



# The West Wing

## Options Study



October 2009

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## 1. EXECUTIVE SUMMARY

1. The Council has commissioned this study as part of a wider review of performing arts provision in Slough to assess the potential for the West Wing to remain open and become viable after 2010/11 and to prepare a business case in support of a preferred option. The study has looked at future options in the context of the Council's plans to include a new performance space in the planned Learning Curve library development in Slough Town Centre and the plans for the Arbour Vale School site re-development.
2. During the first three years of operation the West Wing struggled to attract sufficient numbers of attendances at live professional events and there were tensions between its role as a professional presenting venue and host venue for local groups. Following a review in early 2009 the Council reduced the level of its annual support for the venue to £50,000, with the possibility it may need to reduce this further. The Council wishes to be clear how it can best use its resources to deliver an arts programme that adds significant value to the people and communities of Slough within available resources.
3. In April 2009 the Council re-structured the West Wing and placed it under the management of the Creative Academy which now operates the building with support from the Council's Community Arts Team. This change in mode of operation has reduced the Council's annual subsidy from a high of £160,865 in 2007/8 to £50,000 in 2009/10. However the additional cost of 'hidden' support provided by the Community Arts Team and Creative Academy is estimated at equivalent to around £75,000 per annum.
4. This review has concluded that the West Wing has the potential to become sustainable without ongoing Council subsidy, but only if more of its undeveloped facilities are brought into use to rent out and generate income. To reach that position it would require ongoing financial support over the next two to three years; some capital investment; and most of the building's current range of facilities and spaces (some of which have been identified for possible demolition in the Arbour Vale School site development plan) would need to be retained.
5. While management by a charitable trust would bring financial benefits, it is not viable without increased rental income and is in any case a high risk operation which is not appropriate given the current circumstances. Without continuing subsidy based on current levels for 2-3 years and some capital investment, there are only two options: to go out to tender for an independent operator with a view to transferring management of the building to an existing organisation (there is interest from the Firestation Arts Centre in Windsor); and closure and disposal of the West Wing.

6. Since it has been operated under new management (The Creative Academy) there has been an increase in lettings and the West Wing has begun to develop better relationships with the community and to attract artists and arts and creative businesses into the building. A new role is being defined for the building as a central hub for the arts and creative industries, with spaces in which to create work; workspace for small creative businesses; and with a lower emphasis on live professional performance. It is now an important administrative and work base for Slough-based arts and creative businesses.
7. It is possible that an independent operator would take on the building for a limited period of 2-3 years, though an agreement for this short period would limit the potential for capital investment. Should closure of the building be necessary, it should be undertaken in a planned way over the next eighteen months, allowing the Council time to work to identify alternative provision and arrangements. It would need to be coordinated with planned developments at the Arbour Vale School site and the Learning Curve development (planned to open in 2012) and take into account the impact on resident organisations.
8. It is recommended that transferring management to another organisation should be pursued in the first instance. If the Council cannot find an independent operator, and it is not possible to meet the requirements in 4. above, it should close the building in Spring 2011 so that uncertainty over its future is ended and in preparation for the re-development of the site. Sport England has confirmed it would seek repayment of part of the £489,000 it put into the project. The element that Sport England would claw back is based on a formula which equates at present to a little less than half the current market asset value of the West Wing building.
9. The financial projections indicate that under direct Council operation the West Wing would require total subsidy of around £140,000 over the next three years 2010 to 2013 (around £53,000 in 2010/11 falling to £43,000 in 2010/13). If operated by an independent charitable trust from 2011/12 the subsidy requirement could decrease to around £37,000 in 2012/13 and require around £130,000 over the three-year period. It is not possible at this stage to produce accurate estimates and a subsidy requirement related to operation by an existing organisation (such as the Windsor Firestation Arts Centre). The level of subsidy would be subject to negotiation and tender though there should be potential savings due to economies of scale and crossovers in staffing between the two venues.
10. The West Wing is especially important as the base for several local arts organisations and in supporting creative enterprise development in Slough. It plays a key role in supporting the Council's community arts work and ensuring that Slough retains arts organisations with the capacity to deliver arts in the community programmes. Closure of the West Wing will have a negative impact on arts development in Slough and could

potentially result in the loss of over £1.2m of annual external investment coming directly into the Borough through the tenants, RIFCO and Creative Junction.

11. Our consultation with arts and community organisations has found that the West Wing is considered a valuable facility for the arts in Slough even though it has not succeeded in its original aspirations to become a venue for live professional arts events. The continuing uncertainty over the building's future may be undermining its ability to succeed.
12. The West Wing is home to two highly respected regional/national agencies (Creative Junction and RIFCO Arts) which attract significant amounts of funding from outside the Borough which otherwise would not come into Slough. They contribute to arts provision in the Borough through a variety of community-based projects, including work with young and disadvantaged people, and closure could potentially result in their re-location and the loss of a significant strand of work in community settings undertaken by both organisations due to their being based in Slough.

