

Hello

One of the actions from yesterday's meeting was to get further information from a member of Tower Players whom is a professional Quantity Surveyor regarding the use of revenue and capital spend.

Please see below a copy of her explanation.

Further more, please see attached version 3 of the question document which has a clarification for question 6. This is to ensure we can see operating costs, income and expenditure for the 2 years pre COVID, as well as post, so that a proper assessment can be made of how both venues were impacted and their level of recovery since.

This will be the last ammendment to this set of questions. Anything further we will not expect to answered by the agreed deadline of 24th Dec.

Regards

Andy Moseley

Tower Players (Chairperson)

### **Revenue & Capital Expenditure**

Capital expenditure is generally replacement of or investment in fixed assets.

Revenue expenditure is generally for planned and reactive maintenance of existing assets.

Capital expenditure is usually an investment that will improve, increase or drive a business forward.

Revenue expenditure is usually investment that will keep the business moving in the same direction.

Capital expenditure can include significant refurbishment and that does differ from maintenance and therefore a full refurbishment of the theatre including the roof, heating, lighting and seating are all fixed assets and are a replacement and / or significant refurbishment of items. In addition replacement of all of these items will massively improve the offering and therefore drive the business forward rather than keep it running in the same way.

I have worked with public and public service clients for the last 12 years; National Highways, Ministry of Justice, Environmental Agency, Severn Trent Water, all of them have operated in the same way as described above when it comes to deciding whether its capital or revenue investment.

I have also witnessed more than 1 of them be creative with the descriptions of the work to be able to class it as capital investment. Let's take prisons for example...

The media is not lying, they are run down, not adequately maintained, and prisoners are very creative in their vandalism. I have been involved in whole cell block refurbishments.

Those refurbishments are just a whole bunch of reactive maintenance (painting, new cell call buttons, fix the toilet & sinks, replace the non-fixed furniture, none of which are classed as capital replacements) items all bagged up into one massive 'major refurbishment' project which then attracts capital investment.

Let's take the Environment Agency, a lot of their assets are failing due to a lack of proper maintenance over many years, left long enough the problem becomes so bad they need to replace the fixed assets and therefore revenue becomes a capital investment. This scenario exactly fits the POW, a lack of proper maintenance has now become so bad that a full major refurbishment, which includes replacing many of the fixed assets, is required to ensure that the

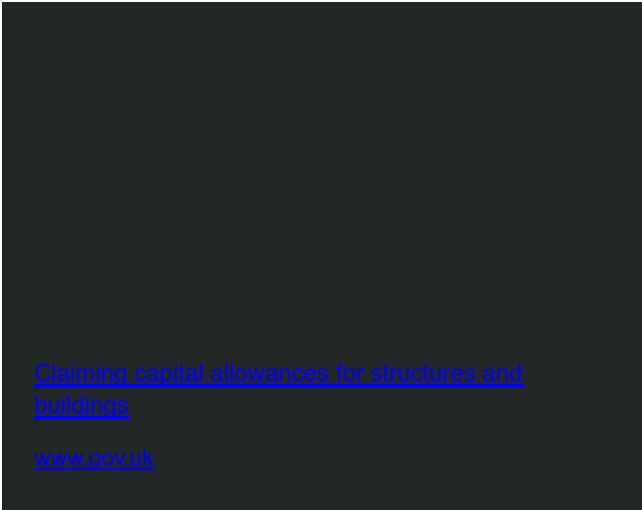
business is secured for the next generation but that business grows because even more people will want to come along to a new more comfortable theatre.

I've also worked with managed pubs and they also work in the same way, the brewery will pay for the capital expenditure which is anything that cannot be removed...the bar, bathrooms, kitchen equipment, building fabric. But the fixtures and fittings, tables chairs carpets, wall art curtains etc are all paid for by the landlord. So the theory works the same in the private sector as well.

I think if you read the links below you'll find more info. But it's definitely about being creative with the description of the work when is sometimes borderline whether it is or isn't capital expenditure.

There are definitely things that I'm not sure about, new doors, shutters, none integral assets are definitely something that may well get rejected as capital but the price of these are minimal compared with the rest of it.

As the council is a public body I'm amazed they aren't clued up enough on this stuff or that they even thought to be creative with the description of the work. If central government bodies are good at securing capital funding then local government bodies should step up to the plate and should also employ bid writers to go off and find and apply for as many grants as they can to add to the pot.



