

 <b>Executive Committee 2 March 2011</b>		<b>Agenda Item No.</b>  <b>11</b>
<b>Title</b>	Charging for events in parks	
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<b>Service Area:</b>	Cultural Services / Neighbourhood Services	
<b>Wards of the District directly affected</b>	District wide	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No	
<b>Date and name of meeting when issue was last considered and relevant minute number</b>	N/A	
<b>Background Papers</b>		

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If Yes, include reference number)</b>	No

Officer / Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Deputy Chief Executive	2 <sup>nd</sup> Feb 2011	Andrew Jones
Chief Executive	2 <sup>nd</sup> Feb 2011	
CMT	2 <sup>nd</sup> Feb 2011	
Section 151 Officer	2 <sup>nd</sup> Feb 2011	Mike Snow
Legal		
Finance	2 <sup>nd</sup> Feb 2011	Jenny Clayton
Portfolio Holder(s)	31 <sup>st</sup> Jan 2011	Cllr Mrs Gallagher, Cllr Shilton
Consultation Undertaken		
Internal consultation with affected Service Areas		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

## **1 SUMMARY**

- 1.1 Recommendations are made for the introduction of charges for the use of the Council's parks and open spaces by external organisations holding events. A scale of charges is proposed which distinguishes between community and charity events and commercial events.

## **2 RECOMMENDATION(S)**

- 2.1 That members approve the introduction of charges for events within the Council's parks, as set out in this report.
- 2.2 That members approve the introduction of a system of securing refundable deposits from event organisers in order to ensure that any unexpected additional costs incurred as a result of the event can be met.
- 2.3 That the Head of Cultural Services, in consultation with the Portfolio Holder for Culture, be authorised to exercise discretion to reduce or waive charges made during the 2011/12 financial year where charges would unreasonably affect the viability of established events.

## **3 REASON(S) FOR THE RECOMMENDATION(S)**

### **3.1 Introduction of charging**

- 3.1.1 With a few exceptions, Warwick District Council does not currently charge event organisers for the use of its land, nor for the costs that it incurs in allowing the use of its land for events.
- 3.1.2 Most events that take place in the Council's parks bring with them a cost. Costs include officer time, additional litter picking and waste management, professional services (eg legal services for issuing licences), additional grounds maintenance (both in preparation for the event and reinstatement after the event), late opening of gated parks, toilets and car parks, and provision of water, electricity and temporary toilets.
- 3.1.3 It should be recognised that many events also bring with them economic and social benefits. They attract people into the towns, encouraging economic activity, and bring people together facilitating social cohesion.
- 3.1.4 Whilst many events have a community or charitable focus, a number make significant sums of money for commercial organisations.
- 3.1.5 A review of the policies of a number of other authorities has revealed that charging external organisations to hold events in parks is common practice. The scheme of charges outlined has been devised to reflect common practice, and to strike a balance between support for community events and realising income for the Council.

### **3.2 Introduction of deposits**

- 3.2.1 On a number of occasions significant damage has been caused to Council property as a result of events.

- 3.2.2 Repairing such damage has involved considerable cost to the Council, and it has proved difficult to recover that cost from the event organisers.
- 3.2.3 The use of a system of refundable deposits, secured in advance from the organisers and repaid to them if the site is left in an acceptable condition, is common amongst the authorities surveyed. It would ensure that unexpected damage would not result in additional cost to the Council.

### **3.3 Discretion to waive fees for 2011/12**

- 3.3.1 Many events have a long planning cycle and must begin setting their budgets up to a year in advance.
- 3.3.2 It is acknowledged that the introduction of charging from April 2011 could have a significant impact on events already planned for the summer of 2011, which have planned around the assumption that there will be no charge made by the Council.
- 3.3.3 Some of these events are long established parts of the cultural calendar of the District, the sudden demise of which could have a negative impact on the quality of life of residents and on the District's economy.
- 3.3.4 Allowing discretion to reduce or waive charges will help to ensure that such events are able to take place during 2011/12. For future years they will need to plan their budgets to allow for the reasonable charges being made by the Council.

## **4 ALTERNATIVE OPTION(S) CONSIDERED**

- 4.1 The option of continuing to incur the costs of hosting events has been considered.
- 4.2 This option fails to make the best use of one of the Council's important assets – its parks – to maximise income and contribute positively to reducing the deficit.

