

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3450
Author:	Terry Cooper
Department:	Commercial and Operations
Contact:	Terry Cooper (Job Title: Business Performance Manager, Email: terry.cooper@nottinghamcity.gov.uk, Phone: 0115 9895504)
Subject:	Theatre Royal and Concert Hall Restoration Levy
Total Value:	Approximately £0.500m per annum (Type: Capital and Revenue)
Decision Being Taken:	To approve the introduction of a Restoration Fee added to the ticket price at TRCH, to be solely used for the future repairs, refurbishments, structural maintenance and development of the Theatre Royal & Royal Concert Hall, and its associated assets, in line with the department's Asset Management Plan. To approve the creation of a TRCH Restoration reserve within NCC, and the agreement to approve the continuous transfer of 100% of the revenue generated by the new restoration levy to this reserve.
Reasons for the Decision(s)	A recent condition survey of the TRCH venue has identified necessary repairs of c£15m over the next 25 years. In order to maintain the venue to its high standards, a financial strategy is required to fund these repairs and other developments. The introduction of the restoration levy, included inside the advertised ticket price and generated by the commercial success, will form the core element of this funding strategy. The terms and conditions attached to the introduction of the levy will explicitly state that the revenue generated from the levy will be re-invested into the venue to ensure its future viability.
Other Options Considered:	To do nothing - as a result of customer feedback, booking fees and levies such as restoration levies, are now being included within the ticket price, aiding a simpler booking process. The findings of the condition survey, in addition to the increasing pressures on the planned maintenance program, have determined that action is necessary if we are to maintain TRCH as a commercial force in the long term. Therefore, the option to do nothing is not viable.
Background Papers:	

Published Works:

Affected Wards:

Arboretum

**Colleague / Councillor
Interests:**

Consultations:

Those not consulted are not directly affected by the decision.

**Crime and Disorder
Implications:**

This decision is primarily focused on a change in financial policy, therefore we do not anticipate that there would be any crime and disorder implications as a result of this decision.

Equality:

EIA not required. Reasons: The introduction of the restoration levy will see a marginal rise in the cost of tickets. In order to encourage attendance from our customers with lower incomes, the bottom tier ticket prices will be exempt from the levy, where applicable. There are no other potential equality implications, either positive or adverse, as part of this decision

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

20/03/2019

Advice Sought:

Legal, Finance

Legal Advice:

This report does not raise any significant legal issues provided the reserve is created and used in accordance with any statements about the reserve which are made to the public. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 04/03/2019.

Finance Advice:

The Restoration fee has been calculated assuming an even mix of tickets from the Theatre Royal & Royal Concert Hall and, calculated at £1.50 per ticket for the Concert Hall, and £1.25 per ticket for the Theatre (non VAT exempt) to a total of £0.500m per annum. The total annual income received will be directly impacted by the commercial performance of TRCH in its objectives to sell tickets, and as such the actual amount will vary from this figure.

A new reserve will be established within 2019/20 for the income received from the Restoration Fee, and this will be monitored to ensure that all funds can be clearly accounted for in line with the Restoration Fee terms and conditions

This decision will have no direct impact on the MTFP, however with TRCH aiming to fund many of the major repairs etc. through this fund, this will decrease the pressure on the Council planned maintenance programme. There is currently an over commitment in the planned maintenance requirements on the Council, which could impact the future MTFP due to extended periods of reduced budgets. The overall aim of the restoration levy is to contribute to this possible pressure, and will be agreed through SAM project board.

Theatre Royal and Royal Concert Hall currently contributes £0.683m to the MTFP so are unable to meet future maintenance without this Levy.

Advice provided by Claire Gavagan (Strategic Business Partner Commercial, Operations) on 05/03/2019.

Signatures

David Trimble (Portfolio Holder for Leisure and Localities)
SIGNED and Dated: 13/03/2019
Andy Vaughan (Corporate Director Commercial and Operations)
SIGNED and Dated: 12/03/2019