

# FEES AND CHARGES REPORT

## APPENDIX 13 – TRINITY ARTS CENTRE (TAC)

### 1. Service Description

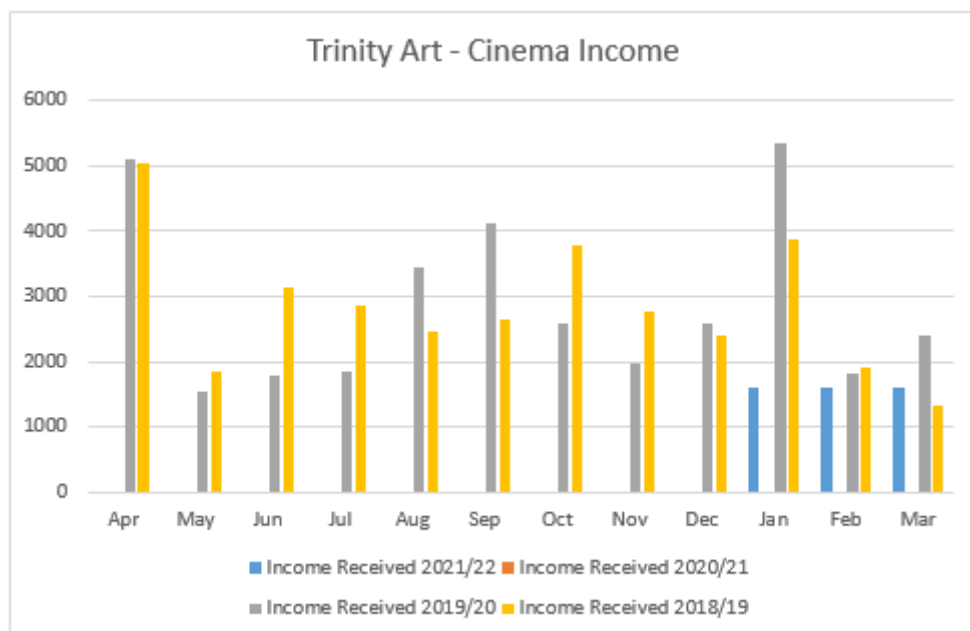
Trinity Arts Centre (TAC) is operated by West Lindsey District Council and is widely used by local and touring professional companies who stage shows at the centre. Alongside this, the venue maintains an active and full roster of community group activities across its secondary spaces and the main auditorium doubles up as a one screen cinema when not in use as a live entertainment space.

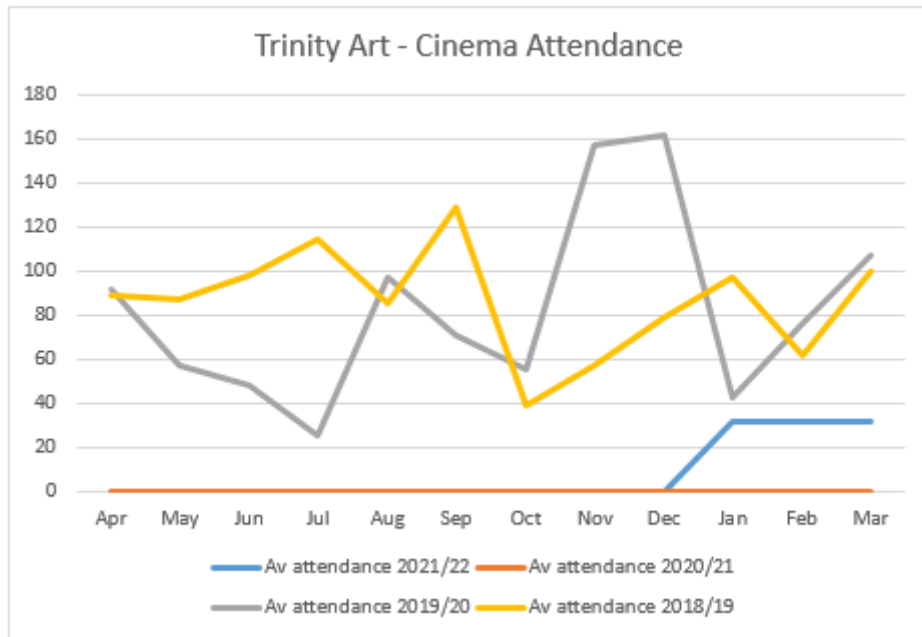
The venue is acutely managed and staffed by a small team of industry professionals who in recent years have increased the programme on offer, reduced annual subsidies and transitioned the venue to a more commercially viable operation whilst maintaining strong community links.

