

Report to Kenilworth Town Council: Talisman Theatre Company

1. Introduction

At the Town Council meeting on 8th April 2021 approval was kindly given to provide grant funding of £90,901 (£100,000 less contingency) towards phase 1 of the Theatre's development plans. At that point the scheme was costed at £ 275,000 (including VAT). The Talisman Theatre was injecting £75,000 from its own funds.

The scheme extends the building enabling a new fringe stage to be created, customer reception areas modernised, and many structural issues resolved. The scheme also provides improved disabled access to the theatre

2. Tender process

Our tendering process led to invitations to 6 local businesses. The replies were received by 30th July 2021. The variance from the budget of even the lowest tender was significant and we undertook a review of the scope of the scheme whilst protecting the key benefits. Following long and extensive negotiations a contract was signed with J. G. Molloy Limited. Works started in April 2022. The Talisman's contribution had, by now, increased to £122,967 (£75,000 plus £47,967)

3. Construction issues

A number of construction and cost issues have affected the scheme.

- An existing power cable was found to be shallower than expected and needed rerouting. This then involved a new power board and subsequent removal of a small amount of asbestos. This caused significant delay and cost £11,500
- Covid SAGE committee recommendations required a redesign of the ventilation and heating in the new extension causing a cost increase of £35,300
- Abnormal inflation has had a severe effect on certain elements of the build. For example, structural steel has increased from £1700 per Tonne to £5800. Bricks and concrete blocks have risen by 25%. The roof alone has increased by £30,000, an increase of 218% since the original budget.

4. Revised costs and timetable

The revised timetable for completion is 16th January 2023 due to the various issues encountered during construction. We are still hopeful of a partial opening of the new building for December 2022 and the important revenue earner - the Pantomime.

The latest estimate from our Quantity Surveyor is £344,967.14 excluding VAT

5. Other economic factors

- As a result of the Covid pandemic (and SAGE recommendations for public places) the Theatre installed a new air handling system into the auditorium to enable the reopening in December 2021. This cost £80,000 which was mostly funded from our reserves. Coupled with the cost increases in the tenders for the scheme, this has significantly depleted our reserves.

- Audiences have begun to return to Theatre performances (our latest production achieved 98%) but this has been gradual and not helped by the less than perfect interim measures in operation during construction. The temporary bar has seen takings falling considerably.

6. Positive news

1. We have now increased our youth theatre group to two with 40 on the waiting list. Age ranges from 10 to 18. We have 35 members with two of the older group acting as youth leaders for the younger group. The fringe stage will give many more opportunities for performance.
2. In preparation for the opening of the fringe stage we have been offering performances at the Holiday Inn each month. This has involved two short 2/3 person plays plus a local musician. We have held 4 shows involving 7 plays, 3 musicians, one band and an improvisation group. These have involved a wide range of members and have been hugely successful.
3. We have continued our very popular audio plays "Tea with the Tali", so far this year we have produced a further 12 plays taking our total to 89 since this Covid initiative launched in 2020. Nearly 30,000 listens have been achieved. This free service has involved 29 new actors, 22 new directors, 54 members of the youth theatre and 15 seniors.
4. Despite the very disruptive development works we have continued to produce main stage productions. This has been a fantastic feat from all our volunteers.

7. Our request

In summary the final cost of the scheme will be £ 113,000 (excluding VAT) higher than the original QS estimate when Council funding was given. Despite scheme redesigns and increased funding from Talisman reserves we are now expecting to be £35,000 short of the final cost. The reserves which were earmarked for stage 2 will be materially exhausted in this phase, but we do expect them to start growing with the forthcoming productions (including our Pantomime which is always a lucrative cash inflow). The impact of all this has, as has been noted, seriously depleted our Capital Investment Funds. We have prudently kept the Theatres Working Capital account separate to ensure we can continue to operate in accordance with our constitution and Charities Commission guidelines. For the Talisman this means six months of overheads.

Economic factors are working against the Theatre, and it cannot go without note that Warwickshire County Council have announced a £15 million provision for several capital projects as they recognise a 25% increase in construction costs. We believe the theatre is a very important community facility and seek your further help to complete this phase. We are requesting that, in the circumstances, the Town Councils contribution increases to £135,000 **in total**.

Nigel Elliott
Chair
Talisman Theatre Company
21 September 2022