

Appendix 1

Fees and Charges Review

Art and Ecology Pavilions 2022/23

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 (see **Appendix 2**).
- 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 10%, which is being applied to Council hire fees from 1 April 2023.
- 2.2. Comparisons with other venues has been undertaken to benchmark our rates and proposed increases to ensure that the venues remain competitive.
- 2.3. As part of this review, it is recommended that the community usage policy is reviewed to ensure greater clarity and transparency and to enable the Charity to fulfil its objectives. See **Appendix 2**.

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 (2022/2023) we are on target to generate £260,000.
- 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 10% 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.
- 4.5. 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).
- 4.6. 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

Art Pavilion Capacity: 260	Current charges (2022/23)	Proposed 2023/24 charges (10% increase)	Increase (£'s)
Half day private hire rate - 8hrs (Monday to Thursday)	£1500 (includes staffing)	£1650	£150
Full day private hire rate – 16hrs (Monday to Thursday)	£3000 (Includes staffing)	£3300	£300
Full day private hire rate – 16hrs (Friday, Saturday, Sunday and Bank Holidays)	£3700 (includes staffing)	£4070	£370
Corporate hire rate per hour (9am to 5pm, Monday to Friday) – minimum 5hrs	£147 p/h (excludes staffing costs and tech hire)	£162	£15
Exhibition Rate for 7 days (generally October to April). (9am and to 6pm)	£1750	£1925	£175
Subsidised Exhibition Rate for 7 days (generally October to April). (9am and to 6pm)	£1250	£1375	£125

Table 2: Ecology Pavilion Proposed Rates

Ecology Pavilion Capacity: 220	Current charges (2022/23)	Proposed 2023/24 charges (10% increase)	Increase (£'s)
Half day private hire rate - 8hrs (Monday to Thursday)	£1250 (includes staffing)	£1375	£125
Full day private hire rate - 16hrs (Monday to Thursday)	£2500 (includes staffing)	£2750	£250
Full day private hire rate - 16hrs (Friday, Saturday, Sunday and Bank Holidays)	£3000 (includes staffing)	£3300	£300
Corporate hire rate per hour,	£119 p/h (excludes staffing costs and tech hire)	£131	£12

(9am to 5pm, Monday to Friday) – minimum 5hrs			
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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
 - [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 2022 however these venues may be undertaking their own rate reviews and introducing rate rises for 2023.

Table 2: Benchmarking

Venue	Private Hire 2022/23 £	Times	Capacity	Per Head 2022/23 £
Core Clapton	£3,600	08.00-00.00	150	£24.00
Hackney Town Hall	£6,900	09.00-00.00	250	£27.60
Trinity Buoy Wharf	£6,500	0900-0400	210	£30.95
West Reservoir	£3,800	1200-0100	150	£25.33
The Art Pavilion (Current rate)	£3,700	0900-0100	260	£14.23
The Art Pavilion (Proposed rate)	£4,070	0900-0100	260	£15.65
The Ecology Pavilion (Current rate)	£3,000	0900-0100	220	£13.64

The Ecology Pavilion (Proposed rate)	£3,300	0900-0100	220	£15
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