

Subject:	Fees & Charges 2014/15 – Assistant Chief Executive Directorate		
Date of Meeting:	23rd January 2014		
Report of:	Assistant Chief Executive		
Contact Officer:	Name:	Ian Shurrock	Tel: 29-2084
		Toby Kingsbury	29-2701
	Email:	ian.shurrock@brighton-hove.gov.uk	
		toby.kingsbury@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The fees and charges for services are reviewed annually in line with the Corporate Fees & Charges Policy. As a minimum, all fees and charges are increased by the corporate rate of inflation which has been set at 2.5%. This is the same percentage by which income budgets will be increased. For the Sports Facilities and Golf Courses Contracts there is a formula to calculate the inflationary price increase linked to the All Items Retail Prices Index Excluding Mortgage Interest Payments (RPIX). The increase calculated for 2013/14 is 3.43%.
- 1.2 The council's Financial Regulations require that any increases proposed over and above inflation are agreed by the council, they also state that it is good practice to report on fees and charges that are rising by inflation only.
- 1.3 This combined report presents the review of fees and charges across five service areas: Venues, Seafront, Sports Facilities including Golf Courses, Outdoor Events and Royal Pavilion and Museums. The changes would be implemented from April 2014.

2. RECOMMENDATIONS:

- 2.1 That the committee approves the fees and charges for Venues for 2014/2015 in Appendix 1.
- 2.2 That the committee approves the fees and charges for Outdoor Events for 2014/15 in Appendix 2.
- 2.3 That the committee approves the fees and charges for the Seafront for 2014/15 in Appendix 3.
- 2.4 That the committee approves the fees and charges for Sports Facilities for 2014/15 in Appendix 4.

- 2.5 That the committee approves the next 3 years fees and charges for Golf Courses in Appendix 5.
- 2.6 That the committee approves the fees and charges for the Royal Pavilion & Museums for 2014/15 in Appendix 6.
- 2.7 That the committee grants delegated authority for officers to negotiate hire fees where commercially necessary outside the approved fees & charges.

3. CONTEXT / BACKGROUND INFORMATION

- 3.1 The fees and charges proposed in the attached appendices have been increased by the base line of 2.5% (or 3.43% in the case of sports facilities and golf courses) unless indicated otherwise. However, the amounts have been rounded for ease of administration and therefore the actual percentage increase is often not exactly 2.5% or 3.43%. Where a percentage increase above inflation is proposed an explanation is given in this main report. The proposals for each of the service areas are now considered.

3.2 VENUES

- 3.2.1 Venues include the Brighton Centre and Hove Centre and the range of proposed charges for 2014/15 are included in Appendix 1. These proposed charges take in to account the requirement to achieve an overall increase in income of 2.5% in line with the Authority's 2014/15 budget proposals.
- 3.2.2 Some of the hire fees for the Brighton Centre have been set slightly higher than 2.5% for the major areas to allow for negotiations where necessary but to maximise income wherever possible.
- 3.2.3 The hire fees for the Hove Centre generally attract a lower inflation increase to reflect the local use and type of booking at that venue.

3.3 OUTDOOR EVENTS

- 3.3.1 It is proposed to increase the charges by inflation for 2014/15 as per Appendix 2.

3.4 SEAFRONT

- 3.4.1 There are a range of fees and charges linked with the Seafront including those for the Beach Chalets, Beach Huts, Volks Railway and the Bandstand. The proposal is to increase the charges by inflation except the ceremony hire fee for the Bandstand.
- 3.4.2 Over the past few years the Bandstand has become a very popular venue for Weddings and Civil Ceremonies. The venue is available for ceremonies between April and September and bookings are made via the council's Outdoor Events Office. In 2013 66 ceremonies took place on the Bandstand and there are already close to 50 ceremonies booked for 2014. The current hire fee for the Bandstand top deck is £500 for a 2 hour booking. Couples can add to this by also hiring the west wing area on beach level for an inclusive price of £675. These prices have remained constant since the first ceremony on the Bandstand in

2010 and the proposal is to now set these prices for the next 2 years. The proposal is to increase the hire for the Bandstand from £500 to £550 and the Bandstand and west wing from £675 to £750.

