



## Notice of KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt, and Appendices A & B are not available for public inspection as they contain or relates to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to:

**Paragraph 3 - Information relating to the financial or business affairs of any particular person including the authority holding that information; and It is in the public interest to withhold the information as the public interest in maintaining the exemption outweighs the public interest in disclosing the information as disclosing the information could prejudice the Council's position and this is not in the public interest.**

<b>Subject Heading:</b>	Fairkytes Arts Centre – Hire Charges, Discounts and Rebates Policy
<b>Decision Maker:</b>	Kathy Freeman, Strategic Director - Resources
<b>Cabinet Member:</b>	Councillor Gillian Ford
<b>ELT Lead:</b>	Patrick Odling-Smee, Director of Living Well
<b>Report Author and contact details:</b>	Manny Manoharan, Head of Culture, Leisure, Heritage and Libraries
<b>Policy context:</b>	People – things that matter to residents
<b>Financial summary:</b>	Implementation of a discount framework with the aim of generating additional income to improve the financial viability of the Arts Centre.
<b>Reason decision is Key</b>	Indicate grounds for decision being Key:

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<b>Date notice given of intended decision:</b>	10 December 2025
<b>Relevant Overview &amp; Scrutiny Committee:</b>	Place Overview and Scrutiny Sub-committee
<b>Is it an urgent decision?</b>	No
<b>Is this decision exempt from being called-in?</b>	No

**The subject matter of this report deals with the following Council Objectives**

People - Supporting our residents to stay safe and Well - X

Place - A great place to live, work and enjoy - X

Resources - Enabling a resident-focused and resilient Council - X

## **Part A – Report seeking decision**

### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

For the reasons outlined in this report, it is recommended that the Strategic Director of Resources:

1. Agree and approve the implementation of the new framework for hire charges, discounts, and rebates.

### **AUTHORITY UNDER WHICH DECISION IS MADE**

Part 3 of the Council's Constitution Scheme 3.3.3 - Powers common to all Strategic Directors

#### 1. General

- 1.1 To take any steps, and take any decisions, necessary for the proper management and administration of their allocated directorate, in accordance with applicable Council policies and procedures.

### **STATEMENT OF THE REASONS FOR THE DECISION**

For the Theme Board's consideration and approval of the proposed approach to hire charges, discounts, and rebates for Fairkytes Arts Centre, and to recommend that the Centre be managed using a business model operating along commercial lines to ensure long-term financial sustainability. This approach is intended to encourage a wider range of clients to hire the Centre's spaces, improve utilisation, and support the generation of increased and more reliable income, while continuing to align with the Centre's cultural and community objectives and appropriately balancing commercial considerations.

#### **Background**

Fairkytes Arts Centre was established in 1973 as a cultural and community hub to promote the arts, heritage, and the creative industries. While its mandate includes public access and cultural development, operational costs have risen significantly in recent years, making a review of income generation essential. Under current arrangements, the Centre is not achieving its full income potential.

Income is primarily generated through the hire of internal spaces, including studios, meeting rooms, and performance areas, alongside charges for regular classes, workshops, and occasional events. The Centre supports a wide range of users, including local arts organisations, community and voluntary groups, educational providers, creative practitioners, small businesses, and private individuals.

The impact of the COVID-19 pandemic led to a significant decline in income generation, as prolonged closures and restrictions resulted in the cancellation of activities and events. During this period, several regular user groups and clients sought alternative venues and, in some cases, have

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not yet returned. Although activity levels have gradually recovered, income has not returned to pre-pandemic levels, highlighting the need to re-engage former users, attract new client groups, and review pricing, marketing, and programming to strengthen the Centre's financial sustainability.

### **Issues:**

- The existing hire charge structure is rigid and lacks flexibility, limiting the ability to make decisions based on individual client circumstances.
- Discounts and rebates are not currently considered, which has resulted in lost custom and unmet emerging needs.
- Income generation is below potential, placing the Centre's long-term sustainability at risk.
- A balance is needed between community access and a sustainable commercial approach.
- Present practice prevents the Centre from operating as an effective income-generating facility.
- Competing establishments offer flexible discounts and rebates, reducing Fairkytes' competitiveness.
- Lack of marketing and promotional activity further limits awareness, bookings and potential income.

### **Proposal:**

- Introduce a clear Hire Charges Policy based on market benchmarking.
- Allow discounts and rebates on a case-by-case basis under defined eligibility criteria.
- Develop a discount framework in consultation with Finance and Audit colleagues.
- Apply concession decisions in line with the Cabinet-approved Fees and Charges Policy and Discount Policy Framework, ensuring only eligible applicants receive reduced rates.
- Operate Fairkytes as a commercial model while maintaining cultural and community objectives.
- Develop additional income streams through events, sponsorships, partnerships and commercial hires.
- Ensure all processes are fair, transparent and free from discrimination.
- Develop a marketing strategy improve and increase footfall

### **Financial Position**

Over a number of years, the Arts Centre has been operating at a loss, particularly post Covid, where recovery from the pandemic has proven difficult, see the table below:

Financial Year	19-20	20-21	21-22	22-23	23-24	24-25	25/26 (Forecast)
Net Controllable Cost (£)	38,297	175,082	114,050	87,854	116,855	67,041	95,600

The service have undertaken a thorough review of their expenditure with a view to reducing costs as much as possible, however there is limited scope due to unavoidable overheads such as business rates and utilities. Furthermore, the largest cost relates to staff however there is limited scope in reducing the number of FTE (4) due to operating times of the building and health and safety/safeguarding issues.

