

# Appendix 1

## Fees and Charges Review

### Art and Ecology Pavilions 2023/24

#### 1. Introduction

- 1.1. The Art and Ecology Pavilions are King George's Fields Trust (KGFT) assets, are managed on behalf of the Charity by the Council's Arts, Parks and Events team. Bookings are managed and staffed by parks staff and the upkeep of the building is undertaken by Facilities Management.
- 1.2. The venues are hired out for commercial and private use to generate income that supports the upkeep of Mile End Park to support public access to good quality sports, leisure and cultural facilities.
- 1.3. Commercial and private hires also enable the charity to provide a limited number of subsidised and free hires for cultural and community events and exhibitions.
- 1.4. The pavilions are hired out for private events such as significant family celebrations including weddings, anniversaries, graduations, memorials. They are also popular venues for conferences, meetings, and workshops.
- 1.5. The Art Pavilion hosts on average ten exhibitions per year that are free for the community to access and help to raise the profile of the venues.
- 1.6. The Arts, Parks and Events team have been successful in developing both venues as attractive wedding venues through targeted marketing and a dedicated Instagram account (over 1,200 followers).

#### 2. Purpose of the Hire Rate Review

- 2.1. A review of the hire rates for the pavilions is proposed to enable the Charity to have sustainable levels of income that take into consideration inflation and rising energy and staffing costs. It is proposed that the increase aligns with the average increase of 11.4%, which is being applied to Council hire fees from 1 February 2024.
- 2.2. Comparisons with other venues has been undertaken to benchmark our rates and proposed increases to ensure that the venues remain competitive.

#### 3. Background Information

- 3.1. The Art Pavilion is a large, contemporary, open plan venue and the borough's flagship gallery. It has capacity to seat up to 260 guests for a banquet. The pavilion comes equipped with tables and chairs for the seated capacity and has up to 460sqm of temporary exhibition space that can be configured to accommodate large scale exhibitions.
- 3.2. The Ecology Pavilion is a similar large scale, contemporary, open plan venue and has capacity to seat up to 220 for a banquet. The Ecology Pavilion is equipped with tables and chairs for the seat capacity and houses the

conference AV equipment and staging. The Ecology Pavilion hosts private events, conferences, and community activity year-round.

- 3.3. Since 2014 the average turnover across the two venues per annum has increased from £25,000 to in excess of £230,000. This current financial year (2023/2024) we are on target to generate £292,000.
- 3.4. The Arts, Parks and Events team has increased bookings through investment in the buildings and infrastructure to make them more appealing to clients and through targeted marketing, which has included a large increase in wedding bookings.
- 3.5. With increased bookings and greater use of the venues there has been an increase in maintenance and running costs (staffing, facilities etc). To maintain our competitiveness and sustainability, and to be able to increase profitability, it is recommended that commercial, corporate and private hire fees are reviewed.

## 4. Proposal

- 4.1. In line with the Council's hire rate review for venue, it is proposed that the hire rates for hires is increased by 11.4% against inflation, rising energy and staff costs.
- 4.2. Table 1 below shows the current rate card for both pavilions and proposed revised charges.
- 4.3. "Private" bookings include activities such as weddings, family celebration events, award ceremonies and other bookings. In line with other venues, staffing costs are factored into the hire cost. However, clients pay for additional services including tech support.
- 4.4. "Corporate" bookings include lower impact use of the venues by organisations, companies and groups that are using the venues for meetings, workshops and training. This type of booking is usually daytime activity during the week (when the venues are quieter) and a per hour rate is offered to enable the charity to generate income during low usage periods. In addition to the per hour rate, charges for tech equipment and staffing are applied to bookings. This rate is applicable Monday to Friday (9am to 6pm) but not offered on bank holidays. This rate does not include staffing or technical support (including equipment).
- 4.5. A new "Corporate" booking rate for Tower Hamlets based charities or not for profit organisations (including Community Interest Companies and Council bookings) that are using the venues for conferences/events that are not open to the general public and therefore are not able to apply for the community subsidised hire rate is recommended. Examples of this may include bookings by the NHS or educational institutions. This new proposed category will enable the charity to increase bookings during less booked periods. This rate is proposed for Mondays to Wednesdays only (9am to 6pm), excluding bank holidays, which is a lower demand period. This rate does not include staffing or technical support (including equipment).
- 4.6. The "Exhibition" rate is applied to art exhibitions, which are open to the public. Exhibitions are primarily held off season (October to April) and help generate income during quiet periods and to increase footfall in the venue. The Art

Pavilion is an established arts venue and destination, which attracts local and London wide visitors with exhibitions often covered by media (Time Out, Metro).

- 4.7. The “Subsidised Exhibition” rate is only applied to art exhibitions that are free to the public and offer additional community benefits including workshops and talks.

