



Report to: Heritage, Culture and the Arts, in consultation with Strategy, Performance and Finance and Climate & the Environment

Decision Date: 22 July 2025

Portfolio Holder: Councillors Rowan Cozens, Paul Peacock and Simon Forde

Director Lead: Matthew Finch, Director of Communities & Environment

Lead Officer: Carys Coulton-Jones, Business Manager – Heritage and Culture

Report Summary	
Type of Report	Open Report
Report Title	Palace Theatre Creative Foundations Application
Purpose of Report	To propose an Expression of Interest and application to the Arts Council England's Creative Foundations Fund for investment in new, energy efficient LED lighting for the Palace Theatre stage, to futureproof this historic, grade II listed venue and support improved sustainability in the long-term.
Recommendations	<p>It is recommended that</p> <ul style="list-style-type: none">• The Portfolio Holder approves the proposal to submit an Expression of Interest in July and a full application in October to the Creative Foundations Fund should the EoI be successful;• The Portfolio Holder approves a capital commitment in principle of between £50,000 and £80,000 (that being 10% of the total cost of the project, for which 5% minimum is required), dependant on the outcome of the application; and• Should the application be successful, the Portfolio Holder will recommend an increase to the capital programme for the total cost of the project, estimated at between £500,000 and £800,000 including the NSDC contribution as detailed above to Cabinet for approval,

	together with formal approval for use of reserves for the Council's capital commitment.
Alternative Options Considered	<p>The Palace Theatre has been working on plans for a programme of smaller scale interventions to convert its extensive lighting scheme to LED both in the auditorium and on stage over time. A Management Carry Forward request was approved in April to fund the upgrade of the auditorium chandeliers; however the main lighting rig remains the biggest intervention required to improve our environmental responsibility, sustainability and efficiency.</p> <p>This work will become essential at a point in the future as lamps become more difficult to source and more costly to ship into the country, therefore it is prudent to capitalise on applications that can support the cost of this.</p>
Reason for Recommendation	To support improved energy efficiency and ensure the sustainability of the theatre's lighting rig for professional and community shows.
Decision Taken	As per the recommendation

1.0 **Background**

- 1.1 The theatre has an extensive lighting rig which is equipped with a large number of lamps, all of which use traditional bulbs which are becoming obsolete and consequently difficult to source. Furthermore, the theatre's stage lighting will have some of the largest electricity consumption on site.
- 1.2 Aside from the stage lighting, the theatre also consumes a significant amount of electricity through its auditorium chandeliers which are original and therefore not specified to modern standards. These are being updated through a Management Carry Forward request due to the favourable variance at year end for the Heritage and Culture Business Unit.
- 1.3 A final element is the theatre's Follow Spots, which also use traditional lamps; the cost of these has tripled in the past 12 months and therefore upgrading the equipment would be both cost effective and more energy efficient.
- 1.4 There is a risk that, without intervention over the next few years, the theatre will become unsustainable, being both unable to resource and provide an adequate professional lighting rig and through the increasing cost of energy consumption.
- 1.5 In February 2025 DCMS announced a £270million Arts Everywhere Fund. Alongside supporting jobs and creating opportunities for young people to learn creative skills while helping to boost people's sense of pride in where they live, the fund will be targeted at

organisations in urgent need of financial support to keep them up and running, carry out vital infrastructure work and improve long term financial resilience.

- 1.6 The first tranche of this funding is being delivered through an £85million Creative Foundations Fund, managed by Arts Council England.

The aims of this investment are to:

- increase the economic sustainability of cultural and creative organisations through improving existing cultural buildings and equipment
- decrease the risk and financial impact of abandoned or cancelled performances, exhibitions, or events caused by equipment or infrastructure failure
- grow audience engagement and access by underserved communities to high-quality creative work and cultural infrastructure.

