



RHONDDA CYNON TAF

RECORD OF DELEGATED OFFICER DECISION

SUBJECT:

Hires & Pricing for Cultural Services' 2 retained theatres 15/16 onward

PURPOSE OF ATTACHED REPORT:

To propose a new charging policy for Cultural Services' theatres for 2015/16.

DELEGATED DECISION (Date):

It is recommended that:

- The proposed charging policy detailed at Appendix 3 be approved,
- The Head of Cultural Services be authorised to inform organisations that hire the theatres of the new charging policy.


Chief Officer Signature

STEVA MARRITT
Print Name

11/11/14
Date

The decision is taken in accordance with Section 15 of the Local Government Act, 2000 (Executive Functions) and in the terms set out in Section 5 of Part 3 of the Council's Constitution

Lanran

CONSULTEE CABINET MEMBER SIGNATURE

6/11/14.

DATE

Christine Hanger

OFFICER CONSULTEE SIGNATURE

6/11/14

DATE

Directorate:	Cabinet Office & Public Relations
Contact Name:	Strinda Davies
Designation:	Head of Cultural Services
Tel.No.	01443 490226



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2014/2015: REPORT TO ACCOMPANY DECISION OF THE GROUP DIRECTOR, ENVIRONMENTAL SERVICES

Hires and Pricing for Cultural Services' 2 retained theatres 15/16 onward
--

1.0 PURPOSE OF REPORT

- 1.1 To propose a new charging policy for Cultural Services' theatres for 2015/16.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that:

- The proposed charging policy detailed at Appendix 3 be approved.
- The Service Director for Public Health and Protection be authorised to inform organisations that hire the theatres of the new charging policy.

3.0 BACKGROUND

- 3.1. As part of the Council's need for efficiencies in May 2014 RCT Council's Cabinet approved a recommendation to close the Muni Arts Centre, reduce the Cultural Service budget by £400k, implement a new staff structure and introduce a reduced and balanced programme at the two retained theatres.
- 3.2. The 2 retained theatres are: the Coliseum, Aberdare and the Park & Dare, Treorchy. A reduced balanced programme consists of cinema and screened alternate content, professional live arts events and hires by local arts organisations, schools and other Council services as well as informal showcasing of the work of young people active within the TakepART programme and activities provided through the Arts Development team.
- 3.3. The implementation of the service change has revealed the level of subsidy that has previously been provided whenever we have accepted a hire of a theatre and as a result we have addressed the hire charges that need to be put in place in order to deliver a sustainable arts service for the next 3-5 years.

3.4 Impact of a Reduced Balanced Programme on Hiring Organisations

3.5 As part of implementing the service change and planning the 2015/16 programme in the 2 retained theatres, Cultural Services senior officers met with the majority of voluntary arts organisations that hire the Coliseum and Park & Dare theatres, to explain the changes that will affect them from April 2015 onwards.

3.6 It has been explained that the service will be unable to accommodate a similar number of hires at each theatre as has been possible in the past. This means that there will be less opportunity for the organisations, and schools, to hire either theatre each year. Assurances have been given that each hiring organisation will be treated equitably and fairly and that selection criteria would be developed to assist the service in the prioritisation of hires.

3.7 The selection criteria for 15/16 onward will be:

- *Popularity/success of the organisation's previous events (score 0 low, to 5 high)*
- *Ability of the public (other than family, friends and supporters) to buy tickets for the performance (score 0 no, to 5 yes)*
- *Previous track record:*
 - *Any damage that may have been caused within the theatre, (score 0 high, to 5 none)*
 - *cancellation of previous events (score 0 high number, to 5 none)*
- *Number of hire rates discount criteria met (score 0-5)*

The discount criteria (see 5.2. below) will be:

- *Willing to work with Cultural Services to develop audiences for other elements of the theatre programme (15%)*
- *Performances involving specific categories of people to be creative and showcase their talents (15%):*
- *Track record of working positively with the theatre staff team to improve the quality of the event and ensure it runs smoothly (10%)*
- *Based within RCT local authority boundary (10%)*
- *Not for Profit Organisation (10%)*

3.8 All regular hirers were sent a pro-forma, with the selection criteria, asking them to set out their preferred hire dates during the 15/16 financial year. The information received from them has helped to inform our decisions about which hires we are able to accept for 2015/16 and the hirers have been told that they will be informed of our decision during October. We have also stated to the hirers that the balance and affordability of the programme will need to be taken into account when considering which hires can be accommodated at the two retained theatres and that the current hire charges will need to be adjusted to better reflect the costs associated with each theatre hire.

3.9 Current hires charging arrangements.

3.10 The service currently has two levels of hire charge rates that apply to organisations seeking to hire an RCT Theatre:

- *Protected*
- *Commercial with discounts available*

See **Appendix 1** for the details of these charges.

3.11 Rates

3.12 The *Protected* hire rate applies to all long-standing hirers of the theatres. It recognises a hiring organisation's historical contribution to the overall balance and community interest of the theatre programme.