## **5 BUDGETARY FRAMEWORK**

- 5.1 The Council faces significant financial Challenges ahead. It is currently predicted that £2.8 million of on-going savings will need to be identified by 2015-16. Hence it is paramount that officers seek to identify new opportunities to generate income. At the same time it is also essential that the Council should seek to recover the full costs associated with events where it is appropriate to do so.
- 5.2 In future years, proposed charges will be brought to the Executive in October of each year as part of the annual Fees and Charges review.
- 5.3 It is estimated that had these charges been applied to events taking place last year they would have added around £8,000 - £11,000 to the council's income, offsetting the cost of hosting events. Income anticipated in 2011/12 is significantly less than this because of the discretion to reduce charges (see 2.3).

- 5.4 The additional income raised will need to be monitored and will be reported as part of the budget monitoring throughout the year, with income budgets increased as part of the Revised Estimates for 2011/12. Finance and Cultural Services will work together to monitor the position, including the charges which are being waived.

## **6 POLICY FRAMEWORK**

- 6.1 Holding events in parks makes a positive contribution to a number of Sustainable Community Strategy strategic aims, including:
- There are opportunities for everyone to enjoy and participate in sport, the arts and cultural activities
  - People from different backgrounds get on well together
  - There is a thriving tourist economy making it one of the top visitor destinations
- 6.2 The charging framework makes specific provision for keeping costs down for events that are considered to contribute to the Council's strategic aims and is therefore consistent with those aims.

## **7 BACKGROUND**

### **7.1 Review of other charging schemes**

- 7.1.1 In deciding on proposed charges officers have reviewed the published charging schemes of a number of other authorities, including Wolverhampton, Oxford, Sandwell, Norwich and the London Boroughs of Hackney and Southwark.
- 7.1.2 Most base charging on the anticipated number of people attending events. However, as most events on WDC land are not ticketed this is a difficult figure to establish. It is therefore felt more appropriate for non-ticketed commercial events to base charging on the number of commercial stalls at the event. This is likely to be a good proxy for the commercial benefit accrued from the event.
- 7.1.3 In terms of number of stalls, the largest event on WDC land is the Peace Festival, which has around 120 stalls, although not all of these are 'trading units'. Based on this, officers believe that a reasonable match to the sort of ranges of prices available elsewhere can be obtained using ranges based on a charge of around £20 per stall per day in high demand parks, and £12 in smaller parks.
- 7.1.4 A common feature is that set-up and break-down days are also charged for, but at a lower rate than event days. In line with this it is proposed to charge for set-up and break-down days at 35% of the event day rate.

### **7.2 Principals for charging**

- 7.2.1 The proposed charging scheme is based on the following principals:
- The running of events other than those specifically initiated by WDC in support of WDC's strategic aims should not be at a cost to WDC

- Where an event makes use of WDC land or other assets to the commercial benefit of any party, WDC should also benefit financially

7.2.2 In practice, this is likely to mean that charitable events must meet WDC's costs in providing facilities. There will be a presumption that community events should also meet WDC's costs. However, at the Council's discretion the Council may choose to meet some of the costs of events that support WDC's strategic aims.

### 7.3 **Defining commercial events**

7.3.1 Whether or not an event is commercial will be judged on whether any body other than a charity or community group stands to make a profit from it. This is not limited to the organisers.

7.3.2 For example, although the Peace Festival is itself a not for profit organisation, it will be considered commercial because traders attending the festival make money.

7.3.3 A trading unit will be defined as an individual stall or attraction which takes money in exchange for goods or services. A single business may operate multiple trading units within one event (eg one business providing both a paid for bouncy castle and a paid for roundabout). Stalls providing only information and not charging (such as stalls promoting a particular campaign at the Peace Festival, for example) will not be considered to be trading units.

7.3.4 Community based events which include five or fewer commercial trading units may, at the Council's discretion, be charged at community rather than commercial rates.

### 7.4 **Exceptions to charging**

7.4.1 Certain events should not be subject to charges or deposits. Nevertheless, organisers will be expected to ensure that the site is left as they found it and to work closely with the council to this end.