The outcomes expected from this investment are:

- improved value for money through decreasing the amount of expenditure on maintenance and repair of cultural assets
- reduced loss of high-quality cultural work from creative and cultural organisations as a result of asset failure or degradation
- cultural organisations develop more sustainable financial and business models, adapting to the changing environment and needs of the communities with whom they work
- improved energy efficiency and environmental performance of cultural buildings and equipment.

- 1.7 The total funding is divided into two strands:

- up to £25 million is available in Strand 1 for grants of £100,000 up to and including £1 million.
- up to £60 million is available in Strand 2 for grants above £1 million up to and including £10 million.

It is therefore expected that the fund will be highly competitive.

- 1.8 Expressions of Interest must be submitted by 25th July 2025. Those accepted from the EoI will be required to complete a full application by 31st October 2025. Expressions of interest must identify match funding. Then Arts Council England's guidance states:

'We want to make our funding go further, and we expect you to make the most of other sources of income.' The minimum partnership funding requirement for each strand is:

Strand 1: at least 5 percent

Strand 2: at least 10 per cent (grants above £1 million and up to and including £5 million) and 15 per cent (grants above £5 million).

2.0 Proposal/Details of Options Considered

- 2.1 Due to the tight timescales of the EoI, there is limited time to develop a robust plan that meets the guidance and criteria of the funding. Based on our existing knowledge, it is proposed to submit an Expression of Interest for a project to completely replace our existing stage lighting with LED lighting, including the two Follow Spots. It is currently estimated that this will cost in the region of £500,000 to £800,000 and would therefore be eligible for strand 1 of the funding.
- 2.2 In order to understand both the cost and the energy efficiencies that will be seen as a result of this project, the business unit has commissioned a company to provide an estimated cost plan prior to the EoI being submitted, and a feasibility study prior to the full application. This will inform the final amount submitted as the project cost for the EoI, noting that the guidance is clear that the cost can decrease at full application stage, but cannot increase.
- 2.3 Based on the Arts Council England's guidance, it is recommended that NSDC allocate a minimum of 5% match funding to this project, up to 10%. Therefore, the maximum amount that NSDC would be required to commit to the project would be £80,000, subject to final costs, for a funding application to the Arts Council England of a maximum of £720,000.
- 2.4 The Palace Theatre has stood in Newark for over 100 years. It sees well in excess of 50,000 visitors each year and hosts a wide range of professional shows from the annual pantomime to music, dance and drama. It is the home of Newark Amateur Operatic Society and hosts many local dance schools on its stage. As custodians of this historic building, it is vital to seek investment now to futureproof the venue's capability to deliver productions, to improve its long-term sustainability through energy efficiency and avoid passporing increased or unsustainable costs to a new unitary council.
- 2.5 Should the EoI not be successful it is recommended to continue with the feasibility to apprise NSDC of the implications of not upgrading the theatre's lighting rig, supporting NSDC's aspirations to reduce carbon emissions and informing any future investment or funding opportunities.

3.0 Implications

In writing this report and in putting forward recommendations, I have considered the following implications: Equality and Diversity, Financial, Safeguarding and Sustainability, and where appropriate I have made reference to these implications and added suitable expert comment below where appropriate.

3.1 Equalities Implications

None

4.0 Financial Implications (FIN25-26/4983)

- 4.1 The feasibility study for the scheme is being funded from existing budgets within the HCV Business Unit and it is proposed to continue regardless of the outcome of the expression of interest.

4.2 As per paragraph 2.3, the Council needs to make a match funding commitment of between 5% and 10% of the project cost, estimated to be up to £80,000. This commitment could be added to the Capital Provision.

4.2 If the grant funding application is successful, the Council will obtain external funding of up to £720,000. Combined with the Council's own contribution of £80,000, a total Capital budget of £800,000 will be required for the 2026/27 financial year.

5.0 **Legal Implications (LEG2425/3876)**

5.1 The Portfolio Holder is the appropriate body to consider the content of this report in consultation with the relevant Director and s151 Officer. The Legal team will need to be instructed following any decision to deal with the transaction.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.