- 3.4.3 The Volks Railway is owned and operated by the council. It is proposed that ticket prices increase by inflation for 2014/15
- 3.4.4 Beach Chalets are owned by the council and tenants pay an annual rent. It is proposed that the rents increase by inflation for 2014/15.

3.5 SPORTS FACILITIES & GOLF COURSES

- 3.5.1 Six council sports facilities and two golf courses are operated on behalf of the council by the social enterprises, Freedom Leisure and Mytime Active respectively. Under the terms of the contracts these service providers retain the income generated and are responsible for all of the operational costs associated with the delivery of the service.
- 3.5.2 The fees and charges that Freedom Leisure and Mytime Active implement are controlled by the contracts which both allow for an annual uplift in line with inflation. The All Items Retail Prices Index Excluding Mortgage Interest Payments (RPIX) is used to provide the relevant percentage uplift. Increases over and above this amount must be agreed separately and are included in this report.

Sports Facilities (Freedom Leisure contract)

- 3.5.3 The majority of fees and charges for the sports facilities operated by Freedom Leisure on behalf of the council are proposed to be increased by the contractual rate of 3.43%.
- 3.5.4 There are two all-weather pitches at Stanley Deason Leisure Centre. An above inflation uplift of approximately 7% is proposed for the recently installed 3rd generation pitch. This uplift reflects the better quality of the new pitch and is more in line with other similar local facilities. It is proposed that there will be no uplift to the price of the other all-weather pitch.
- 3.5.5 It is proposed that charges for Health & Fitness memberships be increased by approximately 1.5% above the contractual inflationary uplift. This reflects the improved quality of facilities at Withdean Sports Complex, King Alfred Leisure Centre and Prince Regent Swimming Complex following recent investment. This additional uplift would not apply to charges for Leisure Concessionary Card holders or for 'pay and play' activities.
- 3.5.6 It is proposed that the Leisure Concessionary Card be extended to include full-time students allowing them to enjoy 40% discount on selected activities.

Golf Courses (Mytime Active contract)

- 3.5.7 The current pricing structure has been inherited from when the courses were operated directly by the council and the fees and charges are split between

green fees (pay and play) and season tickets (advanced annual payment either in full or monthly by Direct Debit).

- 3.5.8 Despite the council having approved above inflation increases for the last two years, the fees and charges for Hollingbury Park and Waterhall Golf Courses remain below the regional average. It is proposed that they are subject to a 3-year phased increase to get Hollingbury Park closer to the market rate. Waterhall would remain the cheaper alternative with season tickets and green fees still much lower than the regional average. Junior season tickets at both courses are also proposed to be held at the current year level for the next three years to encourage participation by children and young people. Junior membership is still low despite a range of golf development initiatives.
- 3.5.9 The quality of the courses has improved in recent years and by allowing higher than inflation increases, the intention is to help ensure the long-term sustainability of the courses. The intention is to continue to provide good value for money but at a price that is more reflective of the market.
- 3.5.10 It is well recognised that Hollingbury Park is a higher standard of course than Waterhall having been used in the past as a qualifying venue for The Open. This ex-championship course has also had the benefit of approximately £100K investment into the clubhouse to provide a new open-plan café/bar and pro shop downstairs with a refurbished function suite upstairs. The proposed increases at Hollingbury Park are therefore more than at Waterhall reflecting the difference in quality.
- 3.5.11 As shown in Appendix 5, the proposed fees and charges reached by the end of the 3-year phased uplift still provide good value when compared with the regional average, particularly as this figure is based on competitor rates for 2013/14.

