

RECORD OF EXECUTIVE DECISION

TITLE: *Gateshead Cultural Outdoor Spaces - Fees and Charges*

DELEGATION: Council Constitution – Part 3, Schedule 5
Delegation (6) to Service Director, Trading and Commercialisation

DECISION: *Approval of the proposed new commercial and charitable tariffs for the hire of Council owned cultural spaces and assets including Baltic Square, Performance Square and Gateshead Millennium Bridge Lighting.*

Supporting information shown in Appendix 1

CONSULTATION: Strategic Director, Corporate Resources
Strategic Director, Corporate Services and Governance

APPROVED BY: Lindsay Murray, Service Director, Trading and Commercialisation

Signed *L. Murray*

Dated *9/01/2019*

Appendix 1

Corporate Management Team Report including appendices of the agreed fees and charges.

Title: Gateshead Cultural Outdoor Spaces Review of Fees and Charges – Phase One		Ref:
Date: 31st October 2018		Portfolio: Culture, Sport and Leisure
Strategic Director: Darren Collins	Lead member: Councillor C Donovan Support members: Councillor A Douglas and Councillor L Green	

Purpose of the report

1. The purpose of this report is to provide an overview of the proposed fees and charges for Gateshead's Cultural Outdoor Spaces phase one including Baltic Square, Performance Square and the Gateshead Millennium Bridge lighting service. Following successful implementation of Phase One we will progress to Phase Two and this will include fees and charges extended to Parks and Open Spaces, and other Council owned land which could be used for events. It outlines the key outcomes the Council is seeking to achieve and seeks views on the approach towards ensuring that these are met.

Background

2. Gateshead has a rich heritage offering high quality cultural and sporting events in our outdoor spaces. Baltic Square is a large paved area in prime position directly adjacent to the Gateshead Millennium Bridge. It is a premium quayside space currently used for cultural programming throughout the year. Performance Square is a large amphitheatre style open space, again located on Gateshead Quayside, directly adjacent to the Sage Gateshead. At many points throughout the year these spaces are currently not utilised. There is an opportunity to offer hire of these spaces on a commercial basis, generating income for a more sustainable and varied cultural offering.
3. The Gateshead Millennium Bridge is an iconic landmark recognised on a national and international scale. It features an advanced LED lighting system that enables the bridge to be lit in a vast array of colours and designs. In previous years, the bridge has honoured lighting requests for charitable events and national/international days. In 2016/17, a trial programme of charging for commercial lighting of the Bridge was tested and this proved popular with a considerable appetite identified for private customers willing to pay to light the Bridge e.g. in Company colours, for celebrations etc. It was therefore considered that offering lighting of the bridge on a commercial basis would assist in generating further income to sustain the Council's cultural offering.

**Background behind the proposed charges:
Hire of Baltic Square and Performance Square**

4. Whilst the Council believes there may be an appetite for hire of our outdoor spaces this market is relatively untested in Gateshead, save some evidence of income from ad-hoc bookings in recent years. These bookings have generated an encouraging amount of income, despite the hire of space not being actively marketed, and suggest there is potential to expand.
5. In becoming more commercially oriented we recognise the need to implement procedures that protect our assets and maintain them for ongoing use. Each year high levels of event applications are received and processed by the Culture Team and fed through to the SAG (Safety Advisory Group) where necessary. This process is resource intensive to ensure public safety and this is likely to increase if the hire of space becomes more successful. In line with other Council's, we are therefore proposing that all hire of space requests go through an application process including event plan review, support and advice. A non-refundable application fee will be taken for all proposed hire to cover admin costs. This will also help to ensure that only those serious about progressing through to event stage will apply.
6. In addition, refundable damage deposits will also be required for any agreed hire. This will cover the cost of any damage to the site during the event. This is similar to the operating model used by Liverpool City Council (and many others) who have a very developed commercial hire offer for all of their parks and open spaces. A more efficient administration and payment system will also be implemented to deal with the potential increased capacity and to ensure excellent customer service is provided leading to repeat bookings and referrals.