### 2. Prior years analysis, current financial year projections

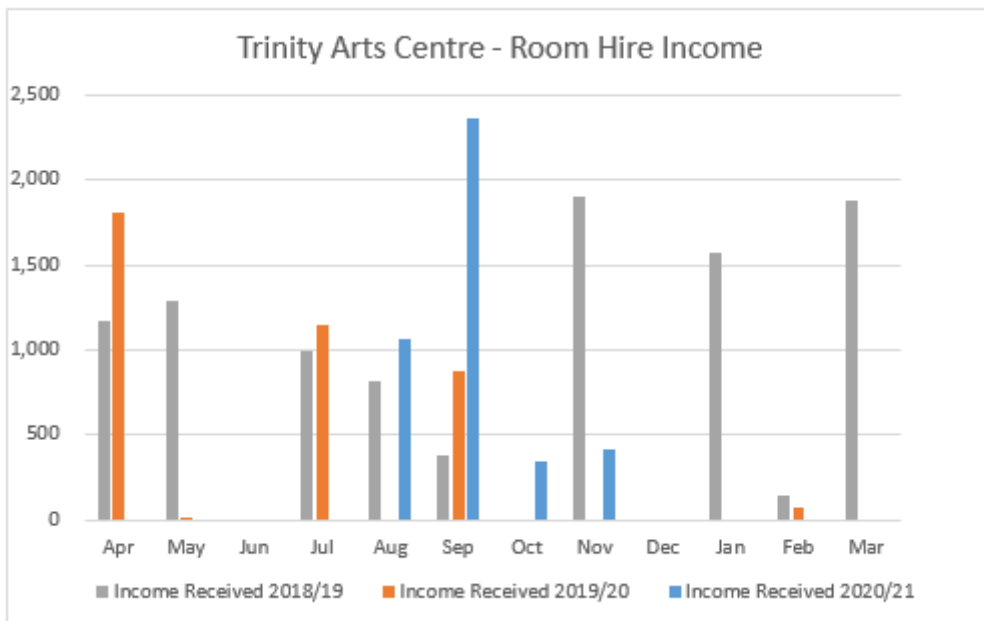
Historically cinema has offered TAC the most cost effective and simple of operations and is easily something the centre could have maximised on as an additional income as the centre already has the technology to support multiple screens. However, in light of a new cinema being established in the town centre, a significant change of identity is required in order to establish the centre as a live event space.

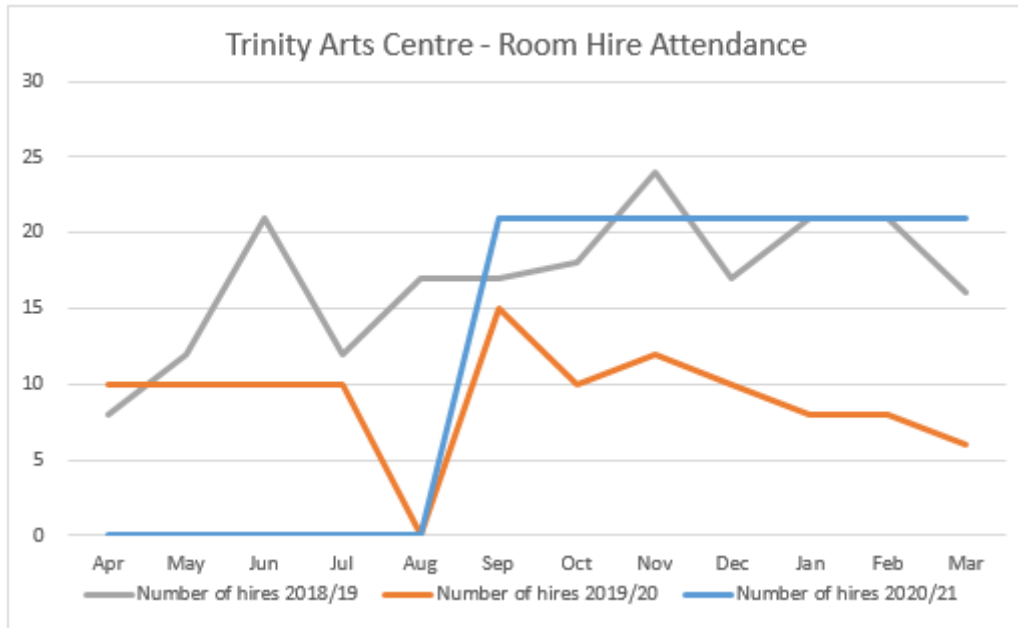
The graphs below shows cinema income and average attendance over the past 3 years. There was no film income in 2020/21. Film showing will not start until January 2022.