3.6 Royal Pavilion & Museums

Admission Charges

- 3.6.1 Admission charges for the Royal Pavilion, Preston Manor and charged exhibitions were approved by Economic Development and Culture Committee in September 2012. Approval was at that time given for prices up to March 2015.
- 3.6.2 Travel Trade and group bookings make up 42% of business to the Royal Pavilion, bringing in excess of 139,000 visitors in 2012/13 and over £900,000 worth of income.
- 3.6.3 Due to booking timescales, marketing strategies for travel trade must be planned a year to 18 months in advance to fit in with industry press offers. It is therefore imperative that prices are agreed well in advance to maximise coverage in industry press, and provide correct information at trade fairs to secure bookings to allow sufficient planning for this key business area. Attached in Appendix 6 are agreed prices to March 2015 and proposed prices to March 2016.
- 3.6.4 The % increases shown in Appendix 6 relate to the inflation of prices from 14/15 to 15/16 for which the council's annual inflation figure has yet to be set. Prices have been inflated above 2.5% on ticket prices where the larger proportions of

visitors are admitted e.g. group rates. The group business has been flourishing over recent years and many groups are entitled to trade rates below the advertised group rate due to the number of visitors they bring to the venues. This strategy has been adopted to maximise potential income growth in line with expectation around level of budget savings required for 15/16 and beyond.

- 3.6.5 The charging practices and visitor trends of comparable visitor attractions are kept under review on a continuous basis.

Comparator Pricing

Prices 2013/14			
	CHILD	ADULT	CONC
Royal Pavilion	£5.90	£10.50	£8.50
Arundel Castle	£9.00	£16.00	£13.50
Buckingham Palace	£19.50	£34.50	£31.50
Hampton Court Palace & Gardens	£8.80	£17.60	£14.85
Leeds Castle	£13.50	£21.00	£18.50
Petworth House & Park	£6.00	£12.00	NA
Sea Life Centre	N/A	£17.40	N/A
The Roman Baths, Bath	£8.50	£12.75	£11.00
Waddesdon Manor & Gardens	£9.00	£18.00	N/A
Warwick Castle	£19.80	£25.80	£21.60
Windsor Castle	£10.60	£17.75	£16.15
Preston Manor	£3.30	£6.20	£5.10
Anne of Cleves House	£2.70	£4.90	£4.50
Charleston	£5.95	£9.95	£7.50-£8.95
Michelham Priory	£4.00	£7.00	£6.50
Parham Park	£4.50	£9.00	£8.50
Brighton Museum & Art Gallery Exhibition	NA	£6.00	£5.00
Towner, Eastbourne (Lyons Teashop Lithographs)	NA	5.50	4.00

- 3.6.6 Visitor research shows that the attractions are perceived as providing good value for money. In 2013/14 to date 75% of visitors to the Pavilion rate it as excellent or good value for money, with figures of 91% at Preston Manor and 88% for the 12/13 Biba Exhibition at Brighton Museum. Visitor numbers for 2013/14 are up by 1.7% at the Royal Pavilion, 0.6% at Preston Manor.

- 3.6.7 Given the need to raise funds to support the development of the Royal Pavilion estate it is proposed that visitors are also given the opportunity to make a voluntary donation to the Royal Pavilion Estate appeal at the point of ticket purchase. Income secured through this appeal will go to the Royal Pavilion & Museums Foundation Charity. Suggested donation will be £2.00 per transaction.

Corporate Hire & Weddings

- 3.6.8 It is proposed to hold charges for corporate hires and wedding receptions at the Royal Pavilion and Museums. Key markets for the Royal Pavilion & Museums

are wedding receptions and larger corporate businesses hiring out the state rooms for evening events or drinks receptions. In 2009/10 both the corporate hire and wedding business were severely hit by the recession nationally. Wedding business at the Royal Pavilion dropped 35% and corporate hires 20% with overall income falling by 35%. 2012/13 saw income improve to 81% of pre recession levels and business for 2013/14 is currently slightly up and expected to reach 91% of pre recession levels. The market is still sensitive; other competitors for conferencing and corporate hire such as hotels have drastically cut prices to retain their market share which has had a knock on for the sector as a whole as client price expectations are therefore more demanding and corporates are frequently trying to negotiate cheaper deals. Given the continued sensitivity of the market it seems inappropriate to raise fees at this time and officers are continuing to be flexible in hire fee negotiations to encourage business where necessary.