**Background behind the proposed charges:
Lighting of the Gateshead Millennium Bridge**

7. In 2016/17, a small pilot scheme of charging for lighting the Millennium Bridge took place as a result of multiple commercial enquiries to light the bridge. Pilot charges of £145 per lighting were introduced (rising to £200 in 18/19) with a £40 charge per lighting for charities and no charge for national days of significance. This saw good interest despite the lack of any marketing. As each lighting request takes a minimum of 1 hour of a specialised bridge operatives time, and administration time across the Council, these charges need to be updated to reflect the actual cost of providing the service and the costs relating to the running and maintenance of the bridge to help preserve it for future use.
8. The Council acknowledges the need to recognise national and international days of importance and would continue to offer these lightings free of charge to demonstrate support and highlight suitable causes.
9. The Council also acknowledges the need to support the Voluntary and Charitable Sectors and discounted rates are proposed to be offered to these sectors. However, it is recognised that some charities are multinational corporate businesses with large marketing budgets who do not need as much assistance as our local groups do. We are therefore proposing a banding system whereby the smallest charities and groups will get the most help whereas large corporate charities (with a turnover of £500k+) will be required to pay the same as the corporate rate. It is considered that this still offers great value for money for such a unique opportunity.

10. In addition to the banding we are proposing to set up a process that offers 12 free lightings a year to local groups and charities.

Proposed Charges

11. The proposed charges for Baltic and Performance Square are based on the amount of space required and to optimise potential usage (see Appendix 1 for a full breakdown). The market is untested for these unique spaces so charges will be reviewed based on the market response.

12. In summary:

Baltic Square:

Half site £750 per day

Full Site £1,000 per day

Performance Square:

Full Site £1,000 per day

- Days for setup and de-rig would be offered at a 50% discount on weekdays and the full day hire fee on weekends (Fri-Sun including Public Holidays).
- Charitable and voluntary groups will be offered up to a 50% discount on the commercial rates for square hire and up to 75% for 'run' hire.
- A £100 non-refundable application fee will be charged for each potential booking to cover the initial enquiry and review of the event plan (£75 for half site at Baltic Square only).
- A 20% non-refundable deposit will be required to secure each booking with full payment required in advance of the event (payment schedules currently in development)
- A refundable security bond will be required to prevent non- payment for damages. This is proposed at £1,500 for a half site hire and £2,000 for a full site hire or 20% of the booking total, whichever is the greater.
- The Council has inhouse expertise such as Safety Consultancy, Event Planning and Advice, Audience Development and Promotion, Bin Collection and Cleansing Services etc. which will be available for hire at an appropriate hourly rate. The Culture Team will be able to signpost to these services.
- The Council reserves the right to offer a discount for bookings longer than 2 days at full rate.
- Appendix 1 outlines the proposed charges in relation to Photo Shoot Hire and Run Hire.

13. The proposed charges for commercial lighting of Gateshead Millennium Bridge are as follows:

Commercial/Individual Rate	£240 plus VAT
Charity Band Rate A (up to £99k Turnover)	£60 plus VAT
Charity Band Rate B (£100k - £499k Turnover)	£120 plus VAT

14. Twelve free lightings per year will be offered to voluntary/community groups and Charities within Band Rate A through an organised draw to be offered twice per year (6 free lightings each time). Winning applicants will not be able to reapply within a 12-month period.

Approach

15. It is proposed that a marketing brochure is developed to incorporate Baltic Square, Performance Square and Millennium Bridge Lighting fees and charges as an initial approach to the market along with an update of online content on the Council's website (see draft brochure at Appendix 2). This can then be expanded as and when additional commercial fees and charges are developed for other Council assets e.g. parks and open spaces.

16. It is proposed to pilot these charges for 12 months and then review performance and amend as appropriate. This is to enable marketing and generation of interest in the site and give it a chance to establish itself as a premier events space in the market.

Next steps

17. CMT is asked for its views on:

- i. The highlighted proposals and commence marketing of Baltic and Performance Square and Millennium Bridge Lighting.
- ii. The development of further charges in Phase Two in consideration of parks and open spaces and other Council assets.

Financial Implications

18. The Strategic Director, Corporate Resources confirms that any additional costs will be met from existing budgets in the first instance but will be funded from income generation going forward. A new income target will be set for the Culture team as part of the 2019-2020 budget setting process.

19. Depending on the success of the proposals, it is likely that additional administrative and marketing support will be required from the Culture Team.

Communication Implications

20. Further input from the Communications Team has been identified to progress the design of the marketing brochure and commence online marketing for this activity.

Consultation

21. The following officers have been consulted as part of the preparation of this report:

- Caroline Preston
- Natalie Porthouse
- Darren Collins
- Colin Huntington
- Elaine Barclay

Recommendations

22. Corporate Management Team is asked for views on the approach and proposed charges as well as ways other Council services could support the approach and/or provide saleable services that complement the approach.