Since the hire fee changes fully took place with effect from 1 April 2019, the centre has retained its original customers and gained extra. Space hire income for 2020/2021 was £4,175.





### 3. COVID Impact

A public event carries with it a significant cost. In normal times, we cover these costs adequately, however with consumer confidence at an all-time low right across the industry, this will prove a challenge in the short term.

Box Office sales have halted due to there being no clear indication as to when venues are allowed to reopen, and this will remain the case until the government provide clear guidance on the matter. Most patrons have requested refunds on their tickets. Scheduling to date has been based on assumptions, and whilst at the start of lockdown, the programme was rescheduled for the autumn, now we are closer to the autumn season, it's looking likely that it will get rescheduled again. This, for obvious reasons, can cause problems for our customers.

Reopening with performances/films is also heavily governed by what is available. When the government announced cinemas could reopen on 4th July, cinemas across the country filled their programme with old and in some cases nostalgic titles, however, their opening date was quickly pushed back when they realised that no new releases would be available and people were not booking tickets.

The centre has been limited by the government restrictions however it has benefited from a £35,000 emergency grant from Arts Council England.

In addition, an award of £196,690 has been secured from the treasury's Cultural Recovery Fund. The allocation comes from a fund of £500m put aside to assist culturally significant organisations who were financially viable pre-Covid to weather the storm of Covid-19 for the remainder of this financial year.

## 4. Pricing

A review of the hire fees took place when the new manager started, with a new fee structure implemented from October 2018. The increase in hire fees didn't fully come into operation until 1 April 2019 however as it was appropriate to honour advance bookings at the original price. Previous years fees did not cover the true cost of running an event meaning the centre was operating at a loss. Therefore, a more realistic charging structure was developed ensuring costs were adequately covered whilst maintaining a competitive edge with neighbouring theatres.

### Demand

As we recover from the pandemic we will introduce events gradually. April 2022 to July 2022 we will have 2 events a week. September 2023 onwards we are looking to achieve and average 4.5 events a week.

Below is a table comparing the forecast income for 2022/2023 to 2031/2032 against the budget agreed in the MTFP approved in March 2021. The assumption is that fees and charges will increase by 2.5% year on year.

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Events forecast	205,600	265,200	271,800	278,600	285,600	292,700	300,000	307,500	315,200	323,100
Box office takings	135,800	135,800	135,800	135,800	135,800	135,800	135,800	135,800	135,800	135,800
	69,800	129,400	136,000	142,800	149,800	156,900	164,200	171,700	179,400	187,300

We have 7 groups hiring our rooms on a regular basis for 31hrs a week. The number of weeks a year varies between the different groups, as some only use the room hire for school term. We are forecasting that we maintain this level of room hire.

Below is a table comparing the forecast income from 2022/2023 to 2031/2032 against the budget agreed in the MTFP approved in March 2021. The assumption is that fees and charges will increase by 2.5% year on year.

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Hire of room forecast	20,500	21,000	21,500	22,000	22,600	23,200	23,800	24,400	25,000	25,600
MTFP Hire of rooms	13,700	14,000	14,300	14,600	14,600	14,600	14,600	14,600	14,600	14,600
	6,800	7,000	7,200	7,400	8,000	8,600	9,200	9,800	10,400	11,000

## 5. Understanding Customers and Markets

People associate TAC as being a cinema more often than a theatre for live performances. Over the years the promotion of Trinity has been more closely linked to its cinema operation than it has with its live performance programme. However, in light of a new cinema being built in the town centre, a significant change of identity is required in order to establish the centre as a live event space.

In 2021, Trinity Arts Centre adopted a new a more intuitive box office system which improves customer communication and reporting. The system will give the team

unrivalled access to key data that can be used to inform future decision making. Improved flows also make the customer experience more enjoyable.

## 6. Proposed Charges

Theatre rehearsal and duty manager charge to increase by inflation at 3.9%.

Room hire to increase by 6%.

Film charges have been benchmarked against Kinema in the Woods. We propose to increase the tickets prices by 50p per ticket. Adults £6.50 and Concessions £5.50.

The proposed charges for the room/theatre hire and cinema are outlined in the table below.

All other fees & charges generated by the centre are Price on Application (POA) to assist officers in developing a price range, based on the individual requirements and specifications of the customer.

### New fees

During the period of closure, the centre management went about improving the facilities. Included in this was the relocation of the cleaners' storeroom, which gave way for a new hireable space. This room has been redesigned to act as a small meeting/gallery space and is named after the building's architect: Thomas Johnson. This new room presents a new charge and will contribute to the variety of offerings at Trinity for those seeking to use spaces for different means.

