

Rough Guide to Hiring Charges

1. Hours of Opening – base your formula on the average hours of weekday opening:

Example: 9.00 am – 9.00 pm daily Mon – Fri = 60 hours per week **(A)**

2. Annual Opening in weeks – normally about 50 weeks allowing for Christmas closure **(B)**
3. Annual Expenditure – this is taken from your last audited annual accounts and should include all expenditure for running the building including staff costs. **(C)** (for this example I will assume an annual expenditure of £50,000)
4. Number of letting spaces – this should be based on the size of your smallest room. You must estimate how many of your smallest room equate to your larger rooms.

Example: 1 large hall may equate in size to 8 x the smallest room so it has a value of 8 (*You will need to work this out based on size of rooms*)

Large Hall	8
Small hall	4
Meeting room	1
IT centre	1
Total	14 (D)

5. Percentage letting – of the available hours how often is the building used? For this example I will assume 33.3% = $1/3^{\text{rd}}$ = 3 **(E)**

6. Now use the following formula:

A x B x D = L (number of potential space hours)

Therefore: $60 \times 50 \times 14 = 42,000$

Divide this figure by **(E)** = $42,000/3 = 14,000$ **(U)** (actual usage in space/hours)

Then: Budget cost **(C)** divided by **(U)** $50,000/14,000 = 3.57$

Therefore each space costs £3.57 to actually maintain.

Apply this to your space values:

Large Hall: $3.57 \times 8 = £28.56$ per hour

Small hall: $3.57 \times 4 = £14.28$ per hour

And so on....

Then using the base figures:

	Community - 30% discount	Base Cost	Commercial +35% mark up
Large Hall	£20.00	£28.56	£38.50
Small Hall	£10.00	£14.28	£19.25
Meeting room	£2.50	£3.57	£4.80

I have rounded the resulting charges for convenience

Notes

- You will need to assess the actual expenditure costs for running the building. Do not include the costs of running the projects as these do not affect the building costs. (However, premises use charges should be levied against any project internally)
- Discounts can be given for annual lettings but these discounts should not be less than the base cost for any organisations that is commercial or not classed as ‘not for profit’ (ie local authority use including Adult Ed classes and some playgroups)
- You can set an introductory discount to allow an activity to establish itself but always make it clear that the published rate will be charged at the end of the discount period.
- You can charge more at weekends when additional staff hours are required to open the building.
- If a membership or affiliation scheme is introduced you should offer discounts to members and affiliated organisations that pay a membership or affiliation fee.
- Charges should be reviewed annually and increased to meet inflation. There may also be a need to re-calculate the charges to meet significant changes in the costs of running the building, ie if more staff are required etc.
- Any increases should be notified to regular users giving plenty of time for them to adjust their budgets before applying the increases. Large increases can be phased in over a period of time to allow organisation to manage their finances.
- Don’t forget to check that you are competitive with other community halls in your area.
- Finally – always compare your charges with other organisations in your area to ensure you are taking account of local market forces.