23. Corporate Management Team is asked for views on the proposals to pilot the charges for a period of 12 months before reviewing performance and whether the charges are appropriate to the market.

Attachments to this report

Appendix 1 Spreadsheet showing proposed fees and charges

Appendix 2 Example of proposed draft brochure to promote premium spaces

Contact: Lindsay Murray **Ext:** 2602

Appendix 1 - Baltic Square

Square Hire	Half Site	Full Site	Weekday (Mon-Thurs)	Weekend (Fri-Sun including Public Holidays)	Charity/Voluntary Rate	Additional Information
Application Fee	£75	£100			50% discount on Commercial Rate	Payment is for initial enquiry and 1-hour review of event plan. Non-refundable. When hiring half of the site, the other half of the site may be hired by another party.
Hire Fee	£750	£1,000			Charity Band A and B - 50% discount on Commercial Rate. Charity Band C - Full Commercial Rate	Discounted hire fees may be negotiable where more than 2 days of site hire is required. The Culture Team will advise. A 20% non-refundable deposit will be required to secure each booking with full payment required in advance of the event.
Deposits	20% of booking value	20% of booking value			Commercial Rate applies	Non-refundable. Required to be paid at the time of agreeing the booking (with balance of booking required 6 weeks in advance of the event).
Refundable Security Bond	min £1,500 or 20% (whichever is greater)	min £2,000 or 20% (whichever is greater)			Charity Band A and B - 50% discount on Commercial Rate. Charity Band C - Full Commercial Rate	Refundable. The Council will carry out an inspection prior to access to the site and prior to the Hirer vacating the site. Any damage to the site, adjoining land or fixtures/fittings shall be made good by the Council and charged to the Consent Holder.
Rig and De-Rig Days			50% discount on Hire Fee	Full Hire Fee applies	Charity Band A and B - 50% discount on Commercial Rate. Charity Band C - Full Commercial Rate	Rig and De-Rig Days must be specified as part of the event plan. Consent holder will be responsible for ensuring the site is accessed and vacated within the timescales specified.
Audience Development and Promotion			£35 per hour	£55 per hour	Commercial Rate applies	Audience development and promotion, corporate profile building, help to sell tickets etc. Lead in times apply.

Additional Services				Weekday (Mon-Thurs)	Weekend (Fri-Sun including Public Holidays)	Charity/Voluntary Rate	Additional Information
Technical Advice						Commercial Rate applies	Signpost to Development Transport and Public Protection to provide details and rates for structural inspections - Statutory requirement (Health and Safety).
Bin Collection/Cleaning Services						Commercial Rate applies	Culture Team to liaise with Street Scene to provide details and rates for Bin/Waste Collection and Cleansing Services
Electricity – Connection costs				Connection/Disconnection £42 + vat weekday	Connection/Disconnection £56 + vat Weekend	Commercial Rate applies	Signpost to Facilities Management to provide details and rates for Energy Connection services
Electricity – Energy costs				Metered rates	Metered rates	Commercial Rate applies	The Council will take meter readings prior to access to the site and prior to the hirer vacating the site and usage will be charged in line with standard Council rates
Catering				Price on application	Price on application	Commercial Rate applies	Signpost to Corporate Catering to provide details and rates for Catering Services
Photo Shoot Hire	Weekday Full Day (max 5 hours)	Weekday Hourly Rate	Weekend Full Day (max 5 hours)	Weekend Hourly Rate	Charity Rate		Additional Information
Hire Fee	£250	£100	£500	£200	Charity Band A and B - 50% discount on Commercial Rate. Charity Band C - Full Commercial Rate		Weekdays are preferable for Photo Shoots due to there being lower numbers of visitors. Where a full day is required at more than 5 hours, additional hours will be charged at the hourly rate
Run Hire	Commercial Rate				Charity Rate		Additional Information
Application Fee	£100				Charity Band A - 75% on Commercial Rate, B - 50% discount on Commercial Rate. Charity Band C - Full		Payment is for initial enquiry and 1-hour review of event plan. Non-refundable.

