 October 2014
Subject/Item No. Item No. 8 (vi) Review of Hire Charges (Community Hall)

1 Introduction

At the previous meeting, there was some uncertainty about the correct level of hire charges and the division of time-zones across each day. The charges were reviewed in April 2014 and are as follows:

- £12 per hour – this is only of financial advantage to users for any event which is no more than 2 hours.
- £30 as a half-day rate (4 hours or fewer). This is applied to any 4-hour slot in the day
- £50 as a full-day rate (4 hours or more). Although the Parish Council decided that a full-day rate of £50 should be applied, the Clerk had incorrectly advised potential users that the full-day rate was £60. However, to date, no user has been financially disadvantaged.

If Members are minded to divide each day into three separate time zones, it is suggested that they be as follows:

Zone 1 9.00 am – 1.00 pm	Free set-up would be at 8.30 am; to date, there have been no users which require access to the hall earlier than 9.00 am.
1.00 pm – 1.30 pm	Buffer for clear-down time.
Zone 2 1.30 pm – 5.30 pm	
5.30 pm – 6.00 pm	Buffer for clear-down time
Zone 3 6.00 pm – 10.30 pm	This is a 4½ hour slot. The last half-hour is a sterilised period as the hall cannot reasonably be used by another hirer at this time as the hall must be closed at 11.00 pm.

2 Review of Charges

Members are invited to review the hire charges with a view to –

- (a) charging a flat rate of £12 per hour;
- (b) abolishing the half-day and full-day rate; and
- (c) abolishing the free half hour for set-up and clear-down time as this adds one hour free use to each booking.

The table below sets out income to date and projections to the end of the financial year. An operating deficit of £11,500+ is expected. There is no way of predicting, at this stage, if a flat fee of £12 per hour would deter any future bookings and Members will need to take this into account. However, Members should also be mindful of the need to try to generate sufficient income to reduce the deficit, whilst not making charges which are more appropriate to commercial ventures.

Stapeley & District Parish Council

	Column A £	Column B £	Column C £	Column D £
	Actual at 30 June 2014	Projections to 31 Dec 2014	'Guesstimate' to 31 Mar 2015	Projected Totals for 2014-2015
Income	1,495.00	3,560.00	2,250.00	7,300.00

Expenditure				
Staff costs/admin	867.00		2,600.00	3,467.00
Managing the hall (currently through Crystal Clean at £8 per opening/closing for each one-off event)	80.00	120.00	150.00	350.00
Legal advice			600.00	600.00
Rent			1.00	1.00
Heat/light/water (this dates back to Nov. 2012)			3,000.00	3,000.00
Electrical maintenance	376.00		200.00	576.00
General maintenance	33.00	100.00	400.00	533.00
Cleaning	1,552.00		5,000.00	6,552.00
Internal decoration			1,500.00	1,500.00
Industrial-sized waste bin			1,000.00	1,000.00
'Community Hall' sign			1,300.00	1,300.00
TOTALS	2,908.00	220.00	15,751.00	18,879.00
Operating deficit				11,579.00

Calculation of deficit:

£

Expected total income:	7,300.00
LESS total projected spend to 31 March 2015	(18,879.00)
Deficit	<u>11,579.00</u>

Under S.151 of the Local Government Act 1972, the Clerk has a duty to, *inter alia* –

- Manage the financial affairs of the authority in all its dealings and transactions and in so doing secure the proper stewardship of Council (and Members) responsibilities;
- Demonstrate a personal duty of care to local tax-payers in managing Council resources on their behalf. In discharging this responsibility the S.151 Officer must balance the needs and interests of both current and future taxpayers.

For these reasons, the Clerk recommends the Council to introduce a flat hourly charge.

3 Time-Zones

Dependent on the outcome of discussion of paragraph No. 2 above, Members are invited to consider how charges would be applied under the current charging regime, using the following examples:

- Use between 6.00 pm – 10.30 pm. The half-day rate is £30; in excess of 4 hours is £50. Should this use attract a fee of £50, or should the additional half-hour be charged as a half-hour rate of £6, thereby mixing the fee structure; or should there be no charge for the additional half-hour as it is a sterilised use whichever method is used?
- Parties on Saturdays and Sundays often straddle the morning/afternoon time-zone but are 4 hours or fewer (which in practical terms is no fewer than 3 hours). A party has recently taken place on a Saturday which was 11.30 am – 2.30 pm. The user was charged £30 (half-day rate). In these circumstances would the appropriate rate be £36 (hourly rate of £12 per hour) or the full-day rate of £50 because the use straddled two time zones?

Members have previously commented that by straddling two time zones, the use of the hall is 'sterilised' for a half-day slot, thereby reducing income. Should there be any flexibility to take into account the likelihood of the remaining half-day slot being booked by another user? An option would be to inform the user at enquiry stage that as they have booked their event, for example, in the middle of the day, if another booking comes in for a morning or afternoon event, the first user will be charged the full-day rate; or should they be given the option to move their event to the morning or the afternoon?

- There is a current regular user of two sessions on one day straddling the two time zones, as follows:

10.30 am – 11.00 am	free set-up	
11.00 am – 11.30 am	set-up	£6 for the half-hour
11.30 am – 12.30 pm	Class 1	£12
12.30 pm – 1.00 pm	free clear-down time	
1.00 pm – 2.00 pm	Class 2	£12
2.00 pm – 2.30 pm	free clear-down time	
2.30 pm - 2.45 pm	additional clear-down time which is £6 taking it to the closest half-hour charge	

TOTAL: £36.00

Total usage is 4¾ hours. The three-quarter hour is rounded up to a full hour so that it is a total usage of 5 hours. This is for two separate classes and the Parish Council has previously agreed that there should be a free half-hour at the beginning and end of an activity. As there are two classes of one-hour each, this amounts to 4 hours usage. The user books an additional 45 minutes for set-up and clear-down and pays a total of £12 for that 45 minutes.

4 DECISION REQUIRED

The Council is invited to –

- (i) Decide if any changes should be made to the current charges;
- (ii) Clarify the situation in respect of time zones for bookings;
- (iii) Confirm that bookings for private events which have already been accepted will be honoured at the current rate, but that any new bookings taken after 20 October 2014 would be at the new rate if the Parish Council amends its charges.