

LONDON
REVIEW PANEL

██████████
198 CAL
198 Railton Road,
Herne Hill,
London
SE24 0JT

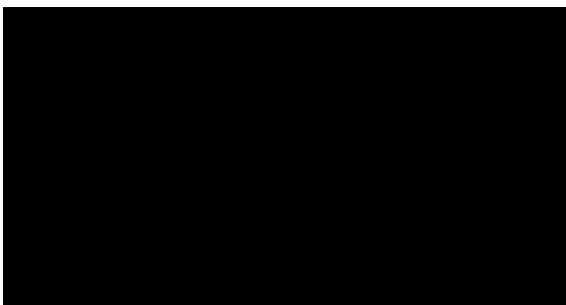
June 2019

Dear ██████████

London Review Panel: 198 Contemporary Arts and Learning (CAL)

Please find enclosed the London Review Panel report following the review of the business plan for the proposed 198 CAL development on 7th June 2019. I would like to thank you for your participation in the review and offer ongoing Mayor's Design Advocate support as the scheme's design develops.

Yours sincerely,



Mayor's Design Advocate

cc.

All meeting attendees

Jules Pipe, Deputy Mayor for Planning, Regeneration and Skills

Debbie Jackson, Executive Director of Development, Enterprise and Environment, GLA

Patrick Dubeck, Head of Regeneration, GLA

LONDON REVIEW PANEL

Report of London Review Panel meeting 198 Contemporary Arts and Learning (CAL)

Friday 7th June 2019

Review held at: 198 Railton Rd, Herne Hill, London SE24 0JT

London Review Panel

██████████ MDA

Attendees

██████████ Director, 198 CAL
██████████ Board Member, 198 CAL
██████████ Carver Haggard Architects
██████████ GLA Regeneration
██████████ GLA Regeneration

Apologies / report copied to

██████████ GLA Regeneration
██████████ GLA Regeneration

Report copied to

Jules Pipe Deputy Mayor for Planning, Regeneration and Skills
Debbie Jackson GLA
Patrick Dubeck GLA

Confidentiality

Please note that while schemes not yet in the public domain, for example at a pre-application stage, will be treated as confidential, as a public organisation the GLA is subject to the Freedom of Information Act (FOI) and in the case of an FOI request may be obliged to release project information submitted for review.

Project name and site address

198 Contemporary Arts and Learning, 198 Railton Rd, Herne Hill, London SE24 0JT

Presenting team

██████████ Director, 198 CAL
██████████ Board Member, 198 CAL
██████████ Carver Haggard Architects

198 CAL introduction

Representatives from 198 CAL gave a detailed background to the organisation and development project, describing an exhibition, workspace and meeting space for visual arts, education and creative enterprise. 198 CAL provides support, exposure and teaching to emerging artists and curators of colour, and to young people from BAMER communities seeking careers in the creative industries, especially those who might not otherwise have access to similar opportunities.

198 CAL have recently acquired the freehold for the property, which is a significant opportunity to secure a sustainable future for the centre. The organisation can now consider its long-term future and look to implement a revenue generating business plan whilst delivering its core social objectives.

Mayor's Design Advocate views

Summary

The Mayor's Design Advocate (MDA) commends this exciting, positive and multi-faceted project, led by an interesting and well-established arts organisation and skilled design team. The MDA provided a commentary on the proposed business plan and building programming, posing key, critical questions to the board and design team.

The MDA suggests the project would benefit from a prioritisation of objectives, namely appraising the balance of how beneficiaries are supported, with the realistic income generation required for a sustainable business plan to aid decision making and influence the hierarchy of spaces and required accommodation programme, as well as staffing requirements.

Whilst the MDA has every confidence in the design team to deliver an outstanding and interesting project, a process of reflecting upon and answering the key questions will provide greater clarity on the layout options and requirements of the plan. The board are encouraged to review the first-year financial projections and consider a contingency to anticipated growth.

Income Generation & Workspace Rental

- The MDA encourages the team to consider a typical journey of a Factory student or graduate, to fully explore and understand the demand, needs and capacity of the graduates.
- The capability of graduates to consistently pay for workspace and the prioritisation of being based at 198 CAL should be questioned, if this is to be relied on as a financial assumption in the business plan.