Run Finisher income	£1 per run finisher					Commercial Rate applies	Only applies to runs where there is paid entry.
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General Info

Size: Full Site approx. 1,775 m2/Half Site approx. 887 m2

Capacity: Up to 2,500 people: max. 1,250 people half site/max. 2,500 people full site (this may change depending on event infrastructure)

Facilities: Mains power, suitable for event infrastructure

Opening and Closing Times: 0900-2400 (conditions apply)

Restrictions:

- Weight - maximum laden weight for the site is 5 tonnes
- Access - Vehicle access by ramp only (4m wide, 32m long)
- Type of Events/Usage - the Council retains the right to deny event applications that do not meet its priorities
- Neighbours - event plan may need to be discussed with partner sites e.g. Baltic and Sage
- Noise - no construction noise is allowed after 8pm

Performance Square - Fees and Charges 2018/19

Square Hire	Full Site	Weekday (Mon-Thurs)	Weekend (Fri-Sun including Public Holidays)	Charity/Voluntary Rate	Additional Information
Application Fee	£100			50% discount on Commercial Rate	Payment is for initial enquiry and 1-hour review of event plan. Non-refundable.
Hire Fee	£1,000			Charity Band A and B - 50% discount on Commercial Rate. Charity Band C - Full Commercial Rate	Discounted hire fees may be negotiable where more than 2 days of site hire is required. The Culture Team will advise. A 20% non-refundable deposit will be required to secure each booking with full payment required in advance of the event.
Deposits	20% of booking value			Commercial Rate applies	Non-refundable. Required to be paid at the time of agreeing the booking (with balance of booking required 6 weeks in advance of the event).
Refundable Security Bond	min £2,000 or 20% (whichever is greater)			Charity Band A and B - 50% discount on Commercial Rate. Charity Band C - Full Commercial Rate	Refundable. The Council will carry out and inspection prior to access to the site and prior to the Hirer vacating the site. Any damage to the site, adjoining land or fixtures/fittings shall be made good by the Council and charged to the Consent Holder.
Rig and De-Rig Days		50% discount on Hire Fee	Full Hire Fee applies	Charity Band A and B - 50% discount on Commercial Rate. Charity Band C - Full Commercial Rate	Rig and De-Rig Days must be specified as part of the event plan. Consent holder will be responsible for ensuring the site is accessed and vacated within the timescales specified.
Audience Development and Promotion		£35 per hour	£55 per hour	Commercial Rate applies	Audience development and promotion, corporate profile building, help to sell tickets etc. Lead in times apply.
Additional Services		Weekday (Mon-Thurs)	Weekend (Fri-Sun including Public Holidays)	Charity/Voluntary Rate	Additional Information

Technical Advice					Commercial Rate applies	Signpost to Development Transport and Public Protection to provide details and rates for structural inspections - Statutory requirement (Health and Safety).
Bin Collection/Cleansing Services					Commercial Rate applies	Culture Team to liaise with Street Scene to provide details and rates for Bin/Waste Collection and Cleansing Services
Electricity - Energy costs and connection		Dependent on event requirements	Dependent on event requirements	Commercial Rate applies	Commercial Rate applies	Energy supply available from Sage Gateshead or event organiser can provide own generator.
Catering		Price on application	Price on application	Commercial Rate applies	Commercial Rate applies	Signpost to Corporate Catering to provide details and rates for Catering Services

Photo Shoot Hire	Weekday Full Day (max 5 hours)	Weekday Hourly Rate	Weekend Full Day (max 5 hours)	Weekend Hourly Rate	Charity Rate	Additional Information
Hire Fee	£250	£100	£500	£200	Charity Band A and B - 50% discount on Commercial Rate. Charity Band C - Full Commercial Rate	Weekdays are preferable for Photo Shoots due to there being lower numbers of visitors.
Run Hire	Commercial Rate				Charity Rate	Additional Information
Application Fee	£100				Charity Band A - 75% on Commercial Rate, B - 50% discount on Commercial Rate. Charity Band C - Full Commercial Rate	Payment is for initial enquiry and 1-hour review of event plan. Non-refundable.
Run Finisher income	£1 per run finisher				Commercial Rate applies	Only applies to runs where there is paid entry.

General Info

Size: Full Site approx. 2,372 m2

Capacity: Up to 2,000 people (this may change depending on event infrastructure)

Facilities: Mains power provided by Sage Gateshead, suitable for event infrastructure

Opening and Closing Times: 0900-2400 (conditions apply)

Restrictions:

- Weight - maximum laden weight for the site is 10 tonnes
- Access – Vehicle access to side of Sage Gateshead (conditions apply)
- Type of Events/Usage - the Council retains the right to deny event applications that do not meet its priorities
- Neighbours - event plan may need to be discussed with partner sites e.g. Baltic and Sage
- Noise - no construction noise is allowed after 8pm

