
THE BRIDGE CENTRE FOR VISUAL ARTS OPERATION FROM 2017/18

**Responsible Cabinet Member - Councillor Nick Wallis,
Leisure and Local Environment Portfolio**

Responsible Director - Ada Burns, Chief Executive

SUMMARY REPORT

Purpose of the Report

1. To consider the business case submitted by the Bridge Centre for Visual Arts organisation for the future operation of the Centre beyond 2016/17 and to recommend support for the project.

Summary

2. The Bridge Centre for Visual Arts (The Bridge) opened in 2012. It provides opportunities for people to engage with the visual arts in Darlington and access to dedicated arts facilities, including services and resources relocated from the Arts Centre. It has been registered as a community asset by Darlington for Culture.
3. The Bridge currently hosts or provides access to the following services and opportunities:
 - (a) The Community Arts Project, commissioned by Adult Social Care which provides opportunities for those with learning disabilities to try out and explore visual arts opportunities with support from a professional artist. This service is currently planned to continue until the end of 2018/19, and the commissioners are happy to continue to operate from the Bridge. If this venue were no longer available a notice period of six months would be required.
 - (b) The Open Art Studio was commissioned from Public Health and is due to finish at the end of 2016/17.
 - (c) An arts exhibition programme including arts and craft fairs and fundraising events, with proceeds used to enhance the operation of the venue and to support volunteer led activity.
 - (d) A ticketed non-accredited art course programme where artists pay a fee for use of the venue to operate their own courses.

- (e) Use of the venue by individuals and groups for workshops or group activity where a fee is paid for use of the venues and access to specialist equipment, and where artists or groups manage their own activity.
- 4. The Council in June of this year considered a budget proposal to delete the Council resources supporting the Bridge, and in considering the consultation responses to the MTFP, agreed to maintain support until the end of 2016/17, to give the organisation an opportunity to develop a Business Plan that did not require Council subsidy. A subsequent report was requested to Cabinet in January 2017.
- 5. Subsequently Officers have advised and supported the Bridge in examining options for the continuation of a visual arts centre, including looking at alternative venues.
- 6. The group has concluded that they can develop a viable proposition for the continuation and development of the Bridge and presented their updated business case in November 2016.
- 7. Whilst it has received considerable support from the Council, the Bridge has developed a charitable company over three years with a bank account and has generated income from events, adult art courses and individuals and groups who pay to use the building to deliver their own activity. This income has supported the ongoing operation and development of the building. The charitable company has undertaken this work on a voluntary basis and is committed to developing opportunities to enjoy visual arts activity in Darlington.
- 8. The organisation has recently been approved as a Registered Charity, they have a small board which they are seeking to develop.
- 9. The plan proposes that the Council grant the Bridge a long term lease of the building and site and that the Bridge continue to run it as now, paying a peppercorn rent for the first five years to enable them to establish a strong resource base. Their business case includes the Council retaining responsibility for external repairs and maintenance of the building. They expect to secure income from a small number of key tenants, room hire, 'other income' including events and fundraising, and to operate initially on an entirely voluntary "workforce". The Bridge has expressed interest in an option to buy the building at some point. The lease would allow for the building to revert to the Council in the event that it was no longer being operated as a public access centre for visual arts.
- 10. While there are risks associated with the business plan, particularly related to organisational capacity, the Bridge is nevertheless providing a valued service to its current and potential new users, and represents a further part of the wider cultural offer in Darlington.

Recommendation

11. It is recommended that Members agree:-

- (a) To grant a twenty five year lease with the Bridge Centre for Visual Arts organisation to operate a multi-purpose visual arts service, with the first five

years on a peppercorn rent and with annual break clauses written into the arrangement.

- (b) That in the event of funding becoming available to support a longer term future for the Centre, that the option of a 99 year lease or disposal, shall be volunteered and progressed.
- (c) That the Council retains responsibility for exterior maintenance and repairs of the building, the Bridge Centre for Visual Arts organisation accepts responsibility for interior repairs and maintenance of the building, supplies and services to the building and statutory checks.
- (d) A subsidiary agreement covering key Council assets held at The Bridge Centre for Visual Arts building (a kiln and a printing press) for this five year period.
- (e) The Assistant Director (Law and Governance) be authorised to complete the documentation as required.