- Events organised by 'Friends of' groups recognised by the council, within the park to which the group relates, and expecting less than 200 participants
- Events organised by tenants and residents groups recognised by the council, in a park within the area to which the group relates, and expecting less than 200 participants.
- Community organised 'Big Lunch' events with a local focus, with no commercial trading units and expecting less than 100 participants.
- Family gatherings of less than 30 people.
- At the discretion of the Head of Cultural Services, events that clearly help the Council to achieve its strategic aims may have charges waived or reduced.

### 7.5 **Charges**

7.5.1 Basic charges contribute to officer time and, in the case of commercial events, to the hire of the land. Additional services provided by the council will be recharged at cost if applicable. Such services might include cleansing/litter

picking, skips or bins, electricity hook up, water supply, temporary toilets, security guards, event signage, road closures etc.

7.5.2 Hirers are required to leave the site tidy and are expected to make use of the Council's services, through the Council's contractors, to achieve this. The cost of additional cleansing will be recharged at cost. Hirers may choose to make additional arrangements for litter picking and waste removal if they.

7.5.3 Charges for cleansing will be £55 per 6 cubic yard skip required, and £20 per additional litter pick required.

7.5.4 The following daily charges will be implemented for charitable, community and non-commercial events:

Anticipated attendance	
<100	60
101-250	105
251-500	135
>500	180

7.5.5 Daily charges for non-ticketed commercial events will be as follows:

Number of trading units	High demand parks	Other parks
1 - 15	300	180
16 - 35	700	420
35 - 60	1200	720
60 - 100	2000	1200
>100	3000	1800

7.5.6 'High demand' parks are as follows:

- Jephson Gardens, Leamington Spa
- Pump Room Gardens, Leamington Spa
- Victoria Park, Leamington Spa
- St Nicholas Park, Warwick
- Abbey Fields, Kenilworth

7.5.7 Charges for ticketed commercial events will be by negotiation.

7.5.8 Set-up and break-down days will be charged at 35% of the event day rate.

7.5.9 Deposits will be required according to the following table. Deposits should be paid in advance of the event. They will be repaid if the site is left in good condition. Otherwise, any cost of cleaning up or reinstating will be taken from the deposit. Deposits for larger fairs have been set high because the size of equipment involved tends to cause more ground damage than with other events.

Event type	Deposit
Charitable / community, under 250 people	100
Other charitable / community	250
Commercial, 15 or fewer trading units	250
Commercial, over 15 trading units	500
Fairs, five or fewer rides	500
Fairs over five rides	1000

## 7.6 **Monitoring events budgets**

- 7.6.1 There is a need to make changes to the way income and expenditure relating to events is recorded in order to ensure that the impact of charging upon the Council's financial position can be easily monitored and to provide an additional evidence base for future adjustments to charging.
- 7.6.2 Officers are currently reviewing the way in which events are organised by the Council as part of a series of Systems Thinking interventions. It is anticipated that as a result of this intervention significant streamlining of the process will be achieved.
- 7.6.3 Consideration of the way income and expenditure are recorded will be carried out as part of the intervention. Any proposals will need to meet both the need for effective financial monitoring and the need for a more streamlined and efficient approach to organising events.

## 8 **EXAMPLES**

- 8.1 The following examples illustrate the impact of these proposals on a range of events. The proposals allow the Head of Cultural Service discretion to reduce or waive these charges during the 2011/12 financial year if they would affect the viability of long established events (see 2.3). Additionally, there is discretion to reduce charges where events contribute positively to the Council's strategic aims (see 7.2.2).

### 8.2 **A local 'Big Lunch' event**

- 8.2.1 The Big Lunch is a campaign to get communities to come together to share food and fun for a day each summer.
- 8.2.2 Providing the event expects fewer than 100 people, and does not involve commercial stalls, a local Big Lunch event arranged in one of the Council's parks would not incur any charges.

### 8.3 **Leamington Peace Festival**

- 8.3.1 Leamington Peace Festival is organised by a non-profit collective. However, many of the 100 or so stalls are commercial. If 55 stalls are commercial the basic charge would £1200 per operational day, plus £420 for set up and breakdown days. The event runs for two days, Saturday and Sunday. It usually sets up on Friday, but clears up on the Sunday. Basic charge would therefore be £2820

- 8.3.2 Assuming six 6cu.yd skips and three additional litter picks per operational day, cleansing costs would add £450.
- 8.3.3 A deposit of £500 would be required, refundable if the site is left in good condition.
- 8.3.4 Additional charges for water, electricity, etc would be made at cost.