



## Policy and Resource Committee

3 Oct 2019

<b>Title</b>	<b>Increasing Room Hire Charges for Hendon Town Hall and North London Business Park</b>
<b>Report of</b>	Chairman of the Policy and Resources Committee
<b>Wards</b>	Hendon Oakleigh Colindale
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	Appendix A: List of the prices that have been calculated prior to rounding. Appendix B: Running Costs
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## Summary

At present, many LBB rooms for hire are (1) not being hired at market rate and/or (2) not covering the running costs of having the space open for hire. To rectify this, it is proposed that the charges for hiring rooms are increased. The proposed increases to room hire charges range from 10.7% to 16.7%, depending on the costs or market value of the space.

## Officers Recommendations

1. It is recommended that the committee approve the following changes in room hiring fees to be implemented once committee approval is received:

### Hendon Town Hall:

- Council Chamber, Mon-Fri, half-day: £300 to £360.
- Council Chamber, Mon-Fri, full-day: £600 to £720.
- Council Chamber, Sat, half-day: £375 to £420.
- Council Chamber, Sat, full-day: £750 to £845.
- Committee room 1, 2 or 3, Sat, half-day: £300 to £345.
- Committee room 1, 2 or 3, Sat, full-day: £600 to £690.
- Committee room 1, 2 or 3, Sun, half-day: £375 to £430.
- Committee room 1, 2 or 3, Sat full-day: £750 to £860.
- Hendon Town Hall kitchen, Sun, half-day: £175 to £185 (hire cost for the kitchen unchanged for all other times)
- Leader's Room, Mon 5:30pm-8:30pm for £10, for registered Barnet based charities only, each charity limited to one booking per month

### The Atrium, North London Business Park:

- Weekdays (out of hours): standardised to £40 per hour
- Saturday: standardised to £50 per hour.
- Sunday: standardised to £65 per hour.

### 2 Bristol Avenue, Colindale Office\*

- **Conference room: whole room** capacity approximately 100 people, 101sq.m/1,091sq.ft
  - Half day £550
  - Full day £1,100
- **Conference Room: Large Section** capacity approximately 70 people, 67.5sq.m/727sq.ft
  - Half day £400
  - Full day £800
- **Conference Room: Small Section** capacity approximately 30 people, 34sq.m/364sq.ft
  - Half day £175
  - Full day £350
- **Meeting Room 1:** capacity approximately 6-8 people, 13.5sq.m/145sq.ft
  - Half Day £85
  - Full Day £165
- **Meeting Room 2:** capacity approximately 2-4 people, 8.35sq.m/89.88sq.ft
  - Half Day £50
  - Full Day £100

- **Meeting Room 3:** capacity approximately 4-6 people, 11.14sq.m/120sq.ft
  - Half Day £70
  - Full Day £135
- **Letting of the entire Conference Facility:** Conference room, Meeting Room 1, Meeting Room 2, Meeting Room 3, break out area in front of the Conference room, and access via the stairs from Reception.
  - Half Day £1,000
  - Full Day £2,000

\*These hire rates are based on comparable conference room hire rates in the same geographical areas as the Colindale office. Only once we test the rates on the open market will we know whether they are realistic, and whether adjustments are required, as well as judge whether different weekend rates are required. Barnet-based registered charities will be eligible for an 80% discount on Colindale office hire costs.

These proposed changes ensure that costs are covered in each space and bring the space closer to its market value.

## 1. WHY THIS REPORT IS NEEDED

1.1 Estates require Member approval to increase room hire rates across the Borough. In doing this, the actual costs incurred when hiring rooms out will be covered. The current room hire prices are outlined in paragraph 1.2.

### 1.2 Current Position:

#### Hendon Town Hall

Full day hire – 13 hours from 8am-9pm

	Council chamber	Heritage room	Committee room 1, 2 or 3	Kitchen hire
Mon-Fri	£600	£450	£450	£250
Saturday	£750	£600	£600	£300
Sunday	£900	£750	£750	£350

Half day hire – 6.5 hours between the hours of 8am-9pm:

	Council chamber	Heritage room	Committee room 1, 2 or 3	Kitchen hire
Mon-Fri	£300	£225	£225	£125
Saturday	£375	£300	£300	£150
Sunday	£450	£375	£375	£175

#### The Atrium – North London Business Park:

- No standardised price at present.

## 2 Bristol Avenue, Colindale Office

- Current position is that conference facilities are not yet marketed for hire

- Proposed rates, based on local comparable evidence, are to be adjusted accordingly once tested on the market, if needed. The requirement for adjusted weekend rates will also be adjusted once the rates are tested on the open market

	Whole Conference Room	Large section of Conference Room	Small Section of Conference Room	Meeting Room 1	Meeting Room 2	Meeting Room 3	Entire Facility
<b>Half Day</b>	£550	£400	£175	£85	£50	£70	£1,000
<b>Full Day</b>	£1,100	£800	£350	£165	£100	£135	£2,000

- Barnet-based registered charities will be eligible for an 80% discount on Colindale office hire costs.