Reasons

12. The recommendations are supported by the following reasons :-

- (a) The Bridge Centre for Visual Arts organisation has generated a business case which indicates their capacity to operate the building without a requirement for ongoing support from the Council while recognising gaps in organisational and capacity as a risk.
- (b) As funders frequently seek proof of the long term nature of either the ownership or lease agreement, Members are asked to facilitate different terms should funding become a realistic prospect.
- (c) An agreement stipulating the kiln and press must remain within the building, must be available for inspection on notice and may not be sold would safeguard the visual arts facilities and opportunities available in Darlington.

Ada Burns
Chief Executive

Background Papers

The Bridge Business Proposal. Financial Plan and Risk Assessment Appendix 1 have informed this report.

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S17 Crime and Disorder	There are not likely to be any effect on crime and disorder from activity detailed in this report.
Health and Well Being	There will be some health implications for clients using OpenArt Studio but other opportunities may be developed in the future as part of the review of services.
Carbon Impact	There are no carbon impact implications in this report.
Diversity	The centre is well located for access from residents across Darlington.
Wards Affected	Users of the service come from across Darlington.
Groups Affected	The Bridge Centre for Visual Arts currently houses the Community Arts Project and Open Art Studio project. It is also used by constituted and informal arts groups including the Press Gang and the 2012rs, and various groups exhibit there.
Budget and Policy Framework	There is no budget within the MTFP for the Bridge beyond 31 March 2017.
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	The arts and cultural proposals considered in this report currently impact on the following outcomes within the community strategy - More people healthy and independent, more people active and involved and a place designed to thrive.
Efficiency	This proposal will potentially reduce the council liabilities from ownership of buildings. It could also provide income in the longer term from rental or sale of the building.

MAIN REPORT

Information and Analysis

Introduction

13. Darlington Borough Council and One Darlington have supported the transition of arts activity in Darlington since 2012. Darlington's pragmatic approach to addressing pressures on public funding for the arts was recognised in the National Local Government Network publication, 'The Show Must Go On'.
14. The Council allocated budget to modify the Bridge building to accommodate visual arts activity and supported the relocation and installation of specific facilities from Darlington Arts Centre, including a kiln and printing press. The Bridge Centre for Visual Arts opened in July 2012.

15. Individuals, services, groups and activities previously based in Darlington Arts Centre have contributed to the development of the Bridge, which has been running for four years and has established a successful programme of arts courses, workshops and events. The organisation is currently in the process of requesting full charitable status, with a decision anticipated before 31 March 2017.
16. The Bridge building and site is owned by Darlington Borough Council and the Council currently allocates a budget for repairs and maintenance of the venue and supplies and services to the venue. The Council currently undertakes various statutory Health and Safety checks at the venue.
17. Following consultation on the MTFP, In June 2016 the Council agreed not to remove the budget allocated to The Bridge Arts Provision from 1 October 2016 and to keep the building open until 31 March 2017 on the understanding the Bridge organisation would develop their business case to operate the venue sustainably without a requirement for ongoing budget support from the Council. A business proposal was lodged with the Council in November 2016.
18. The proposal is informed by an options appraisal, with advice and support from Council Officers, followed by significant further work undertaken by an Advisory Group at the Bridge.
19. They have considered relocation to other facilities, however they value the visual arts community which they have grown in the current venue, and are able to generate income through a number of studio spaces within the current building, which is equipped with specialist equipment and storage to support arts and crafts activity.
20. The Bridge Advisory Group considered the only feasible option for the Bridge was an independent organisation taking over full responsibility for management and organisation of the Centre building and for the council to let the building on a peppercorn lease to the independent organisation which will maintain an interest in running an arts service within the venue, with clear responsibilities in accordance with the lease.