## **2. INTRODUCTION AND BACKGROUND**

### **2.1 Introduction**

The West Wing Arts Centre was opened in September 2005 in a converted, redundant school building on the Arbour Vale School site, about a mile outside the Town Centre and is managed by Slough Borough Council. The project was developed using £490,000 funding from the Spaces for Sports and Arts programme administered by Sport England. The West Wing received Grants for the arts time-limited funding from Arts Council England in 2007/8 and 2008/9 for programming; this was not renewed in spring 2009. The building has a 250-seat auditorium, two dance studios and a variety of other spaces, including office, storage and creative industries workspace.

The facility was developed in response to demands from the local arts and community sector for a dedicated performance space for live arts and to address the lack of an arts venue capable of presenting a programme of professional and community-based arts work in Slough.

The West Wing is home to two Arts Council England funded projects: RIFCO Arts (Reduced Indian Film Company) a home grown national touring theatre company; and Creative Junction (Creative Partnerships) a local and regional arts organisation promoting arts education across the Southeast. Both these organisations pay rent towards the spaces they occupy. In addition the Creative Academy's Foundation Degree in Dance pays rent towards the hire of the West Wing's dance studios.

In 2007 the Council commissioned a feasibility study from ArtReach to review options for the future of the West Wing in the light of a potential redevelopment of the Arbour Vale site. The options included retaining the facility on site in its current building; incorporating a new West Wing facility at Arbour Vale within a stadium development for Slough Town Football Club (or other site redevelopment); relocating the West Wing to The Centre; and relocating the West Wing to another site/building; and selling the Arbour Vale site and closing the West Wing (potentially resulting in the need to repay Sport England a proportion of the £489,000 capital funding provided - a condition of funding was a commitment to continue the project for a twenty one year period.). The conclusion was that the best option was to retain the West Wing in situ given the lack of capital resources available for any new-build.

During the first three years of operation the venue struggled to attract sufficient numbers of attendances at live professional events and there were tensions between

its role as a professional presenting venue and host venue for local groups. The Council became increasingly concerned at the relatively modest levels of usage of the venue and, in autumn 2008, when faced with budgetary cutbacks, it commissioned a review of arts and performance provision to include the venue, with the following aim.

*“Slough Borough Council wishes to identify the service requirements for the provision of performance venue(s) in Slough for the next 20+ years that will meet local demand and is practical to implement and fund. Whilst there may be a focus on traditional theatre/performance venue provision we are looking for a range of innovative options that will consider the breadth of cultural provision in the town to meet the needs of our diverse and exciting communities.”*

The review, undertaken with support from Artreach, identified a number of future options for the venue in the context of wider performing arts provision and the decision to reduce the level of subsidy to £50,000 a year. These options included the option of closing the venue. Following this review the Council decided to retain the venue for a further year while more detailed evaluation of the business case for options to deliver a community led arts programme was undertaken. The level of subsidy may be reduced further and this report has considered different funding scenarios and their impact on the viability of the venue.

The West Wing Arts Centre is currently being run as a community arts venue. It is used by Slough based artists, arts groups and community arts groups to run their own programme of events and activities, including performances, exhibitions, clubs and societies, classes, workshops and film screenings. The centre is being run under the management of the Creative Academy team supported by the Community Arts Team

The Council has commissioned this study to assess the potential for the venue to remain open and become viable after 2010/11, with reference to the potential for inclusion of a replacement performance space to be created in the Learning Curve and plans for the Arbour Vale site re-development, and to prepare a business case in support of a preferred option.

## **2.2 Study Brief**

The brief for this aspect of the Performing Arts Review is to assess the options for retention of the West Wing as an arts and creative industries facility, by testing out the business case for development options to be agreed with Council officers. The study is being undertaken alongside a wider review of performing arts provision in the Borough, which will clarify which viable options there are for the performing arts and

to help the Council to ensure that performing arts reflect the community needs and identity.

### **2.3 Methodology**

The key elements of the work were:

- analysis and review of the strategic context and of previous work undertaken
- liaison with the consultancy team undertaking work on the wider performing arts
- detailed analysis of West Wing financial and performance data
- consultation with Council officers, with key partners and with arts and community organisations
- an options appraisal of several potential management and operational models
- An analysis of operational requirements, taking into account existing arrangements
- selection of a preferred option
- preparation of a supporting business case.

Consultation took place with the local arts, educational and community sectors at a focus/discussion group meeting and via one to one discussion with key arts and community organisations; consultation with key stakeholders and partners, including Arts Council England. This was followed with questionnaires sent out to and via those who attended the focus group meeting and to the e-mailing list of the Community Arts Team.