- 3.6.9 Wedding ceremony bookings have seen less price sensitivity over the last twelve months with bookings in Dec 13 for 14/15 20% up on those in Dec 12 for 13/14. A moderate increase from £650 to £680 is recommended for wedding civil ceremonies for peak season at the Royal Pavilion Red Room. Prices for Corporate and Wedding Hires are attached in Appendix 6.

Image Reproduction

- 3.6.10 In line with exemplary practice in museums and our ambitions for increased digital engagement the Royal Pavilion & Museums will offer free digital images up to 1000 pixels on the largest size under a creative Commons licence (this is a standard open licence so we can allow others to reuse our content providing it is attributed and for non commercial purposes.) Pricing is attached in Appendix 6.
- 3.6.11 Research has been carried out into current pricing of other Museum image services including those of the V&A, National Portrait Gallery, British Museum.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The rationale for the proposed increases in the fees and charges are indicated in the body of the report.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Consultation has been undertaken with Freedom Leisure and Mytime Active in relation to the Sports Facilities and Golf Courses charges respectively. Customers are used to the annual uplifts and are notified of them at least one month in advance of them being implemented. For the Golf Courses charges there will be consultation meetings held with the club committee and all season ticket holders will be written to advising them of the increases. There will also be opportunities for season ticket holders to discuss the increases directly with members of the Mytime Active management team.

6. CONCLUSION

- 6.1 The proposed fees and charges across the five service areas are considered proportionate and reasonable. Where charges are proposed for increases above inflation there are sound business reasons.

7. FINANCIAL & OTHER IMPLICATIONS:

- 7.1 The fees and charges included in this report have been reviewed in accordance with the Corporate Fees and Charges policy and reflect the 2.5% inflationary uplift, as referred to in the budget report to Policy & Resources Committee on 11th July 2013.

The proposed fees and charges are expected to achieve the income targets included in the draft 2014/15 budget strategy which are as follows: -

	£'000
Venues	893
Outdoor Events	223
Seafront	353
Sports Facilities & Golf Courses	* (income held by service provider)
Royal Pavilion & Museums	<u>2,938</u>
	<u>4,407</u>

Finance Officer Consulted: Mike Bentley

Date: 17/12/13

Legal Implications:

- 7.2 The proposed changes to the fees and charges referred to in this report are considered to be reasonable and there are no adverse legal implications arising from the recommendations in the report.

Lawyer Consulted: Bob Bruce

Date 13/12/13

Equalities Implications:

- 7.3 When fees and charges are proposed, a balance needs to be found to ensure services remain financially sustainable whilst still providing value for money. The proposed fees and charges provide a range of flexible pricing to minimise price being a barrier to participation.

Sustainability Implications:

- 7.4 In order to assist with the long-term sustainability of services and to continue providing a quality service, it is necessary that the charges be set at an appropriate level.

Any Other Significant Implications:

- 7.5 None

SUPPORTING DOCUMENTATION

Appendices:

1. Fees & Charges 2014/15 – Appendix 1 - Venues
2. Fees & Charges 2014/15 – Appendix 2 - Outdoor Events
3. Fees & Charges 2014/15 – Appendix 3 - Seafront
4. Fees & Charges 2014/15 – Appendix 4 - Sports Facilities
5. Fees & Charges 2014/15 – Appendix 5 - Golf Courses
6. Fees & Charges 2014/15 – Appendix 6 - Royal Pavilion & Museums

Documents in Members' Rooms

None

Background Documents

None

