

CULTURE RECREATION & TOURISM CABINET MEMBER MEETING

Agenda Item 49
Brighton & Hove City Council

Subject: Venues Fees & Charges
Date of Meeting: 6 December 2011
Report of: David Murray Strategic Director Communities
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Key Decision: No
Wards Affected: All

FOR GENERAL RELEASE/ EXEMPTIONS

1. SUMMARY AND POLICY CONTEXT:

- 1.1 To set out the proposed fees and charges for 2012/13 for the Brighton Centre, Hove Centre and Royal Pavilion and Museums hires.

This report is one of several that are being considered in relation to fees and charges for the next financial year (2012/13) across the wide range of services within the portfolio of the Cabinet Member for Culture, Recreation and Tourism. While services positively engage in collaborative working, at the moment each report has been considered individually and recommendations made in relation to the specific issues of the services being provided.

For the financial year 2013/14 an overall review will be undertaken with the wide range of fees and charges considered together rather than individually. The intention being to achieve a more consistent approach to the increases that are proposed across the wide range of services.

2. RECOMMENDATIONS:

- 2.1 That the Cabinet Member approves the Fees and Charges as shown in Appendices 1 (Hove Centre) and 2 (Brighton Centre) and 3 (Royal Pavilion and Museums) in order that they can be incorporated into the 2012/13 Revenue Budget and Venues and Royal Pavilion and Museums' Business Plan.

In addition, the Cabinet Member is asked to authorise officers to negotiate with each hirer in order to secure the event, maximise revenue to both the service and the economic impact to the city.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Following release of funding from the council, the Brighton Centre has been undertaking a programme of refurbishment. Works carried out include the purchase of flat floor seating, refurbishment of all balcony seats and raised seating and refurbishment of all walls and pillar surfaces in public areas creating a cleaner, brighter look when travelling within the venue, aided by new directional signage.

In addition a new frontage to the building will be revealed in December 2011 and improvements include better access and egress, increased floor space within the foyer, and an unrestricted sea view from the re-modelled Restaurant, including access to an external terrace. The new building frontage and refurbishment will encourage future conference and meetings business, both national & international; facilitate retention of existing clients and events and improve the customer and delegate experience.

Reference to comparative venues within the south, indicate that the hire fees of **Auditorium 1** (new balcony, raised and flat floor seating), **Auditorium 2** (redecorated, carpeted and benefiting from new flat floor seating and access to 2Bar) and **The Restaurant** (stunning sea-views, access to outdoor terrace and remodelled throughout) warrant increased hire fees, reflecting the physical attributes of each spaces *and* the high standards of staff experience and ability within the venue as a whole.

The proposed fees and charges for **2012/13 for the Brighton Centre** have been prepared on the basis of increases of between 2% and 38% to achieve a 2% inflation increase on income budgets which will automatically be included in the budget block allocation for 2012/13 as a part of the year budget process. Additional income above the 2% inflation increase is needed to cover an income shortfall in the base budget as identified in Venues Forecasts (TBM) for 2011/12

- 3.2 The proposed fees and charges for **2012/13 for the Hove Centre** have been prepared on the basis of achieving the global increase of 2% inflation on income budgets which will automatically be included in the budget block allocation for 2012/13 as a part of the budget process.

In 2010/11 and the current financial year to date, a culturally and ethnically diverse combination of events has been held in the **Hove Centre** ranging from one day Local and Regional Conferences and Stakeholder Events, Fairs and Auctions, Citizenship Ceremonies, ethnic celebration and Wedding Receptions, Achievement Awards, Blood Donor sessions and Music and Dance events.

In 2010/11, 137 of the events held in the Great Hall & the Banqueting Suite, were classified as local or community based events, and in 2011/12 to date, the Hove Town Hall continues to offer a venue location to individuals and groups who reflect the city's diverse communities. Officers remain flexible in hire fee negotiations with organisers to encourage continued and regular, or repeat bookings.

- 3.3 During 2010/11 business levels in the Brighton Centre included:

83 concert & public entertainment events plus 15 national or international conferences, meetings & trade exhibitions. Conference bookings attracted delegate numbers of approximately 20,000 representing an economic impact in the region of £47,500,000 (*figures based on VisitBritain Economic Financial Impact study*).

Confirmed bookings for Conferences, Meetings & Trade Exhibitions at the Brighton Centre for 2012/13 currently stand at 17 events representing 85 days of occupancy. There are also unconfirmed bookings in the 2012/13 diary which will further increase the final diary commitments in this area, and therefore the economic impact to the city.

In addition, audited and evaluated in October 2010, the Brighton Centre and Hove Centre are the first venues to achieve ¹ISO14001 (International Standard) and ²BS8901 (British Standard) combined certification. This achievement has generated positive publicity and a new marketing tool for the venues whereby they can offer clients the support to implement sustainability into event organisation, a criteria becoming more and more relevant within current market trends.

¹ISO 14001 is an international standard specification for an EMS. It allows an organisation to take a systematic approach to the evaluation of how its activities, products and services interact with the environment and to control those activities to ensure that established environmental objectives and target are met.

