

Overview

Over the last 21 years the Hall has charged £248k in hire fees and incurred external operating costs of £228k before any charges for time incurred by the Parish Administrator on bookings (estimated to be £80k) or volunteers time and other costs charged to the Parish. At best, the Hall has operated at break-even and has not generated any operational surpluses to fund any refurbishment and updating program. The £200k Hub Project was therefore funded by a 50/50 mix of new fund raising and utilising old church reserves.

Setting a fair Parish Hall Hire fee for hirers today is a judgement call – a balancing act between different groups and their aims over different timescales:

1. current hirers who want as low a cost as possible.
2. regular hirers who expect increasing discounts with increasing frequency of use.
3. charity and other similar groups who expect a discount as they provide a social/community good that overlaps with the objectives of the PCC.
4. future hirers who do not want to pay extra for large lumpy component replacement costs (eg roof £50k, car park resurfacing £100k) enjoyed by past hirers, and
5. the Hall needs to make a fair return on its capital value (> £1m) after inflation so that the Hall can be maintained and updated to meet future standards and hirer expectations.

As the PCC is the managing Trustee of the Parish Hall (the “Hall”) it falls to the PCC to decide how to set fees for the Hall. Under Charity Law, the PCC is required to be a careful steward of the Parish Hall and ensure it is solvent. As set out in the appendices, the PCC has taken into account lessons from history as well as external perspectives.

This policy sets out how the PCC will set a fair rent to ensure that the Hall has a sustainable and solvent future and avoid the insolvency risks of undercharging rents and the need for emergency fundraising for predictable replacement, refurbishment & updating. All groups that hire the Hall will have to pay their fair share of keeping the Hall updated and solvent. Equally the PCC recognises its responsibility to run the Hall efficiently and drive down operational costs to the minimum level required to meet expected service standards.

Fair rents will reflect the following objectives:

1. Increasing the single session (“spot”) hire rate to a fair market rate.
2. Giving fair spot rate discounts of 30% to charities and community groups where there are common aims with the parish.
3. Giving discounts on sliding scale that increase with frequency of use throughout the year to a maximum of 50% for year-round weekly users.
4. Discounts cannot be aggregated and will be subject to a maximum discount of 50% of spot hire rates. Maximum daily charges will be capped at 14 hours (ie 10 hours sleep).
5. Fair transitional arrangements to increase rents on a phased basis over the next 2 to 4 years to give regular groups time to increase their charges to members. Regular groups are expected to cooperate and be flexible on timings to enable higher occupancy, &
6. A fair return 3% after costs on the capital invested in the Parish Hall recognising that certain activities are subsidised by way of discount as set out above.

Approved by the PCC on 24 July 2026

Next review date July 2027

Background on each objective

Each appendix sets out the background behind setting each of the above objectives

Appendices

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Appendix 1. Market single session (“spot”) rental rates

Other Parish and Village Halls

Research shows that similar halls around Wiltshire have single session (“spot”) hire rates that vary between £12 and £54 per hour with a plethora of discounts and caps depending on frequency and time of hire as well as charitable/community status. Some charge extra for items such as the kitchen, crockery/cutlery or do not have on site facilities such as parking where hirers have to pay for their own arrangements (eg £4.50 for up to 3 hours in Salisbury city centre). Several Halls appear to give far smaller discounts for charities and regular users.

Commercial meeting rooms

Serviced commercial rental space has higher rates (£26 to £90 per hour + VAT) but are staffed during working hours and typically include set up and clearing services. Assuming that labour costs amount to 30% of their rent, gives an equivalent non serviced rental of £18 to £63 for spaces that are typically smaller than the Parish Hall (meeting rooms between 4 to 6 people and 30 persons). Most of these spaces are smaller than Field View and the Large Hall which are licenced for a seated capacity of 40 and 100 people respectively.