3.13 The *Commercial with Discounts* rate was introduced for organisations without a history of performing in the theatres that wished to hire a theatre. The commercial rate was designed to ensure that the staff costs associated with the service staging a hire were covered.

3.14 Discounts are offered for certain categories of organisation and event to ensure that organisations staging events that helped that theatres and the council to meet its objectives were not discouraged from hiring the theatres and also as a way to stimulate new hires from the local community.

The discount categories currently used are:

- *Not-for-Profit organisation (10%)*
- *Provide Equality of opportunity (10%)*
- *Based within the boundaries of RCTCBC (10%)*
- *Works with Cultural Services to improve the quality of its productions (15%)*
- *Working to develop audiences and their tastes in line with Cultural Services' Artistic Policy (15%)*

3.15 In practice, commercial hires and new discounted hires remain very rare. The vast majority of theatre hires at the Coliseum and Park & Dare Theatres are from organisations which are already afforded *protected* status.

4. Financial Analysis of Staffing Costs Associated with Hires

4.1 The service has developed a better understanding of the staffing costs associated with each element of its programme of events during the process of implementing the major service changes. It has become apparent that the large number of hires currently accepted from organisations afforded *protected* status will not be sustainable in the future as part of a reduced balanced programme in the 2 retained theatres.

- 4.2 In order to better understand the costs associated with each hire, a financial analysis of the staffing costs related to the individual elements of a hire was undertaken. The results of this analysis are contained in **Appendix 2**.
- 4.3 In undertaking the analysis, it became apparent that finite programming and any other activities can be undertaken during staff's contracted hours and that activities taking place outside of these hours result in the service incurring additional costs through overtime and extra casual staff costs.
- 4.5 For instance, during a working week (Monday – Saturday), it is possible to accommodate the following:
- *Production meeting with hiring organisation*
 - *Set-up Day- preparing the lighting etc*
 - *Get in or first rehearsal*
 - *One performance of the music, dram or dance event*
 - *Get Out*
 - *Reset Day to return the theatre to its standard operation*
- 4.6 The service incurs additional charges when additional rehearsals and additional numbers of performances are required. A music event is usually 1 concert whereas a dance event might be split over more than 1 night and a drama event may have a run of several nights. This variance needs to be reflected in the hire charging rates and hirers are being encouraged to consider if they need to hire the theatre for as many nights as usual.
- 4.7 It also became apparent that opening more than 1 level within an auditorium directly affects the cost of operation as each level requires additional Front of House staff to act as fire marshals. (This is especially the case at the Coliseum theatre). There are occasions when the audience numbers attracted for some performances can be accommodated on one or two levels only of the theatre and hirers are being encouraged to consider this in dialogue with the Theatre Manager.
- 4.8 These facts are reflected in the charges that will need to be implemented for the sustainable delivery of the new service. Hiring organisations can limit these charges by seeking alternative rehearsal spaces (such as a smaller community run theatre or a church hall), reducing the number of performances within any length of their hire period and ensuring that the number of levels of the theatre that is required is based upon expected and realistic audience numbers.
- 4.9 It was also noted that within the current protected rate, there is no differentiation in price for different types of organisation and events despite the organisations that hire the theatres and the events they stage being both quite different

4.10 For instance, the price charged for organisations based in RCT is the same as for those that are based outside the county borough boundary. Not-for-profit organisations are charged the same as organisations that are commercial in nature. There is also no differentiation between the types of event staged, between those events that aim to improve the lives of young people or older adults and those that do not have that as a key aim or objective.

5. Revised hire charges 2015/16.

5.1 Different charges need to operate for those voluntary arts organisations (and schools) hiring the theatre to stage events that help the Council and the service achieve its objectives, than will apply for more mainstream events by commercial organisations.

5.2 In order to achieve this, the *protected* category of hire charge will be removed and a *commercial rate with discounts available* will apply to all theatre hires by qualifying organisations and events.

5.3 The discount categories to be applied from 15/16 onward are as follows:

- *Willing to work with Cultural Services to develop audiences for other elements of the theatre programme (15%)*
- *Performances involving at least one of the following categories of people to be creative and showcase their talents (15%):*
 - *Children & young People up to the age 26*
 - *Older adults 50+*
 - *Welsh-speaking community*
 - *Disabled people*
 - *LGBT people*
 - *BME communities*
- *Track record of working positively with the theatre staff team to improve the quality of the event and ensure it runs smoothly (10%)*
- *Based within RCT local authority boundary (10%)*
- *Not for Profit Organisation (10%)*

5.4 The most discount that an organisation staging an event will be able to achieve is a 60% reduction in the hire rate. This should equate to the rate that is being charged to organisations currently afforded *protected* status, in order to strike a balance between affordability for the hirer and income generation for the service.

6. Charges for hires within the reduced balanced programme 2015/16 onward

6.1 The charges for implementing in 2015/16, with a comparison to the charges currently in operation, are attached as **Appendix 3**.