Every financial year, the Centre uplifts its fees and charges to remain competitive with other local businesses and to ensure it recovers as much income as possible compared to the corporately uplifted income target. The fees and charges proposal for 2026/27 is outlined in the table below:

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2026/27 Fees and Charges Proposal							
	Current Fee 25/26	New Proposed Fee 26/27		Current Fee 25/26	New Proposed Fee 26/27		
Room Available	Off Peak: Mon-Fri up to 6pm (per hour unless otherwise stated) (£)	Off-peak: uplift of 5% rounded to nearest 50p (£)	Percentage uplift	Peak rate: Mon-Fri 6pm to close; All day Sat, Sun & public holidays (£)	Peak rate: uplift of 5% to nearest 50p (£)	Percentage uplift	
Main Room	25.50	26.50	3.92%	29.50	31.00	5.08%	
Room 12	19.00	20.00	5.26%	24.00	25.00	4.17%	
Room 9	15.50	16.00	3.23%	18.50	19.50	5.41%	
Art Room	19.00	20.00	5.26%	24.00	25.00	4.17%	
Sculpture (includes access to Kiln Room when available)	15.50	16.00	3.23%	17.00	17.50	2.94%	
Studio 1	35.00	36.50	4.29%	45.00	47.00	4.44%	
Studio 2	24.00	25.00	4.17%	27.50	28.50	3.64%	
Studio 3	15.50	16.00	3.23%	17.00	17.50	2.94%	
Billet Studio 1	24.00	25.00	4.17%	27.50	28.50	3.64%	
Billet Studio 2	16.50	17.00	3.03%	19.50	20.50	5.13%	
Gallery Studio	21.50	22.50	4.65%	26.50	27.50	3.77%	
Private Studio/Workshop/Office (flat rate per calendar month)	260.00	290.00	11.54%				
Private Studio/Workshop/Office larger space (flat rate pcm)	325.00	360.00	10.77%				
<b>Private/Commercial Function Rates in Studio 1 (Main Hall)</b>							
(The below charged at a flat rate per hire including staffing charge)							
Saturday 6.00pm - 11pm †	365.00	400.00	9.59%				
Sunday & Public Holidays 6.00pm - 10.30pm †	335.00	370.00	10.45%				
Friday 6.00-10.30pm †	265.00	290.00	9.43%				

### **Eligibility Criteria for Discounts and Rebates:**

To support fairness and consistency, discounts and rebates are available only to applicants who meet the clear criteria below. These criteria set out who is eligible and who is not.

### **Eligible Applicants:**

Discounts or rebates may be considered only where the applicant meets the conditions in Section A and the activity meets the requirements in Section B.

However, Eligibility for discounts is subject to the terms of this policy. Fairkytes reserves the right to amend, limit, or withdraw any discount where circumstances arise that are not explicitly addressed in this policy

### **A. Applicant Type:**

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An applicant must fall into at least one of the following categories:

- Registered charities delivering community or cultural benefit.
- Community groups or voluntary organisations delivering cultural, heritage, youth or wellbeing outcomes.
- Youth-focused organisations or groups where at least 75% of participants are under 25.
- Educational institutions providing non-commercial, community-based programmes.
- Non-profit arts, heritage or creative projects aligned with Fairkytes' cultural aims.

### **B. Nature of Activity:**

Eligible activities must demonstrate one or more of the following:

- Clear community benefit such as increased wellbeing, inclusion or cohesion.
- Public access to cultural or creative activity at an accessible price.
- Support for new or emerging groups.
- Youth engagement, skills development or progression opportunities.
- A non-commercial purpose.

### **C. Financial Need or Public Value**

Applicants must show either:

- A genuine financial constraint preventing participation without support, or
- Clear public or cultural value that justifies a reduced charge.

### **D. Evidence Requirements**

Applicants must provide:

- A short statement explaining community benefit, public value or financial need.
- Evidence of status where relevant, such as charity registration or a constitution for community groups.
- Youth groups: confirmation of participant age profile.
- Grant-funded projects: evidence of funding conditions requiring subsidised delivery.
- Applications without sufficient information cannot be approved.

### **E. Additional Considerations:**

- Discounts may apply where payments are made in advance for three months of room hire.
- Where an existing member refers a new group, both the referring and the new group may receive a one-off 10% discount.
- Discounts may also be considered for multiple weekly room bookings (two or more sessions per week).