Impact of setting rents too low

Village and Parish Halls are crucial community assets that have traditionally focused on Objectives 1 to 3 and undercharged hirers for their use. Halls have therefore fallen into a downward rent spiral that severely limits the funds available to properly maintain and update the Hall. Emergency fund raising is then required for worn out component fixed assets (eg a new roof (£50k) or resurfacing the car park (£100k)). Sometimes Hall trustees have no choice but to close the Hall or lease it out to someone who will fund the works required and then manages the Hall to make higher commercial returns (7% pa).

Over the last 20 years the Hall has charged £270k in hire fees and made a surplus of £60k. This is clearly too small a surplus to fund any refurbishment and updating program. The Hub Project had to raise another £200k as hirers had not been charged enough for their Hall hire to take into account the replacement cycle of key components of the Hall fabric

The challenge is to charge a full market spot rent to commercial, government and private hirers to provide sufficient cross subsidy to provide discounts for charities and other community groups.

The underlying commercial spot hire rate has been £12 per hour for Field View and £30 per hour for the Large Hall. These spot rates appear lower than comparable rates in the voluntary space and commercial market. As most hirers receive some form of discount, the spot hourly hire rates should increase to £18 for Field View and £36 for the Large Hall in line with the relative size of typical occupancy:

Field View 8 to 30 people (median 16, maximum 40), and

Large Hall 6 to 60 people (median 30, maximum 100).

Another useful market comparator is event equipment hire charges (£8 per table, £4 per chair) which confirm that for most events, it is cheaper to hire the Parish Hall with everything included rather than hire the equipment for an event.

Appendix 2. Spot rate discounts depending upon user type

Most Village and Parish Halls are owned by charitable trusts and typically do not have to register for VAT and therefore do not charge VAT at 20% on hire charges as VAT taxable turnover is less than £90,000 per annum. Charitable trusts are often fully or partially exempt from business rates and therefore have a lower cost structure than commercial alternatives.

Private individuals, small charities and community groups will not be registered for VAT and therefore would not recover 20% VAT if they rented from a commercial owner registered for VAT. Hence it can be argued that these groups automatically receive a 20% VAT discount if they hire from a non-VAT registered Charitable Trust such as Harnham Parish Hall.

Charities and approved community groups

Most charities receive rental incentives and tax breaks on their fund-raising activities and now expect generally to receive a discount of between 15% and 30% when renting hall space. Although there does not appear to be any direct legal requirement for such a discount, most Hall Charitable Trustees take the view that it is right to support charities with similar or overlapping community aims. Recommendation is to give a 30% discount (ie at top end of expectations)

Current regular hirers in this category include:

u3a Groups

Salisbury Aikido Club

Alzheimer's

HCN - Coffee & Chat and Harvest Table

Various Stitcher groups (Stitch & Chat et al)

TSSF

Local residents and members of the Parish Electoral Roll

There is some evidence that small discounts (5 to 10%) are given by other Halls for local residents (post code basis) and or members of the Parish Electoral Roll. No such discounts have been requested in 2025 but paradoxically a few hirers have insisted that they pay the “full rate” as the Hall needs more updating. (Solar panels, storage, disabled access and disabled loo for Field View). Most private spot hirers live in Harnham Parish so there does not appear to be the need to differentiate on this basis.

Appendix 3 Discount structure – regular bookers by frequency

Most Halls appear to give discounts to regular repeat bookings with the size of discount increasing with the frequency of booking the same time slot so that there is minimal risk of void periods with no income.

Type A - Weekly hirers – more than 44 bookings pa (15% void – 8 weeks off per year, ie allows for bank holidays)

Ideal hirer as very few void periods. Should therefore receive highest discount 50% for same day and time slot. This more than the 30% charity spot rate discount so will also benefit charities.

Type B - Weekly hirers – term only – more than 33 booking pa (37% void)

These hirers appear desirable but are only taking a weekly time slot for slightly more than half the time each year, leaving the less popular holiday and half term slots void with no rental income. The discount must therefore be significantly less than Type A and suggest half the Type A rate, ie 25%. Charities would therefore receive the higher 30% charity discount.

Type C - Monthly hirers – more than 11 booking pa (80% void)

Apart from a small notional discount for admin savings, it is hard to justify any discount as a solitary monthly booking leaves 80% of that weekly slot void with no income and will block a regular weekly booking for that time slot.

