

<b>Report of:</b>	Richard Horniman - Director of Regeneration and Culture Councillor Mieka Smiles - Executive Member for Communities and Education
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<b>Submitted to:</b>	Executive - 11 May 2021
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<b>Subject:</b>	Revised Fee Structure for Newham Grange Farm
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**Summary**

<b>Proposed decision(s)</b>
That Executive approves the change in, and additional, fees and charges identified for Newham Grange Farm. To increase as per the attached appendix 1, fees over the next 3 years.

<b>Report for:</b>	<b>Key decision:</b>	<b>Confidential:</b>	<b>Is the report urgent?<sup>1</sup></b>
Decision	No	No	No

<b>Contribution to delivery of the 2018-22 Strategic Plan</b>		
<b>Business Imperatives</b>	<b>Physical Regeneration</b>	<b>Social Regeneration</b>
Increasing fees will enable the Service to deliver the Council's business imperatives through ensuring that it improves the financial performance of the service, and reaches the Set income target	The fee increase will help support the on-going developments at the farm to ensure we are a sustainable and safe tourist attraction.	The increase in fees will ensure that the Service can continue to offer the high level of service quality that it does in support of bringing forward development opportunities that support the delivery of social regeneration objectives.

<b>Ward(s) affected</b>
NA

## **What is the purpose of this report?**

1. To seek approval to increase existing entrance fees for Newham Grange Farm in line with the enhanced facilities and increased programme and amend the pricing structure for group bookings for the next 3 financial years.

## **Why does this report require a Member decision?**

2. The consideration of fees and financial implications is not an officer decision as the increase proposed is above 2.5%. As a consequence it requires a member decision. Any increases in fees and charges above the rates of inflation are covered in the "Financial and Contract Procedure Rules (Standing Orders)" document, which is incorporated into the Constitution by Article 17 of the main document. Two paragraphs are relevant to the issue at hand: paragraph 5.3; and paragraph 12.4.
3. It is therefore the case that any intention to increase fees by more (or less) than inflation must be agreed with the Chief Finance Officer, approved by CMT, and subsequently approved by the Executive.

## **Report Background**

4. Newham Grange Farm has received significant capital investment and has been incredibly well received by members of the public. The positive reputation of the farm has significantly increased and the venue has served members of the community during the Covid19 pandemic when other indoor attractions have been closed to the public.
5. The purpose of this report is to seek approval for amendments to fees and charges. Services within the Regeneration Department have a wide range of fees and charges applicable to those using the services.
6. Since the first phase developments opened in April 2019 visitor numbers have increased 46% from 62,804 in 2018/19 to 91,949 by end of January 2020. Visitor numbers prior to investments and developments at the Farm were 33,000. This has seen an impact on staffing levels which in turn has placed pressure on the budget, we would like to continue to offer the extra Staff support during busy times within the season offering the added experience opportunities.
7. The second phase development is to open before March 2021, this will incorporate an education space to increase the School offer. Restructuring the fees from the group rate will provide accurate data. Reducing the admission cost for teachers/assistants in line with the school child will make the offer more robust within school funding, this would increase footfall and income generation.
8. Historically income from children's parties was room hire only. Parties were under review due to the developments in 2018/19. Introduction of a Party Package offer in June 19, included activities, food and beverage. Adult's admission is charged at group child rate. It is felt that the adults should have free admission to enhance interaction, party bookings and secondary sales generating income.
9. Appendix 1 contains details of the existing and proposed charges increase for the next 3 financial years.

10. It is considered that the existing charges no longer reflect the true cost of providing this service. The revised charging schedule will bring the Council closer in line with that of neighbouring farm/tourist attractions within the Tees Valley and surrounding areas. Newham Grange Farm, however will still remain significantly cheaper than our closest leisure farm. Please see Appendix 2 for comparison farm prices.

#### **What decision(s) are being asked for?**

11. That Executive approves the increase in, and additional, fees and charges identified. (Appendix 1).

#### **Why is this being recommended?**

12. The level of charges being recommended reflect the costs of delivering the service and bring them more in line with those being charged by other farm attractions within the Tees valley.

#### **Other potential decisions and why these have not been recommended**

13. Three options have been considered, (1) not to increase existing fees (2) introduce new fees as provided (3) set fees in line with competitor farms. Option 1 and 3 have been discounted. As stated in the body of the report fees do not reflect the on-going costs of providing the service and would not contribute towards delivering the Council's business imperatives. Equally setting the fees too high would not allow us to offer a high quality attraction to some of our residents in Middlesbrough.

#### **Impact(s) of recommended decision(s)**

14. The principal impact of the decision will be to increase fee income levels within the Services budget allowing for better opportunity to meet income targets and cover the farms maintenance costs.

#### **Legal**

15. There are no legal implications associated with this decision, other than the governance issues to comply with the FINANCIAL AND CONTRACT PROCEDURE RULES (STANDING ORDERS) paragraph 12.4.

#### **Financial**

16. Introduction of the fees will provide a modest increase in fee income to the Council and will help increase the robustness of the service in meeting its identified income targets.

#### **Policy Framework**

17. There are no implications.

#### **Risk**

18. That by continuing to rely upon the existing fee structure the Council is not covering the cost of providing the service putting pressure on the achievement of income targets.

## **Actions to be taken to implement the decision(s)**

19. On approval the revised fee structure is introduced and implemented on 1<sup>st</sup> April 2021.

## **Appendices**

Appendix 1: Existing and proposed fee structure

Appendix 2: Price comparisons

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