- The MDA urges the board to consider its position when balancing commerciality and pastoral mentorship and guidance. An evaluation of priorities is required, appraising the number of artists the organisation wants to support and the income generation required to continue that support.
- Based on the financial projections stated in the business plan, the MDA identified that approximately £250/ per desk/ per month is anticipated (approx.22 desks with an expected income of £65k a year). The MDA proposed this as a considerable outgoing and commitment for many 18-25y/o, particularly in the early stages of their career.
- Demand for workspace should be carefully researched in the context of the local market. For £250 in Brixton, users are able to have 'unlimited' membership options, with multiple venues available. The MDA noted the amount of free workspace available in Brixton and the surrounding area.
- Precedent examples of similar projects offering workspace in the locality were discussed. Impact Hub, Brixton and Scratch Hub, Battersea were both referenced as organisations that have struggled to fill workspace or not make a lot of money through a hotdesking model. Battersea had two anchor tenants, and the rest of the space was hotdesking space. Take-up was much slower than anticipated in the first year, even with advice to temper the year one projections in the business plan, it is still finding this target a challenge.
- The MDA noted that fixed or permanent micro-offices are often easier to generate a reliable income from over hotdesking or other coworking models.
- Aiming for more established businesses, for example 3 micro-offices of 6 people per business would offer a more stable situation- both in terms of financial income and workspace management, allowing the team to focus on curating an artistic community rather than have to engage in managing the space and continuously find tenants for desks.
- A mentoring programme or relationship of the more established businesses or artists and the students or graduates of the Factory programme could be a way to integrate the separate strands within the building whilst providing additional support and guidance.
- The MDA queried if the workshop space on the top floor could be offered as coworking/ hot desking space at certain times, to make the space work harder when workshops are not programmed.
- The maturity and longevity of workspace tenancies was discussed as an element requiring some control. The team is encouraged to consider how to define the level of establishment of tenant businesses, and at what point would the maturity or growth of tenants begin to obstruct the incubator status?
- The MDA would advise against complex or unusual company articles to address this control, as these would allow much less flexibility in the future and reduce the ability to react to changing circumstances or demand. The board should be able to curate or control the mix and maturity of tenants, which can be discussed openly upon tenants signing up.

Staffing Considerations & Private Event Hire

- The MDA recommends that the level of staffing or service required for the public hire element of the programming is carefully considered and tested.
- The expectations of users are a factor in this. The MDA queried if the intention is to cater for current users with established expectations or for future users with higher or unknown expectations that could drive future revenue.

- The projected income for the private hire is considered ambitious by the MDA, who encourages the year 1 projection to be tempered, and to take into account seasonal and overlapping demand.

Building Programme & Layout

- Ensuring the design of the building maximises the amount of lettable floor space to secure the most sustainable future for the project is supported by the MDA.
- The MDA noted the operational requirements of the building could be further clarified to ensure they are fully suitable and adaptable. The amount and size of meeting spaces, particularly for 1:1 sessions, WC locations in relation to safeguarding requirements and the significant storage requirements of the building were noted by the MDA.
- The careful programming and management of the multi-functioning space on the second floor is considered to be key to its success. The programming should make the space work hard.

Organisational & Financial Considerations

- The advantages and disadvantages of VAT registration were discussed, including whether the charity could claim business rate relief, and whether the end users rent incurs VAT. Running a workspace is not typical of a charity objective. The MDA explored whether 198 should consider operating the first-floor workspace as a separate entity, a Company Limited by Guarantee (CLG) with this entity being VAT registered.
- Whilst it might not be 198 CALs objectives, the MDA suggested 198 CAL could think about a 10-15 year plan that leverages the value of the freehold to be a tool beyond the delivery of this project, and become a stepping stone to build upon the consortium involved in the Factory programme.
- ACME studios were cited as an interesting example of a company who have used their freeholder status as financial and value leverage. They have evolved their business plan to raise money against their assets to fund further acquisitions- this drives the approach to provide further buildings (minimal/ low-cost) and enables them to support further artists long-term.

Project Procurement & Construction Process

- The procurement route was discussed, and the importance of cost certainty in relation to this was emphasised. The MDA asked how procurement route had been arrived at, and the project confirmed a traditional procurement route has been recommended by the QS. The project should ensure contract information and simplicity of design should be prioritised in order to deliver cost and time certainty.
- Client capacity during the construction process is important and establishing a Board steering group is commended by the MDA, who reinforced the need for the client to react quickly to decision making once the project is on site.
- The sustainability requirements of the project were briefly discussed, and the team indicated the project's design principles are to have a sustainable, low-cost focus.
- The team discussed suitable contractors for the project and the desire to integrate a training opportunity or a locally-beneficial social outcome into the construction process. The MDA advised the admirable inclusion of a requirement for local training opportunities in the tender would

likely increase the cost of the build, as the contractor would factor in complication and overheads. Inviting locally based contractors or those who demonstrate how they will use local workforce to this specific project (e.g. partner with local colleges) could be an option in to build into the tender requirements.