### **F. Decision-Making Process**

- Concession decisions will be made in accordance with the Cabinet-approved Fees and Charges Policy and Discount Policy Framework.
- All decisions will be recorded and auditable to ensure consistency and fairness.
- Decisions will seek to balance the Centre's financial sustainability with the level of community benefit.

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- Concession decisions will not be made solely by the Fairkyte manager. Authority for such decisions will be delegated to the Head of Culture, Leisure, Heritage and Libraries and the relevant Director of Service, in line with Cabinet-approved guidelines.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

#### **Do Nothing – Maintain Current Practice (Not Recommended)**

Keeping existing hire charges and operations was rejected as it limits income potential, fails to reflect market conditions, and leaves the Centre financially vulnerable.

#### **Reduce Opening Hours and Staffing (Not Recommended)**

Reducing hours or staff would offer only short-term savings, while negatively impacting accessibility, bookings, service quality, and community engagement. It was deemed unsustainable.

### **PRE-DECISION CONSULTATION**

No specific consultation has been undertaken in relation to this particular decision.

However, the Decision Maker in this matter is the Strategic Director of Resources, who has consulted the Cabinet Member for Adults and Wellbeing as part of the Cabinet decision-making process to approve and implement the new framework for hire charges, discounts and rebates.

### **NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Manny Manoharan

Designation: Head of Culture, Leisure, Heritage and Libraries

Signature:

Date:

## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

The Council has the legal power to set and vary fees, charges, discounts and rebates under section 93 of the Local Government Act 2003, provided charges do not exceed the cost of provision where applicable and are applied in accordance with the Council's Constitution and approved Fees and Charges Policy. The proposed framework must be implemented in a transparent, consistent and non-discriminatory manner to mitigate the risk of legal challenge, including under public law principles and the Equality Act 2010. Decisions on discounts and rebates must be properly documented, objectively justified and auditable to reduce the risk

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of judicial review, allegations of unfairness or unlawful subsidy. Provided the policy is applied in line with approved governance arrangements, no significant legal risks are anticipated.

This report relates to a specific request concerning Fairkytes and the proposed discount arrangement. It is not a council-wide discount policy and is therefore presented separately.

The exempt element of the report is required because the proposed variation to the discount has not yet been approved. The proposal remains subject to Member approval before it can be progressed to Cabinet as part of the Council's annual fees and charges process. If approved, the discount would then be incorporated into the wider fees and charges framework.

## **FINANCIAL IMPLICATIONS AND RISKS**

This report is asking for approval to implement the proposed hire charges and discounts, for Fairkytes Arts Centre which are attached as an exempt appendix, together with a recommendation that the Centre be managed using a more commercially focused business model to support long-term financial sustainability.

The proposed approach is intended to attract a wider range of clients, increase utilisation of the Centre's spaces, and generate more reliable income, while remaining aligned with the Centre's cultural and community objectives.

Income at the Centre has been declining since the Covid-19 pandemic, where recovery has proven particularly difficult. Several regular user groups and clients sought alternative venues during this period, and some have not returned, resulting in an increasing reliance on General Fund funding to continue to run the centre.

Finance are not able to directly assess the financial implications of this decision, as meaningful modelling cannot be undertaken without knowing how many clients will take up the revised pricing and discount structure. The changes may stimulate additional bookings and increase overall revenue, however there is also a risk that income could fall further below target if the discounts do not generate sufficient new business or if existing customers shift from full-price to discounted rates.

There is also a risk that clients may expect similar discounts to be applied at other Council-run sites; however, such discounts will not be considered at this time.

Although the actual financial impact cannot be assessed, it is proposed that this pricing approach is implemented as a trial and subsequently reviewed to assess its effectiveness and financial impact before any longer-term decisions are made. Fairkytes is currently not recovering its full costs and there is potential that this new model could generate savings for the council if successful as a general fund subsidy may not be required if additional income is generated to cover the full running costs of fairkytes in the future.

## **HUMAN RESOURCES IMPLICATIONS AND RISKS**

**(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

There are no human resource implications or risks associated with the recommendations of this report.

**EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have “due regard” to:

- (i)The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010.
- (ii)The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii)Foster good relations between those who have protected characteristics and those who do not.

Note: "Protected characteristics" are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EHIA(Equality and Health Impact Assessment) is usually carried out and on this occasion is not required.

The Council seeks to ensure equality, inclusion, and dignity for all in all situations.

**HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

There are no health and wellbeing implications and risks associated with the recommendations of this report. The modest uplift in hire charges and commitment to offering discounted rates for eligible groups should ensure that the venue can continue to host provision that delivers community wellbeing benefits, while supporting the venue's longer term sustainability.

**ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

There are no environment and climate change implications and risks associated with the recommendations of this report.

**BACKGROUND PAPERS**

**None**

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**APPENDICES**

**Exempt Appendix A    Table of discounted amounts.**

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### **Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

#### **Decision**

Proposal agreed

***Delete as applicable***

Proposal NOT agreed because

#### **Details of decision maker**

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

#### **Lodging this notice**

The signed decision notice must be delivered to Committee Services, in the Town Hall.

#### **For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_