	Whole Conference Room	Large section of Conference Room	Small Section of Conference Room	Meeting Room 1	Meeting Room 2	Meeting Room 3	Entire Facility
<b>Half Day</b>	£110	£80	£35	£17	£10	£14	£200
<b>Full Day</b>	£220	£160	£70	£33	£20	£27	£400

#### • Costs

To provide an indication of the annual costs to be recovered, the service charge allocation for each room is as follows, based on an average rate of £19psf.

Room	Square Feet	Approx Annual Service Charge
Conference Room	1,091	£20,700
Meeting Room 1	145	£2,755
Meeting Room 2	89.88	£1,700
Meeting Room 3	120	£2,280

## 2. REASONS FOR RECOMMENDATIONS

2.1 It is recommended that the prices of rooms for hire in Hendon Town Hall and the Atrium (North London Business Park) are increased. This will allow the Council to cover its costs and bring room hire charges closer to market rates for commercial users. Paragraph 2.2 lists the percentage by which rooms at Hendon Town Hall are below market value. To calculate market value, room hire prices from across the Borough from the website Hallshire.com were averaged, to give a working-hours and out-of-hours price that reflected the room's capacity. See paragraph 7.1 for specific market value figures.

2.2 Proposed changes for Hendon Town Hall rooms for hire:

- Council Chamber, Mon-Fri, half-day: £300 (42.1% below market value) to £360 (30.6% below market value)
- Council Chamber, Mon-Fri, full-day: £600 (42.1% below market value) to £720 (30.6% below market value)
- Council Chamber, Sat, half-day: £375 (37.8% below market value) to £420 (30.4% below market value)
- Council Chamber, Sat, full-day: £750 (37.8% below market value) to £845 (30% below market value)

- Committee room 1, 2 or 3, Sat, half-day: £300 (54.9% below market value) to £345 (30.6% below market value)
- Committee room 1, 2 or 3, Sat, full-day: £600 (54.9% below market value) to £690 (30.6% below market value)
- Committee room 1, 2 or 3, Sun, half-day: £375 (43.7% below market value) to £430 (30.4% below market value)
- Committee room 1, 2 or 3, Sun full-day: £750 (43.7% below market value) to £860 (30% below market value)
- Hendon Town Hall kitchen, Sun, half-day: £175 (3.4% below cost) to £185 (Market value could not be calculated for the Kitchen)

2.2 The increase to the space to hire at Hendon Town Hall was capped at 70% of the space's market value or 15% (the average hire cost increase) to remain competitive.

2.3 To simplify the final costs, calculations were rounded to the nearest multiple of 5. Please see the rounded calculations in paragraph 7.1.

2.4 To summarise, the proposed new charges at Hendon Town Hall are:

Half day:

Rooms	Mon-Fri	Sat	Sun
Council Chamber	£360	£420	£450 (No Change)
Committee room 1, 2 or 3	£375 (No Change)	£430	£430
Heritage room	£225 (No Change)	£300 (No Change)	£375 (No Change)
Hendon Town Hall kitchen	£125 (No Change)	£150 (No Change)	£185

Full Day:

Rooms	Mon-Fri	Sat	Sun
Council Chamber	£845	£845	900 (No Change)
Committee room 1, 2 or 3	£450 (No Change)	£690	£860
Heritage room	£450	£600	£750
Hendon Town Hall kitchen	£250 (No Change)	£500 (no Change)	£185

2.5 The Atrium, North London Business Park currently has no fixed price. The new proposed per hour prices were calculated using the costs of security and cleaning, factoring in a 50% profit margin. These costs supplied by facilities management are detailed below:

- The Atrium, North London Business Park, weekdays: £15.57 (security) + £10.50 (cleaning) x 1.5 (to account for void periods) = 39.105 rounded to £40 per hour.
- The Atrium, North London Business Park, Saturday: £16.24 (security) + £10.50 (cleaning) x 1.5 (to account for void periods) = 53.48 rounded to £50 per hour.

The Atrium, North London Business Park, Sunday: £22.28 (security) + £10.50 (cleaning) x 1.5 (to account for void periods) = 65.56 rounded to £65 per hour.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 Room Charges could be left at the rates they are currently. This option is not being considered as costs would not be covered.
- 3.2 Room hire fees could be increased to be above costs and market value. This would mean that the Council would not be able to compete against other room hire providers and would exclude some residents.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 If the recommendation is approved, the Council's website advertising room prices will be updated, and staff involved in the hiring of rooms and liaising with community groups hiring space will be informed of the changes.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Corporate Plan states that over the next 5 years Barnet needs to save £75 million. Increasing room hire charges will further this aim. This will free up money and allow Barnet to continue its priority of investing in community facilities to support a growing population, such as schools and leisure centres.

#### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The revenue from external room hire goes to LBB, to cover actual costs incurred.
- 5.2.2 Increasing room hire charges are expected to result in an increase in income for the Council. The increased room charges were calculated using figures supplied by facilities management (the cost of staffing, security and an estimate of utilities) based on the cost of having rooms open for hire and equivalent market rate averaging (see appendix 7.1 and appendix 7.2).
- 5.2.3 Any potential increase in income will be influenced by the number of people who hire space.

