

Project Appraisal and Scrutiny Committee Recommendation

Project Name	Installation of improved stage lighting at Cambridge Corn Exchange
Committee	Customer & Community Services
Portfolio	Arts, Sport & Public Places
Committee Date	13 October 2011
Executive Councillor	Councillor Rod Cantrill
Lead Officer(s)	Debbie Kaye Chris Norton

Recommendation/s

A. Financial recommendations:

- i. The Executive Councillor is asked to recommend this capital scheme (which is not included in the Council's Capital Plan) for approval by Council, subject to resources being available to fund the capital and revenue costs associated with the Scheme. The initial estimated total capital cost of the project is £25,000, and it is proposed that this funded from the Corn Exchange R&R fund.
- ii. There are no adverse revenue implications arising from the project.

B. Procurement recommendations:

- i. The Executive Councillor is asked to approve the carrying out and completion of the procurement of lighting equipment. It is estimated that lighting equipment will cost in the region of £25,000.
- ii. If the quotation or tender sum exceeds the estimated contract value by more than 15% the permission of the Executive Councillor and Director of Finance will be sought prior to proceeding.

1 Summary

1.1 The project

This project is to replace Corn Exchange stage lighting equipment that increases the commercial position of the business, better

meets the needs of promoters and artists, is more energy efficient and provides a better experience to customers.

Target Start date	October 2011
Target completion date	December 2011

1.2 The Cost

Total Capital Cost	£25,000
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Capital Cost Funded from:

Funding:	Amount:	Details:
Reserves	£	
Repairs & Renewals	£ 25,000	27710-8189-00000
Section 106	£	
Other	£	

Revenue Cost

Year 1	£500
Ongoing	£None

1.3 The Procurement

Three quotes will be obtained for the lighting equipment that is estimated to cost £25,000.

2 Capital Project Appraisal & Procurement Report

This project appraisal outlines a proposal for the replacement of outdated lighting equipment at the Corn Exchange in order to improve commercial viability, energy efficiency and customer experience.

Some of the Corn Exchange stage lighting is due for replacement. Currently, the Corn Exchange has only traditional static lighting equipment but advances in technology over recent years means that more energy-efficient moving lighting is now available.

The purchase of moving lighting will raise the production standards at the Corn Exchange, make the venue more attractive for hire and reduce energy use/the carbon footprint. Such lighting requires less staff to rig and operate, and shows will be less costly to assemble, which increases attractiveness of the venue to promoters

Technical staff will undertake professional development and training to learn how to use and maximise the benefit from the new equipment. An option to provide training will be included in the specification for the supply of equipment.

2.1 Aims & objectives of the project

The aims of this project are to

- a) Provide residents and users a high quality experience when visiting the Corn Exchange
- b) Facilitate opportunities for maximising revenue from the venue
- c) Enhance sustainable operation of the venue by using the latest energy efficient products.

The project contributes to the Council's vision for a city:

- which is diverse and tolerant, values activities which bring people together and where everyone feels they have a stake in the community
- in the forefront of low carbon living and minimising its impact on the environment from waste and pollution

2.2 Issues for stakeholders & other departments

The project has no impact on other departments or projects.

It will be to the advantage of those hiring the venue, as they will not have to supply their own lighting equipment to deliver a quality performance.

2.3 Key risks associated with the project

The key risks this project aims to mitigate are:

- The equipment becoming too old and unreliable to use, resulting in inadequate provision of light facilities.
- Venue hirers being potentially deterred by having to provide their own equipment.
- The venue not providing the latest production facilities increasingly required by hirers, leading to a loss of business and reputation.
- The production equipment not meeting customer expectations resulting in complaint and limiting attendance.
- Lack of response to political priorities around energy efficiency

2.4 Financial implications

- The appraisal is prepared on the 2011/12 price base.
- There will be savings realised through the provision of energy saving light units.
- The anticipated lifespan of the equipment will be identified in the specification requirements.
- The project will consider options as to how future requirements can best be incorporated e.g. in adding or updating equipment.
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2.5 Capital & Revenue costs

(a) Capital	£	Comments
Building contractor / works		
Purchase of vehicles, plant & equipment	£25,000	
Professional / Consultants fees		
IT Hardware/Software		
Other capital expenditure		
Total Capital Cost	£25,000	

(b) Revenue	£	Comments
Workforce development: training courses for technical staff	£500	Funded through A&R revenue budgets
Total Revenue Cost	£500	

2.6 VAT implications

The Corn Exchange did receive 'exempt' income (such as commercial rents). This meant that any expenditure such as refurbishment relating to this could have prevented the Council recovering its VAT. Consequently, this could jeopardise the Council's ability to stay within its 5% de minimis (Partial Exemption) limit for VAT recovery.

To mitigate this risk, the Council exercised its right to 'Opt to Tax' the land and buildings at the Corn Exchange during 2001, which meant that VAT was charged on the above income stream. Therefore, the above scheme as highlighted within the report, may not cause any adverse VAT implications to this Council subject to the following advice from the Accountancy:

The Council has not exercised any 'Cultural Exemptions', which broadly relate to any unfair competition within the local vicinity, where strict commercial rules apply. Additionally, the Council does not arrange its own productions. There is a requirement to establish what supplies VAT is charged, and what is not. Careful monitoring and further discussions will be necessary soon to establish the full VAT scenario in this instance

2.7 Environmental Implications

Climate Change impact	+M
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The existing lights draw 48Kw, whilst the new lighting units would draw 4.8Kw directly providing approximately a 43Kw saving. If these are used for an estimated 6 hours at a time on a show day this would amount to a 258Kw hour saving. During the period October to Christmas, it is estimated around 20 shows would make use of these giving a saving of 5160Kw hours in those three months alone. Based upon the current rate for electricity this would save just over £41 a month; Multiplied by a purchase of 10 energy

efficient lights, this would save £4100 on electricity in a three-month period.

2.8 Estimate of staffing resource required to deliver the project

Department/Officer	Role	Hours
Head of Arts & Recreation	Project Champion	2 hours
Senior Production and Technical Officer	Project manager	8 hours
Production Officer	Procurement lead	6 hours
Procurement	Advice/assistance	2 hours
Legal Services	Advice/Contracting	2 hours
Finance	Advice/Approval	2 hours

2.9 Identify any dependencies upon other work or projects

The timing of the installation and staff training will be dependant on the programme of events. It is anticipated the project can be started and completed in a relatively short period of time. The intention is to endeavour to complete the installation before the end of 2011.

2.10 Background Papers

None

2.11 Inspection of papers

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Capital Income / Funding						
Government Grant						
S106 funding						
R&R funding	25,000					27710-8189-00000
Earmarked Funds						
Existing capital programme funding						(Programme ref.)
Revenue contributions						
Total Income	25,000	0	0	0	0	
Net Capital Bid	0	0	0	0	0	