6.2 The new charging policy takes account of:

- Ability to differentiate between different types of organisation and event
- Increased charges for additional rehearsals and performances
- Increased charges for additional levels with the auditorium required
- Replacement of *protected* rate with discounted rate
- 60% discount rate applied being equivalent to current charges

6.3 These charges need to be applied in order for the service to be sustainable.

The Theatre Hires Contract will be updated to clarify many additional costs which the hirer will need to meet e.g. piano hire. It will also specify that the hire rate which will be charged for the hire will be an increase on the charge which was in place at the time of any booking being taken. This is to address the issue of the Council's increase to hires and pricing in any given financial year (with annual price increases being in line with the Council's agreed budget strategy each year).

APPENDIX 1

Current Theatre Hire Charges

Activity	Day of the Week	Protected	Commercial
Get in/Rehearsal (6 hours) Additional hours: £65/hr or part of.	Mon - Thurs	£326	£694
	Fri & Sat	£326	£956
	Sun	£326	£1,272
	Bank Holiday	£1,454	£1,914
Performance (6 hours) Additional hours: £65/hr or part of.	Mon - Thurs	£458	£1,206
	Fri & Sat	£557	£1,206
	Sun	£1,179	£1,556
	Bank Holiday	£1,769	£3,111
Box-Office Admin		7.5% of box-office takings	N/A
PRS Charges		Applicable Rate of Ticket Income	
Ticket Printing		5p per ticket	N/A
Return of unsold tickets		10p per ticket	N/A
On-line Selling Fee		At Cost	At Cost

APPENDIX 2

Financial Analysis of Staffing Costs per Element of Hire

Description	Day	Actual Cost	Contract Cost	Additional Cost
Get In	Mon - Thurs	287.94	276.34	11.60
	Fri & Sat			
	Sun			
	Bank Holiday	Not Calculated		
First Rehearsal	Mon - Thurs	363.03	293.31	69.71
	Fri & Sat			
	Sun			
	Bank Holiday	Not Calculated		
Additional Rehearsal	Mon - Thurs	363.03	0.00	363.03
	Fri & Sat			
	Sun			
	Bank Holiday	Not Calculated		
First Performance (includes production meeting, set up, first performance, get out and reset)	Mon - Thurs	1,160.53	995.27	165.25
	Fri & Sat			
	Sun			
	Bank Holiday	Not Calculated		
Second & Third Performances	Mon - Thurs	586.00	214.12	371.87
	Fri & Sat			
	Sun			
	Bank Holiday	Not Calculated		
Subsequent Performances	Mon - Thurs	586.00	0.00	586.00
	Fri & Sat			
	Sun			
	Bank Holiday	Not Calculated		

Description	Day	Actual Cost	Contract Cost	Additional Cost
Other Charges	Additional Level per level	110.48	16.98	93.50
	Additional Technician per technician per hour (3 hours minimum)	27.28	0.00	27.28
	Penalty Charge - Rehearsal per hour	61.70	0.00	61.70
	Penalty Charge - Performance per hour	138.87	0.00	138.87
	Penalty Charge add on for additional Level (per additional level per hour)	28.70	0.00	28.70
	Box Office Admin			
	PRS Charges			
	Ticket Printing			
	Return of unsold tickets			
	On-line selling fee			

APPENDIX 3

2015/16 Charges with Comparison to Current Charges

Description	Day	15/16 Charge		Current Charge 14/15	
		Discounted at 60%	Commercial	Protected	Commercial
Get in & First Rehearsal	Mon - Thurs	£326	£815	£326	£694
	Fri & Sat				£956
	Sun				£1,272
	Bank Holiday	Price on Application		£1,454	£1,914
Additional Rehearsal	Mon - Thurs	£365	£913	£326	£694
	Fri & Sat				£956
	Sun				£1,272
	Bank Holiday	Price on Application		£1,454	£1,914
First, Second & Third Performances	Mon - Thurs	£508	£1,270	£458	£1,206
	Fri & Sat			£557	
	Sun			£1,179	£1,556
	Bank Holiday	Price on Application		£1,769	£3,111
Subsequent Performances	Mon - Thurs	£586	£1,466	£458	£1,206
	Fri & Sat			£557	
	Sun			£1,179	£1,556
	Bank Holiday	Price on Application		£1,769	£3,111

Description	Day	15/16 Charge		Current Charge 14/15	
		Discounted at 60%	Commercial	Protected	Commercial
Other Charges	Additional level (per level)	£95	£238	N/A	N/A
	Additional technician per technician per hour (minimum 3 hours)	£10	£25	£10	£10
	Penalty Charge – Rehearsal and Get in per hour	£65	£163	£65	£65
	Penalty Charge – Performance per hour	£140	£350	£65	£65
	Penalty Charge add on for additional level (per additional level per hour)	£30	£75	N/A	N/A
	Box Office Admin	7.5%	N/A	7.5%	N/A
	PRS Charges	Applicable Rate of Ticket Income		Applicable Rate of Ticket Income	
	Ticket Printing	5p per ticket	N/A	5p per ticket	N/A
	Return of Unsold Tickets	10p per ticket	N/A	10p per ticket	N/A
	On-Line Selling Fee	At Cost	At Cost	At Cost	At Cost