#### **5.3 Social Value**

This decision does not relate to a service contract therefore there are no social value considerations.

#### **5.4 Legal and Constitutional References**

- 5.4.1 The Local Government Act 2003 provides Barnet Council with the power to charge for discretionary services. This is on the basis that the Council is not prevented from charging for this service by way of any other alternative legal provision. It is also necessary when comparing one year with another, the income from these charges do not exceed the cost of the provision of the service.
- 5.4.2 In addition, the Localism Act 2011 provides for local authorities to utilise their general power of competence which confers on them the power to charge for services. This

again is subject to certain conditions similar to those stated above in paragraph 5.4.1.

5.4.3 It is good practice for any amendments made to fees charged by the Council to be adequately publicised within the local community.

5.4.4 In accordance with Article 7 of the Council's Constitution (Committees, Forums, Working Groups and Partnerships), the Policy and Resources Committee has the responsibility of determining "... Fees and charges for the services which are the responsibility of the committee to note decisions taken by theme committees...". Accordingly, authorisation is sought from members of the Policy and Resources Committee.

## 5.5 Risk Management

<b>Risk</b>	<b>Owner</b>	<b>Cause</b>	<b>Consequence</b>	<b>Mitigation</b>
Less Hires (low risk)	LBB Estates	The public are not able to afford to hire space/do not want to pay higher fees.	Reduction in income	The Council is not raising rental costs above market value, and will increase advertising on social media and at Hendon Town Hall to counteract any drop on room hires. Advertising the rooms will be at minimal cost to the Council. To further mitigate this, this report proposes the Leader's room is made available to Barnet based registered charities on Mondays from 17:30-20:30 at a cost of £10.

## 5.6 Equalities and Diversity

5.6.1 At present, there is no favourable rate for Barnet based charities to hire space at Hendon Town Hall. It is proposed to make the Leader's room available to hire on Mondays from 17:30-20:30 at a cost of £10 for the evening. This opportunity will be available to registered charities which are Barnet-based. A Barnet-based registered charity will be limited to hiring this space to once per month.

5.6.2 An 80% discount on hire rates is also available to Barnet based registered charities to hire space at the Council's Colindale office.

## 5.7 Corporate Parenting

5.7.1 None in the context of this decision.

## 5.8 Consultation and Engagement

5.8.1 There has not been any specific consultation or engagement activity in relation to this decision.

## 5.9 Insight

To calculate the market value for each space available to hire, an average per person/per hour price was calculated. This resulted in an average of £0.51 per person/hour (during work hours) and £0.64 (out of hours).

## **6. BACKGROUND PAPERS**

- 6.1 General Functions Committee – Hendon Town Hall Committee and Meeting Room Utilisation 28 June 2017  
<https://barnet.moderngov.co.uk/documents/s40510/Hendon%20Town%20Hall%20Committee%20and%20Meeting%20Room%20Utilisation.pdf>



# Appendices

## 7.1 Appendix A: List below shows the prices that have been calculated prior to rounding.

- Council Chamber, Mon-Fri, half-day: £363.87 to £360 (70% of market value).
- Council Chamber, Mon-Fri, full-day: £725.73 to £720 (70% of market value).
- Council Chamber, Sat, half-day: £422.24 to £420 (70% of market value).
- Council Chamber, Sat, full-day: £844.48 to £845 (70% of market value).
- Committee room 1, 2 or 3, Sat, half-day: £465.02 (70% of Market value) Capped at £345 (15% increase).
- Committee room 1, 2 or 3, Sat, full-day: £931.84 (70% of market value) Capped at £690 (15% increase).
- Committee room 1, 2 or 3, sun, half-day: £454.92 (70% of market value) capped at £431.25 (15% increase, rounded) rounded to £430.
- Committee room 1, 2 or 3, Sat full-day: £931.84 (70% of market value) capped at £862.50 (15% increase) rounded to £860.
- Hendon Town Hall kitchen, Sun, half-day: £175 to £185 (3.4% below cost).

## 7.2 Appendix B: Running Costs

### Hendon Town Hall

Time	Cleaning	Facilities management	Other
Normal hours	No additional cost	No additional cost	N/A
Out of hours: Weekday	No additional cost	No additional cost	£15.57 per hour.
Out of hours: Saturday	10.50 per hour (Max 3 hours)	£16.24 per hour	£15.57 per hour.
Out of hours: Sunday	10.50 per hour (Max 3 hours)	£22.28 per hour	N/A

### The atrium

Time	Cleaning	Facilities management	Other
Normal hours	No additional cost	No additional cost	N/A
Out of hours: weekday	No additional cost	£15.57 per booking	N/A
Out of hours: Saturday	10.50 per hour (Max 3 hours)	£16.24 per booking	N/A
Out of hours: Sunday	10.50 per hour (Max 3 hours)	£22.28 per booking	N/A