

Date: 7 December 2017

Title: Report Item 6: Pavilion Fees

By: Cllr Stewart Fuller

Purpose of Report: To consider whether the Pavilion is a community asset or a profit earning facility

Recommendations: To agree the Pavilion is a 'community asset' and set the hire fees accordingly

The PC owns the East Dean recreation ground and the Pavilion sited on the rec. The Pavilion is available for hire by residents, and is hired by the East Dean Cricket Club on alternate Saturdays and Sundays during the cricket season (usage likely to increase).

The question has been asked whether the pavilion is a community asset, breaking even to cover marginal costs, or a 'profit earner'.

Individual Hire - the pavilion is not hired out to individuals to any great extent. The current hire fee is £42 (incl. VAT) for a half day am or pm session, or £54 (incl. VAT) for both am and pm. Little or no interest is shown in full day hires. Although not in competition with the village hall, their half day rates for the small hall are £50 for an individual and £35 for an organisation regularly using the hall. The Hall is not registered for VAT.

The incremental marginal cost to the PC resulting from an individual hire of the pavilion is cleaning and a nominal utility cost (all-in say £15). To break-even, the hire fee would therefore be around £20 (incl. VAT) per half day, less than half that currently charged. To make a contribution to other related costs the fee could be set at £25 (incl. VAT). Advertising in the Parish Magazine etc. may generate additional interest in Pavilion hire from residents, but such hires would obviously need to avoid Cricket Club Bookings.

Cricket Club - the fee is set each year as part of the annual contract. The fee is currently £550 for the cricket season just ended and covered about 25 hire days, some £22 per hire day. VAT is not charged. This compares with the possible £25 (incl. VAT) above. The fee may need to be revisited owing to the increased Club usage envisaged for next year's season.

Conclusion - it is proposed that the Pavilion be treated as 'community asset' and hire fees set to cover incremental marginal costs only. For one-off hires the fee should be set at £25 (incl. VAT). For the Cricket Club the current annual fee could remain at £550 with a review after the 2018 season, or potentially increased to (say) £700 effective from next season based on the principle of recovering marginal costs only, but recognising the potential increase in usage.