**Table 1: Art Pavilion Proposed Rates**

<b>Art Pavilion Capacity: 260</b>	<b>Current charges (2023/24)</b>	<b>Proposed 2024/25 charges (average 11.4% increase)</b>	<b>Increase (£'s)</b>
Half day private hire rate - 8hrs (Monday to Thursday)	£1,650 (includes staffing)	£1,839	£189
Full day private hire rate – 16hrs (Monday to Thursday)	£3,300 (Includes staffing)	£3,677	£377
Full day private hire rate – 16hrs (Friday, Saturday, Sunday and Bank Holidays)	£4,070 (includes staffing)	£4,534	£464
Corporate hire rate per hour (9am to 5pm, Monday to Friday excluding bank holidays) – minimum 5hrs	£162p/h (excludes staffing costs and tech hire)	£181p/h	£19p/h
Corporate hire rate per hour for Tower Hamlets based charitable organisations / not for profit organisations (subject to application checks).  (9am to 5pm, Monday to Wednesdays excluding bank holidays only) – minimum 5hrs.	NA (proposed for 24/25 to increase bookings midweek)	£145p/h	
Exhibition Rate for 7 days (generally October to April).  (9am to 6pm)	£1,925	£2,145	£220
Subsidised Exhibition Rate for 7 days (generally, October to April).  (9am to 6pm)	£1,375	£1,532	£157

**Table 2:** Ecology Pavilion Proposed Rates

<b>Ecology Pavilion Capacity: 220</b>	<b>Current charges (2023/24)</b>	<b>Proposed 2024/25 charges (11.4% increase)</b>	<b>Increase (£'s)</b>
Half day private hire rate - 8hrs (Monday to Thursday)	£1,375 (includes staffing)	£1,532	£157
Full day private hire rate - 16hrs (Monday to Thursday)	£2,750 (includes staffing)	£3,064	£314
Half day private hire rate - 8hrs (Friday, Saturday, Sunday and Bank Holidays)	£1,650 (includes staffing)	£1,839	£189
Full day private hire rate - 16hrs (Friday, Saturday, Sunday and Bank Holidays)	£3,300 (includes staffing)	£3,677	£377
Corporate hire rate per hour, (9am to 5pm, Monday to Friday) – minimum 5hrs	£131 p/h (excludes staffing costs and tech hire)	£146 p/h	£15 p/h
Corporate hire rate per hour for Tower Hamlets based charitable organisations / not for profit organisations (subject to application checks).  (9am to 5pm, Monday to Wednesdays excluding bank holidays only) – minimum 5hrs.	NA (proposed for 24/25 to increase bookings midweek)	£117p/h	

## 5. Benchmarking

- 5.1. A benchmarking exercise was undertaken to establish where the rates sit for both pavilions against comparable competitors. Venues were chosen for their locations, have similar modern contemporary unique feel and hire options.
- 5.2. Table 2 demonstrates that both the Art and Ecology Pavilions are offered at a very competitive rate per head. Even with proposed rate increase applied the Pavilions offer a good value option against our nearest competitors.
- 5.3. As part of this exercise officers have compared the pavilion hire rates against rates for the following venues:

- [Core Clapton](#) – Independent wellness centre / social enterprise

- [Hackney Venues](#) – Hackney Venues - Hackney Council
- [Trinity Buoy Wharf](#) – Urban space events
- [West Reservoir centre](#) - GLL / Better

5.3. Table 2 shows a comparison of the hire rates for a booking for the maximum number of guests allowed on a Saturday (whole day booking).

The rates below are for basic room hire and do not include additional charges for cleaning, equipment hire or security staffing. Competitors rates have been taken from their latest published rates for 2023 however these venues may be undertaking their own rate reviews and introducing rate rises for 2024.

**Table 2:** Benchmarking

Venue	Private Hire 2023/24 £	Times	Capacity	Per Head* 2023/24 £	NOTES
Core Clapton	£3,800 - £4,200	08.00-00.00	150	£28	Cease to offer Private hire from April 2024
Hackney Town Hall	£6,660	11.00-00.00	250	£26.64	New website clearer Packages. Fee includes security, furniture set up prior to arrival, venue coordinator.
Trinity Buoy Wharf	£6,800	09.00-04.00	210	£30.95	Exclusive use, Thames location, full catering kitchen, onsite staff and security.
West Reservoir	£3,800	12.00-01.00	150	£25.33	Undergoing extensive refurbishment from April 2024 so ceasing bookings from April 2024.
The Art Pavilion (current rate)	£4,070	09.00-01.00	260	£15.65	
The Art Pavilion (with 11.4% increase)	£4,534	09.00-01.00	260	£17.43	
The Ecology Pavilion (current rate)	£3,300	09.00-01.00	220	£15	

The Ecology Pavilion (with 11.4% increase)	£3,676	09.00-01.00	220	£16.71	
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