The Bridge Centre for Visual Arts Business Proposal

21. The Bridge proposal is based on the Council granting an initial twenty five year lease, with a peppercorn rent for the first five years and with an annual break clause to avoid cause or concern on either party for incurring debt or commitment. A review of the terms of the lease arrangements before the fifth year of the business proposal would be required. The Bridge has expressed interest in an option to buy the building, which is currently registered as a community asset, and this option could be considered at this point or sooner if funding became available. Alternatively should funding become available that required a longer term commitment a 99 year lease could be negotiated. While registered as a community asset the Council has not made a decision to market the site.
22. The Centre is expected to be run by volunteers' initially, with funding being sought thereafter for paid staff through project work. The initial five year period of the

lease will include an annual break clause limiting exposure either of the Bridge or the Council to ongoing liabilities.

23. While the Bridge organisation has held an independent bank account for several years it has a limited track record in fundraising and is currently applying for full charitable status. The Bridge expects a twenty five year lease is more likely to benefit their fundraising than a shorter lease.
24. The Bridge business case shows income from key tenants, room hire, other income and fundraising. Projections, other than fundraising, are informed by income secured in 2015/16, and appear realistic. The Bridge Arts Provision year end position for 2015/16 shows income secured from course and training fees and contributions and donations, as below. Course and training fees were generated through voluntary work at The Centre, managing a course programme and use of the building outside of Council services and programmes. The Community Arts Project and Open Art Studio Council budgets contributed -£5,000 and -£2,000 respectively to the Bridge Arts Provision budget for use of the facility in that year.
- (a) Course and training fees: -£11,483
- (b) Contributions/donations: -£7,000
25. The Bridge have reviewed their pricing for use of the venue on an ongoing basis, however there is limited flexibility in the charges they can apply to individual tutors and groups who currently pay for space to deliver their own courses or to meet at the venue. A significant proportion of the activity they co-ordinate is not supported by public funding and follows a business model. There are risks that if venue hire costs increased significantly this business may not be sustainable; however the Bridge organisation may need to undertake further market testing across the initial five year period.
26. The Bridge proposal anticipates securing a number of key tenants and advises they have held indicative discussion with parties who may consider moving their business to the building. If dedicated use of a room or space is required on a regular basis the Council and the Bridge will need to consider whether licences or a full business tenancy are required.
27. Their proposal to run without an employed post, and with volunteers in the first instance, appears prudent if challenging and may enable the Bridge to build up a sustainable working organisation, which could expand through application to external funding. The organisation has put a call out for volunteers to support the operation of the venue and advises around 20 people have confirmed their willingness to volunteer to support the operation of the venue already. To date the Bridge organisation and operation has developed successfully through the efforts of a small team of dedicated volunteers, and support from funded services which currently include the Open Arts Studio Programme and Community Arts Project. The Bridge organisation will need to co-ordinate volunteers effectively following the cessation of the Open Art Studio project.

28. The Bridge business proposal anticipates their organisation will secure a number of building services directly from the Council, including CCTV and Alarm contracts and periodic testing, such as legionella, with the Council recharging these costs to the Bridge organisation.
29. In summary, if the right agreement can be reached with annual break clauses with the Bridge Centre for Visual Arts, their proposal does not appear to present significant risk to the Council, and could be seen as further supporting the transition of arts activity to a more sustainable model, which would not require Council subsidy.

Financial Implications

30. The Bridge business proposal would not require budget support from the Council for provision of supplies and services to and interior repairs and maintenance of the venue as these would be covered by the Bridge organisation.
31. The Bridge proposal anticipates the Council will provide on a commercial basis a number of services for the Bridge, including CCTV provision and periodic legionella checks, and recharge these service costs to the Bridge organisation.
32. The Council is expected to maintain responsibility for external repairs and maintenance of the site. These costs will be met from the corporate landlord existing repairs and maintenance budgets, with any significant repairs being considered within the MTFP Capital programme.

HR Implications

33. The Community Arts Project service is currently based at The Bridge Centre with Darlington Borough Council employees delivering the service. The Council decision may impact on the location of the Community Arts Project.

Consultation

34. No consultation was undertaken specific to this report although the proposal to support a community plan for the Bridge was the outcome of consultation on the MTFP.