² BS 8901 is the new British Standard (September 2009) which has been developed specifically for the events industry with a purpose of helping the industry to operate in a more sustainable manner. The standard defines the requirements for a sustainability event management system to ensure an enduring and balanced approach to economic activity, environmental responsibility and social progress relating to events. It requires organisations to identify and understand the effects that their activities have on the environment, on society and on the economy both within the organisation and the wider economy; and put measures in place to minimise the negative effects.

3.4 The factors which Officers will continue to consider when involved in negotiations include:

- a) Competitive environment
- b) Client history
- c) Stakeholder impact
- d) Diary availability
- e) Related income in terms of services and resources within the venues and city wide
- f) Knowledge of market trends and industry developments.

3.5 It is proposed to hold charges for corporate hires and weddings at the Royal Pavilion and Museums. Key markets for the Royal Pavilion & Museums are wedding/ceremony couples and larger corporate businesses hiring out the state rooms for evening events or drinks receptions. In 2009/10 both 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%. 2010/11 saw income improve to 89% of pre recession levels and business for 2011/12 is currently slightly up again on last year. The market is however still sensitive; other competitors for conferencing and corporate hire such as hotels have been drastically cutting prices in order 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. In the wedding market registrars are seeing a boom in weekday town hall weddings where ceremonies can be held in the Register Office Monday - Friday morning for a fee of just £43.50. 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. The Royal Pavilion & Museums are currently undertaking a joint sales review with the Brighton Dome & Festival to look at opportunities for growing wedding and corporate hire business across the Royal Pavilion estate and scope for more joined up working. Pricing will form part of this review and recommendations will inform our strategy for 2013/14 budgets.

4. CONSULTATION

4.1 Full assessment of customer satisfaction occurs with each and every event organiser and the assessment includes the quality of service and value for money, of which the cost of room hire is a factor.

Comparative research is undertaken in terms of the venue fees of competitors locally and nationally. This is done through independent study and collective comparative work via the NAA (National Areas Association) and the AIPC (International Association of Congress Centres), professional bodies to which the venues belong. Officers have the opportunity to attend national meetings and work around Best Practice, industry standards and legislation is undertaken.

FINANCIAL & OTHER IMPLICATIONS:

The 2012/13 room hire income targets for the Brighton Centre and the Hove Centre are £594k and £260k respectively. In addition to this, there are other income streams, mainly from entertainment events which are agreed by negotiation. The overall income targets for these venues are in excess of £2m (excluding Civic Hire charges) for the Brighton Centre and in the region of £330,000 for the Hove Centre. It is anticipated that the improved facilities and the achievement of the British and International Standards, combined with the recommended increases in fees and charges will enable these venues to achieve their income targets in 2012/13.

The 2012/13 corporate hire income target for the Royal Pavilion and Museums is £187k. Whilst there are no proposed increases to the fees and charges, it is anticipated that based on the current levels of bookings, this target will be achieved next year. The Admissions fees were agreed at the Cabinet Member Meeting 21 Sept 2010 for a 3 year period until 2013/14 and are included in the draft 2012/13 budget strategy.

Finance Officer Consulted: Michelle Herrington Date 23Nov11

Legal Implications:

There are no direct legal implications arising from the contents of this report. The Council must take the Human Rights Act 1988 into account in respect of its actions, but it is not considered that any individual's human right would be adversely affected by the recommendation or contents of this report.

Lawyer Consulted: Bob Bruce Date: 25 Nov 11

Equalities Implications:

Concessionary rates for both weekday and weekend bookings apply at The Hove Centre for registered charities locally based non-profit making organisations and local community groups.

An Equalities Impact Assessment for the Venues was completed in 2009 with a review in March 2012 and this helps guide decision making, business planning and operations.

Organisers of events requiring authentic ethnic catering can be permitted to use the Kitchens and can be exempt from the requirement to use the venues appointed caterer. In additional, and where appropriate based on attendance figures, the appointed caterer may waiver their manifest as sole catering provider at Hove Town Hall.

Sustainability Implications:

- 5.2 There are no sustainability implications arising from the proposals in this report.

Crime & Disorder Implications:

- 5.3 There are no crime and disorder implications arising from the proposals in this report.

Risk and Opportunity Management Implications:

- 5.4 Risk implications are largely based around the price sensitivity of clients and the wider competitive environment. However it is believed that the market can bear these

increased costs while the venues continue to focus to on continuously improving the it's facilities and infrastructure in line with industry expectations.

Corporate / Citywide Implications:

- 5.5 Conferences, meetings, events and concerts bring approximately £732m of tourism and visitor revenue to Brighton & Hove's economy and the Brighton Centre and Hove Centre are central to this revenue in terms of the facilities and services they offer.

Contributing to the success and financial stability of a vast range of local business and services such as hotels, B&Bs, restaurants, transport and retail outlets, the successful utilisation of the venues sustains some 14,000 local jobs.

The venues' diverse programme of events similarly underpins the city's reputation as a vibrant and cultural city destination for both tourism and business.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 None considered.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 To meet the income and savings targets for 2012/13.

SUPPORTING DOCUMENTATION

Appendices:

1. Proposed Fees and Charges for the Brighton Centre 2012/13
2. Proposed Fees and Charges for the Hove Centre for 2012/13
3. Proposed Corporate Hire Rates for Royal Pavilion, Preston Manor, Museums & Court House 2012/13

Documents in Members' Rooms

1. None

Background Documents

1. None