## 6. Impact on Medium Term Financial Plan (MTFP)

	2022/23	2023/24	2024/25	2025/26	2026/27
	(£)	(£)	(£)	(£)	(£)
Current Budget in MTFP	(13,700)	(14,000)	(14,300)	(14,600)	(14,600)
Proposed Budget - Venue Hire	(20,500)	(21,000)	(21,500)	(22,000)	(22,600)
Impact on MTFP 2022/23 Pressure/ (Saving)	(6,800)	(7,000)	(7,200)	(7,400)	(8,000)

## 7. Recommendation

Members are asked to approve charges for the 2022/2023 financial year as detailed in the schedule below.

## Prosperous Communities Committee

## Trinity Arts Centre

2021/22	Proposed Increase / (Decrease)		2022/23	VAT Amount	2022/23 Charge Inc. VAT	VAT Rate
	£	%				

* Theatre (rehearsal) (Mon-Thurs)	per hour	£56.50	3.5%	£2.00	£58.50	£11.70	£70.20	S/X
* Theatre (rehearsal) (Mon-Thurs)	per half day	£185.50	3.8%	£7.00	£192.50	£38.50	£231.00	S/X
* Theatre (rehearsal) (Mon-Thurs)	per full day	£288.50	4.0%	£11.50	£300.00	£60.00	£360.00	S/X
* Theatre (rehearsal) (Fri-Sun)	per hour	£56.50	3.5%	£2.00	£58.50	£11.70	£70.20	S/X
* Theatre (rehearsal) (Fri-Sun)	per half day	£222.50	3.8%	£8.50	£231.00	£46.20	£277.20	S/X
* Theatre (rehearsal) (Fri-Sun)	per full day	£350.00	3.9%	£13.50	£363.50	£72.70	£436.20	S/X
* Theatre (performance) (Mon-Thurs)	per hour	£67.00	3.7%	£2.50	£69.50	£13.90	£83.40	S/X
* Theatre (performance) (Mon-Thurs)	per half day	£237.00	3.8%	£9.00	£246.00	£49.20	£295.20	S/X
* Theatre (performance) (Mon-Thurs)	per full day	£386.50	3.9%	£15.00	£401.50	£80.30	£481.80	S/X
* Theatre (performance) (Fri-Sun)	per hour	£67.00	3.7%	£2.50	£69.50	£13.90	£83.40	S/X
* Theatre (performance) (Fri-Sun)	per half day	£283.50	3.9%	£11.00	£294.50	£58.90	£353.40	S/X
* Theatre (performance) (Fri-Sun)	per full day	£463.50	3.9%	£18.00	£481.50	£96.30	£577.80	S/X
Room hire(Mon-Sat) (educational/charity)	per hour	£13.50	7.4%	£1.00	£14.50	£2.90	£17.40	X
Room hire(Mon-Sat)	per hour	£20.50	4.9%	£1.00	£21.50	£4.30	£25.80	X
Room hire(Mon-Sat)	per half day	£68.00	5.9%	£4.00	£72.00	£14.40	£86.40	X
Room Hire (Mon-Sat)	per full day	£119.50	5.9%	£7.00	£126.50	£25.30	£151.80	X
Thomas Johnson Room (Mon-Sat) (educational/charity)	per hour	£0.00			£8.50	£0.00	£8.50	X
Thomas Johnson Room(Mon-Sat)	per hour	£0.00			£12.50	£0.00	£12.50	X
Thomas Johnson Room(Mon-Sat)	per half day	£0.00			£55.00	£0.00	£55.00	X
Thomas Johnson Room(Mon-Sat)	per full day	£0.00			£65.00	£0.00	£65.00	X
Duty Manager/Technician	per hour	£13.50	3.7%	£0.50	£14.00	£2.80	£16.80	S
Booking Fee (face to face / phone)		£1.00	0.0%	£0.00	£1.00	£0.20	£1.20	S
Ticket insurance per ticket	£2 incl VAT	£1.67	0.0%	£0.00	£1.67	£0.33	£2.00	S
Film showings - adult		£5.00	8.4%	£0.42	£5.42	£1.08	£6.50	S
Film showings - concessionary **		£4.17	10.2%	£0.43	£4.59	£0.92	£5.51	S
Film showings - TAC member	10% discount on eligible tickets							

Box office commission for community production hire agreements is 10%

Box office commission for professional production hire agreements is 15%

\* VAT is chargeable at the standard rate on room hire with additional services such as sound engineers, box office etc. Room only with no additional services provided in Exempt for VAT.

\*\* concessionary prices eligibility are school children, those on income support, senior citizens, students, those on disability allowance, Military id card and Blue light card