The solution is to encourage 4 groups to form a buying club so that collectively become a Type A and can share the highest discount.

Type D - Quarterly hirers – more than 3 booking pa (94% void)

It is hard to financially justify any discount.

Variations on the above types

Type A x 2 – ie books two slots every week

As they have already reached the maximum discount, no further discount can be given. There is no difference between booking one session of 5 hours and two sessions of 2.5 hours.

Type A plus – ie books extra slots over and above their regular weekly on a termly or adhoc basis.

As Type A are ideal customers, the PCC intends to support them as they trial additional sessions over and above their core weekly slots. This discount will be half of the discount differential between Type A and Type B discounts – ie a further discount of 12.5% on the non Type A bookings for non charities or 10% for charities.

Buying clubs to form a Type A hirer

The Parish should encourage hirers to band together to form a synthetic Type A hirer (eg 4 monthly hirers band together so that collectively they book more than 44 sessions per year)

Appendix 4 Other charges, discounts, caps and minimum session times

Other charges

Most Halls appear to have additional charges for a range of options that have traditionally been included in the hire cost for either the Large Hall or Field View. The PCC would prefer to keep life simple and have an all-inclusive rate for room hire. Charges for the water boiler were abolished in 2025 and there will be no charge for bouncy castle electricity use from 1 September 2026. There will be no storage charges for groups that book the Hall for more than 44 occasions in any one year.

Like most Halls, the PCC has removed the commercial refuse bins and expects all hirers to remove their own rubbish for recycling or forfeit part of their deposit.

Interplay of discounts

The PCC has decided that only one discount should apply for a particular booking and they are not cumulative. So a charity will be given the higher of the 30% charity spot discount and the frequency discount.

A charity making a weekly term booking (greater than 24 times pa) receives the higher charity spot rate discount of 30% rather than the 25% frequency discount.

A charity making a weekly booking (greater than 44 times pa) receives just the higher frequency discount of 50% rather than the charity spot rate discount of 30%.

For the avoidance of doubt, the maximum discount on a booking slot is capped at 50%.

Discounts for hiring the Whole Building

The PCC has decided that any hirer of the Large Hall may also hire Field View at a discount of 50% of the spot market rate.

For non-charities, the whole building can be hired for £45 per hour (£36 + 50% of £18). For charities the whole building can be hired for £34 per hour (£36 less 30% + 50% of £18).

Discounts for hiring the Parish Field as well as the whole Building

The PCC has decided that any hirer of whole building may also hire the Parish Field at a discount of 50% on the spot market rate.

For non-charities, the whole building and Field can be hired for £54 per hour (£45 + 50% of £18). For charities the whole building can be hired for £43 per hour (£34 + 50% of £18).

Daily rates cap

The PCC has decided that the charge for whole day hires of the whole building should be capped at 14 hours (£630, 14 x £45) in recognition that large events require longer set up time which may extend overnight. Effectively there is no charge between 23.00 on day 1 and 9.00 on day 2 for overnight set up of a party on the second day.

Booking cap for individual groups

Any group cannot regularly book a room for more than 12 hours per week (4 sessions). Each u3a activity will be treated as a separate group.

Minimum session times

Minimum session times will be 1 hour for Field View and 2.5 hours for the Large Hall with half hour increments thereafter.

Appendix 5 Transitional arrangements

As most hirers fund hire charges from their members, they will need time to increase their subscription rates. It is therefore agreed that increased charges are phased in at the minimum rate of £1/hour every 4 months where groups can demonstrate hardship.