[Claiming capital allowances for structures and buildings](#)

[www.gov.uk](http://www.gov.uk)



[Capital-toolkit](#)

[PDF Document · 1.1 MB](#)

<https://upkeep.com/learning/fixed-asset/#:~:text=Typical%20fixed%20assets%20include%20buildings,and%20have%20longer%20life%20spans.>

Sent from my Galaxy

----- Original message -----

From: Andrew Moseley <[andymoseley123@hotmail.com](mailto:andymoseley123@hotmail.com)>

Date: [11/12/2024 17:21](#) (GMT+00:00)

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Cc: Pete Sidgwick <[petersidgwick47@gmail.com](mailto:petersidgwick47@gmail.com)>, [jamienergrove@sky.com](mailto:jamienergrove@sky.com), [Emily.askey@outlook.com](mailto:Emily.askey@outlook.com)

Subject: Re: Meeting re closure of PoW and MoCC [11th December 2024](#)

Hello Again

Apologies - I new I would miss something from my notes.

I have added in a new Q11 at the end of the General section (all subsequent question numbers have incremented by 1 also).

Attached is an updated version of the file, please use this for responding.

The additional question is related to IHL and how they allocate the 15% of council budget they receive.

On a slightly more rhetorical point, I am assuming that the council is taking notice of the fact that all other councils that have had IHL managing their facilities have got out of / not renewed contracts with IHL leaving Cannock their only client. Surely this should set some alarm bells ringing? I understand that commercially / contractually you are not in a position to publicly confirm or deny if you will be continuing beyond their current contract extension, but I would hope that any new contract will be subject to a robust and thorough tender process to ensure value for money (or even be brought back under council control!)

Apologies again for the omission from the original document.

Regards

Andy Moseley

Tower Players (Chairperson)

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**From:** Andrew Moseley <[andymoseley123@hotmail.com](mailto:andymoseley123@hotmail.com)>

**Sent:** [11 December 2024 16:01](#)

**To:** [tonyjohnson@cannockchasedc.gov.uk](mailto:tonyjohnson@cannockchasedc.gov.uk) <[tonyjohnson@cannockchasedc.gov.uk](mailto:tonyjohnson@cannockchasedc.gov.uk)>; [johnpreece@cannockchasedc.gov.uk](mailto:johnpreece@cannockchasedc.gov.uk) <[johnpreece@cannockchasedc.gov.uk](mailto:johnpreece@cannockchasedc.gov.uk)>

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**Subject:** Meeting re closure of PoW and MoCC [11th December 2024](#)

Hello All

Thank you all for your time this morning and for the open and robust discussions.

Please find attached an amended version of the list of questions handed out in the meeting on the morning of 11th December. It contains the full list of questions, not all of which were discussed in detail during the meeting. The questions have also been regrouped into general, theatre specific and museum specific sections as there was some repetition in the handouts. There are also some additional questions and further clarification on other questions following this morning's conversation.

As a reminder, the commitments made by the officers and councillor's present were as follows:

- TJ to endeavour to gain an extension to the consultation period of 2 weeks (minimum)
- All financial details, particularly Stock Survey Reports, to be shared as soon as possible (potentially to limited people)
- All questions in the attached to be responded to in full via email reply with any additional supporting information / documents as appropriate by no later than close of business Tuesday 24<sup>th</sup> December.
- Andy Moseley to forward details from member of Tower Players re Captial v Revenue funding usage.
- Jamie Norgrove to provide detail of where consultation form may be showing bias (included in question document attached)

You will no doubt be fully aware of a public perception, rightly or wrongly, that the council and its officers have been doing the minimum required in terms of publicising information in order to try and close these two services 'under the table'.

I have heard you say how hard you have all worked to avoid this situation, but the fact remains, and was acknowledged in the meeting, that the council has dropped the ball on this (my phrasing) and should have entered into consultation at least two or three months prior to having done so.

This would still have produced public outcry, but only at the proposition, not magnified by the fact it has been done when there is literally no time to try and do anything constructive about it. This has angered the community just as much left many feeling deceived and distrusting of the council.

Providing full, frank and detailed answers to these questions will not only help to communicate and allow people to understand the situation in more detail, but it is also critical to allowing proper proposal planning to begin. Therefore, I urge you to take note of the comment at the end of page 1 in the attached document and not wait to have a full suite of answers before replying. We are happy to receive answers as and when they are available and we can compile them as they come in.

Please send responses to Peter Sidgwick as a single point of contact, but cc those on this email for information. I am only sending this [today](#) as Peter is not home this afternoon and we wanted to get this to you before [4pm today](#).

[@tonyjohanson@cannockchasedc.gov.uk](mailto:@tonyjohanson@cannockchasedc.gov.uk) - could you forward this onto Anna and Corin as I do not have their email addresses.

Many thanks

Andy Moseley

Tower Players (Chairperson)