

Appendix 3 - Lutterell Hall Options Appraisal

Criteria	Option 1		Option 1b		Option 2		Option 3	
High score is good e.g. high cost = 0, low cost = 5 high risk = 0, low risk =5	Council retain ownership and management as a community hall		Council retain ownership and develop additional use as an arthouse cinema		Lease the hall to a community organisation to manage		Sell Lutterell Hall for commercial redevelopment (building must be retained)	
Feasibility	Score	Comment	Score	Comment	score	Comment	score	Comment
Capital costs	3	Planned maintenance costs over next 5 years estimated at £275k.	0	Planned maintenance costs as per option 1. Significant as yet unquantified additional investment.	3	Proposals received require RBC to retain planned maintenance costs as per option1.	NA	No offers received at deadline of 28/02/2020
On-going revenue costs	3	As per current, with potential for increased income through improvements identified during the review process i.e. online bookings & closer partnership with community groups and refreshed marketing plan.	?	No information on operating model and business case currently available.	3	A reduction in direct premises costs is offset against some retained support services costs and a loss of income (nil rent payable). The net effect of transfer is negligible assuming support service savings are realised.	NA	No offers received at deadline of 28/02/2020
Ease and cost of implementation	5	A programme to extend user base would need to be developed. Contacts with community partners are established and new bookings software has been identified for testing.	1	Consultancy costs of £34-£40k for market assessment, development of a business plan and conversion cost estimates. Further capital costs and staff resource required for conversion works and establishment of a new business/operating model.	4	Further detailed investigations and negotiation into the operating proposal, lease agreement and development of a transition process.	NA	No offers received at deadline of 28/02/2020
Future on-going Council staffing resource required	1	Significant staffing input would be required to generate new business, work with community providers, promote, maintain and manage the facility.	0	Unclear dependent on management model, but is anticipated to be significant in light of the proposed continued use as a community hall as well as an arthouse cinema.	4	All day to day management, promotion and development would be undertaken by a community organisation. Council involvement would remain in terms of lease management and planned maintenance works.	NA	No offers received at deadline of 28/02/2020

Risk								
Financial risk	4	Contained within RBC capital & revenue Medium Term Financial Strategy.	1	Local market demand for single screen cinema currently unknown and no financial projections are available.	3	Community group financial projections are untested and may be overoptimistic. A review of the audited accounts raised no issues of concern.	NA	No offers received at deadline of 28/02/2020
Operational risk	4	Track record of H & S management and customer service.	2	Management model not established. council has no experience of cinema operations.	3	Community groups have some similar operating experience but a step-change in scale is required. Potential risk of H & S breach if training/procedures are not robust.	NA	No offers received at deadline of 28/02/2020
Longer term asset condition	5	Full control over programmed and reactive maintenance.	5	Full control over programmed and reactive maintenance.	4	Reliant on a third-party undertaking routine maintenance.	NA	No offers received at deadline of 28/02/2020
Community Impact								
Impact on existing regular user groups	5	Existing user groups retained.	3	Programming of cinema would impact on evening and weekend hire and reduce the space available for midweek activities. Pre-school could be retained.	5	Community organisations expressions of interest and interviews stated that all existing groups would be accommodated.	NA	No offers received at deadline of 28/02/2020
Impact on existing occasional users e.g. celebration/party hire	4	Facility still available for hire on current basis.	2	Weekend adult celebration/wedding hire (other than cinema) would not be available and other activities such as children's parties would be reduced.	5	Facility still available for hire on current basis. Potential for community café.	NA	No offers received at deadline of 28/02/2020
Impact on current non-users	2	Recent previous attempts to market the hall have had minimal impact on increasing diversity of usage. An opportunity exists to extend the activities available through closer working with community groups.	4	Provides a new opportunity for residents seeking local an arthouse cinema experience.	5	Community groups are well positioned to broaden the range of activities available at the hall through direct delivery and sourcing external grant funding. Potential for community café.	NA	No offers received at deadline of 28/02/2020
TOTAL	37		18		39		NA	