Cost per member can be compared at various rental rates and group sizes:

Hire rate per hour		£13	£16	£18	£20	£22	£24	£26	£28	£30	£32
Cost for 2.5 hours		£33	£40	£45	£50	£55	£60	£65	£70	£75	£80
		<<< Average cost per member per session >>>									
Member #s:	4	£8.13	£10.00	£11.25	£12.50	£13.75	£15.00	£16.25	£17.50	£18.75	£20.00
	8	£4.06	£5.00	£5.63	£6.25	£6.88	£7.50	£8.13	£8.75	£9.38	£10.00
	12	£2.71	£3.33	£3.75	£4.17	£4.58	£5.00	£5.42	£5.83	£6.25	£6.67
	16	£2.03	£2.50	£2.81	£3.13	£3.44	£3.75	£4.06	£4.38	£4.69	£5.00
	20	£1.63	£2.00	£2.25	£2.50	£2.75	£3.00	£3.25	£3.50	£3.75	£4.00
	24	£1.35	£1.67	£1.88	£2.08	£2.29	£2.50	£2.71	£2.92	£3.13	£3.33
	28	£1.16	£1.43	£1.61	£1.79	£1.96	£2.14	£2.32	£2.50	£2.68	£2.86
		Cheaper than Salisbury car parking: £4.50 upto 3 hours									

Most of Large Hall User groups average around 20 members for each typical session of 2.5 hours. For most groups, our hire charges per group member are less than parking charges in central Salisbury. Effectively we are providing cheap parking and not charging for the Hall and its amenities and equipment.

The old hire charges per session per member were slightly more than the cost of a Mars bar (£1.10). The new hire charges are equivalent to between £2 and £3 cost for each group member which is less than the cost of parking a car in central Salisbury (£4.50 for under 3 hours) or the average cost of a takeout coffee (£3 to £6) and a pint of beer (£5 to £8) in a pub.

Most user groups are oversubscribed with waiting lists for new members. It would therefore appear that member charges are understated in a similar fashion to rents at Parish and Village Halls. Some groups will therefore be able to increase their member charges faster than others. For some groups it will take two to three years to adjust both to reflect economic reality and ensure the long-term solvency of hirer groups and the Hall.

Parish Hall Fees Policy

Appendix 6 Fair returns for Parish and Village Halls

UK commercial property returns average 7% pa with UK inflation averaging around 3% and base rates at around 4%. The Hall has no debt and has been entirely funded by past donations. Its current rebuild cost is between £1m and £1.3m.

The Hall is not run on a commercial basis but the PCC Trustees must maintain the real value of Hall assets, ie in line with 3% inflation. A 3% return on the £1m to £1.3m rebuild cost requires the Hall to achieve a surplus of £30k to £40k over costs.

Over the last 21 years the Hall has charged £248k in hire fees and incurred external operating costs of £228k before any charges for time incurred by the Parish Administrator on bookings (estimated to be £40k) or volunteers time and other costs charged to the Parish. At best, the Hall has operated at break-even and not generated any surpluses to fund any refurbishment and updating program. The £200k Hub Project was funded by a mix of new fund raising and utilising old church reserves.

The Hall has never achieved any return on the rebuild costs of £1m to £1.3m.

The Hall must generate surpluses to ensure a sustainable future and long-term solvency. Costs must decrease and rents must increase.

The PCC Trustees intend to accomplish this over the next two to four years by:

1. Reducing costs;
2. Replacing paid staff with unpaid volunteers in 2025
3. Increasing spot hire rates to market rates
4. Aligning usage-based discounts (maximum 50%) with the risk of void period,
5. Granting groups transitional arrangements to phase in increases over two to four years so they can have sufficient time to raise their own member charges
6. Requesting regular groups to adjust their timings to decrease slot blocking , and
7. Applying for grants to fund updating projects (eg disabled loo for Field View)

Cost base

The Hall understates its true operating costs as it does not include:

1. A fair proportion of Parish Administrator’s time (£6k pa);
2. Uncosted volunteer time (£10k pa (14 hours per week) - affects all volunteer Halls)
3. A fair amortised share of component replacement costs:

Hall Fabric Component	£k cost	Life (Years)	Cost £k pa
Car Park Resurfacing	100	25	4.0
Heat Pump/solar *	60	20	3.0
Roof *	50	20	2.5
Kitchen *	50	20	2.5
Other updating	100	20	5.0
	<u>360</u>	<u>21</u>	<u>17.0</u>
* part of Hub Project	160	20	8.0

Rents, net of discounts, will have to increase by around 60% to achieve break-even on a fully costed basis.