

Question A: Do you agree with the proposal to reflect the costs of participating in the funding scheme by adding a 5% mark-up to the payment made to a claimant?

For an organisation with a large amount of equipment, particularly where there is a large volume of similar equipment, then this figure is appropriate.

For smaller organisations, whilst the overall value of equipment is less, the figure is inappropriate.

A subsidised theatre we work with has 16 channels of Sennheiser G3 300 series valued at around £14,000. The surrender value would be approximately £8,400 which would allow them an amount of £420 to implement the changeover.

There are a series of events that each subsidised organisation will have to go through to meet your requirements along with their own management requirements for additional capital spending, including:

- Prepare Asset Register
- Certify Asset Register
- Research replacement equipment and decide
- Plan new frequency band plan
- Obtain quotes for replacement equipment
- Apply for new radio mic licence
- Prepare paperwork for Capital Submission for additional 40% of cost
- Obtain additional capital budget
- Order new equipment
- Receive, PAT test and asset new equipment
- Change over equipment
- Training on new equipment
- Pack and ship old equipment
- Administration department (accounts)

Allowing for an average hourly rate between their Head of Sound and technician rates, accounts administration rates, plus costs for accountants to certify the asset register, it is estimated that the changeover project would be around £2,400 (plus VAT where relevant).

At 5%, this would mean that they would have to be surrendering £80,000 worth of equipment (with a surrender value of £48,000) just to break even.

A council-run venue with a similar quantity of Sennheiser G3 radio mics has estimated the costs to be slightly less (as their capital process is slightly different) but still would cost them £2,000 to implement the changeover.

As quantities increase, there is an efficiency of scale. An estimate of costs for three times this value of similar G3 equipment is only £300 more.

Whilst it is obviously difficult for each application to be assessed, it feels that there is a base cost for starting the changeover project, whether it is for one radio mic or forty.

One (of several) solutions to this issue is to provide a base amount per company surrendering equipment of (say) £2,500 with an additional 5% of the surrender value over (say) £50,000.