



DISS TOWN COUNCIL

Council Offices, 11-12 Market Hill,
Diss, Norfolk, IP22 4JZ.
Telephone & Fax: (01379) 643848
Email: towncouncil@diss.gov.uk
Website: www.diss.gov.uk

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Report to:	Full Council
Date of Meeting:	14 th August 2019
Authorship:	Deputy Town Clerk
Subject:	Diss Park Hire Fees

Introduction

1. At the December 2018 meeting of Council, it was resolved to establish a pricing structure for use of the Park for future years.
2. Currently the only charge made on the Park is for car boot sales, which are charged at £50 per event with a £50 refundable deposit which is kept to ensure the park is returned in the condition if was hired out. There are approximately 8 sales per year and the hirers are predominantly not for profit or community organisations.
3. Several other events run annually in the Park for example Diss Cyclathon, Diss Carnival, Fun in the Sun & Gig in the Park but only the latter would be considered of a commercial nature.

Proposed Charges

4. Councillors Mason and Robertson have reviewed fees charged by other Councils for their parks and open spaces.
5. It is proposed to charge businesses only the following hire fees for use of Diss Park. Not for Profit and community organisations who are running an event for free or where funds generated benefit the community will not have to pay for its use.

Area of Park	Fee
Whole Park (day rate)	£500
Half Park (day rate)	£250
Quarter Park (day rate)	£125
Whole Park (half day rate)	£250
Half Park (half day rate)	£125
Quarter Park (half day rate)	£75
Hourly Charge for Profitable Use	£25
Car Boot Sales (NFP)	£50 + £50 refundable deposit.

Tariffs

6. These are the three tariff groups descriptions currently used for DYCC bookings.
 - a. Community/Small Charity – for groups who make no profit, who are delivering a community service and/or whose income goes entirely into the running of that group. Also for private individuals booking the space for personal use. Examples might include art class, parent/toddler group.

- b. Not for profit/Public authority – for those groups that are commercially structured (have money!) but are run on a not-for-profit basis. Examples might include NHS, Age UK, Housing Associations, Adult Education, local authorities etc.
- c. Business/Commercial – for those groups/individuals who make (or intend to make) a profit from their activities. This would include companies, but also individual tutors/group leaders who draw an income from their activity. Examples might include local companies, health/fitness activity leaders, commercial slimming clubs such as Weight Watchers/Slimming World.

Deposit

- 7. The conditions of hire for the Park currently state that:
 - a. All areas should be left as found - in a clean and tidy state. The Town Council reserves the right to charge users for any additional cleaning that is deemed necessary after an event.
 - b. The Town Council also reserves the right to make a charge for any damage, breakages of equipment or abuse of facilities.
- 8. The Council could consider charging a refundable deposit in advance of large events of one day or more to cover necessary cleaning costs post event, particularly where no fee is proposed.

VAT

- 9. The following advice was received from a Council VAT specialist regarding charging the Gig in the Park organiser (commercial event) for use of the Park.
 - a. Councils are advised to consider VAT implications as part of the planning process.
 - b. As no charge was made to the festival organisers in 2018, the activity was non-business as far as the Council is concerned.
 - c. For the future, letting the park out to the festival organisers on an exclusive basis, in return for payment, is a business activity.
 - d. It is an exempt business activity for VAT purposes (unless there is an option to tax in place, which is very unlikely for a park owned by a local council).
 - e. This means that there is no VAT to charge on the rent, but the Council's right to recover VAT on related costs is restricted.
 - f. It is suggested that the Council's costs related to this rental would be small, but the rule is that a Council cannot recover VAT on its exempt activities if the total exceeds the 'de minimis' value of £7,500 per year. The £7,500 total must include VAT on any other exempt activities that the council might incur over the course of a year.
 - g. Income from sports bookings, car boot sales and market pitch rentals could potentially incur VAT, although this is entirely subject to details and whether any options to tax have been put in place.
 - h. The second 'de minimis' measure for exempt VAT, set at 5% of total VAT incurred over a year, rarely applies to town and parish councils in practice.
- 10. The Council would want to avoid setting fees only to discover that the income generated for such would be outweighed by not being able to reclaim a higher amount of VAT for expenditure relating to business exempt supply.

Recommendations	
1,	To approve the hire fee structure for commercially run events on Diss Park subject to further specialist VAT advice.
2,	To consider requesting a refundable deposit for large events of one day or more
3,	Review the Conditions of Hire for Diss Park