### **3. STRATEGIC OVERVIEW**

#### **3.1 Slough Borough Council**

##### **3.1.1 Strategic Community Arts Development Aims**

The Council is developing a new Community Arts Strategy for the period 2010-2015 in the context of the Council's Community Strategy priorities. The draft Community Arts Strategy aims to ensure that there are *'opportunities for people in Slough to take part in a wide range of high quality arts activities'*. The Community Arts Team aims to *'offer a service that is designed to respond to the need's of Slough's communities, with the arts reflecting the interests and aspirations of the local community'*.

There is a strong emphasis on enabling local communities and arts practitioners to develop skills and secure funding to deliver a variety of arts programmes and projects and to develop and export their work. This will be undertaken via a number of measures including support for training, networking and professional development and partnership working to provide opportunities for people to participate in the arts in community settings.

##### **3.1.2 Planning Guidance**

The Council's draft Development Framework is currently being implemented. Section 7.111 states:

*'All existing community facilities/services should be retained unless it can be demonstrated that they are no longer required to serve local needs. Where community facilities/services are lost or reduced to accommodate new development, developers will be required to contribute towards new or enhanced facilities/services elsewhere.'*

##### **3.1.3 Corporate Priorities/Heart of Slough**

The Slough Community Strategy, *Proud to be Slough*, sets out the Council's vision and priorities. A key aspiration is to revitalise Slough through a project to revitalise the town centre and make Slough a great place to live, work and play. *Heart of Slough* aims to make Slough a more pedestrian friendly town by providing a natural route from the train and bus stations through to the town centre and creating a lively commercial and cultural hub. As part of this the existing library site would be sold and a new library, learning and cultural facility would be built.

*The 'Heart of Slough' will be a hive of commerce, leisure, living and learning. By day, business men and women will be drawn to Slough's range of high-tech businesses and its opportunities. By night, Slough's bars and cafés will buzz with the voices of residents as they enjoy the relaxed, attractive and safe surroundings.*

The financial situation affecting public services locally and nationally will have an impact on the Council's ability to support services, including cultural provision. Reduction of the cost of the West Wing is therefore desirable to the Council, in the context of a clear plan for arts provision in Slough.

### **3.2 Arbour Vale School Site Development**

The initial scheme for the Arbour Vale site re-development was drawn up in 2007 and proposed the complete re-development of the site with demolition of the West Wing and the creation of a replacement arts venue within the proposed Slough F.C. complex. The scheme now consists of four elements:

- the creation of a new football ground to the front of the existing playing fields and adjacent to the West Wing site and residential development
- the creation of new playing fields to the rear of the site
- a housing development behind and around the core West Wing site
- the demolition of part of the West Wing with retention of the main building and tower block.

There are two options: the first proposes demolition of the West Wing; the second option retains the main West Wing buildings, but demolishes the former classroom buildings to the west of the tower, the canteen and the single story buildings which form the quadrangle opposite the auditorium.

The scheme remains at a preliminary stage with much detailed work to be undertaken and there may be scope for negotiating the retention of more of the West Wing buildings that are currently included for demolition within the second scheme. There is no firm timescale for the development; terms of agreement are currently being prepared with Paradigm Housing the development partner. The development team is aiming to take the scheme forward within the next year, though it may be called in by the Secretary of State as it involves Green Belt land.

The option 2 scheme is compatible with the continued operation of the West Wing as it does not involve football traffic on the West Wing side of the development site,

which is preserved for residential use and the West Wing. The venue would therefore sit adjacent to a residential area which could create new opportunities for increasing the involvement of the local community. In particular the café if run as a genuine community facility could exploit this new market and provide a point of access to the building for local residents. The re-development also provides an opportunity for improving the visibility of the building.

The current development plans include two options, one including total demolition of the West Wing. However the option being taken forward involves retention of the core West Wing buildings, though not the peninsula buildings extending to the rear. This scheme would retain the rooms currently being rented out at the West Wing, but not the vacant single storey buildings to the rear, which could make excellent studios. There is scope for negotiation over the buildings to be retained, though the scheme aims to maximise use of land for residential purposes in order to generate maximum capital receipts.

A key issue for the future viability of the West Wing is the extent of demolition and to what extent it includes buildings which currently form part of the West wing complex, some of which are not in use. There may be scope for negotiation over this as the development scheme is not finalised.

### **3.3 The Learning Curve**

The Learning Curve is a proposed new library, arts and learning facility as part of the Heart of Slough initiative. The site for the new building is adjacent to St Ethelbert's Church in the centre of Slough, just off the main Windsor and Wellington Road roundabout intersection. The building will have accessible and attractive catering facilities and will include a range of learning and research areas and gallery as well as a flexible 180-seat performance space with dressing rooms and a workshop/backstage area and video/sound studio and exhibition space.

The building is at a very early stage of design and no detailed plans or costings are yet available. While it would provide a central performance space for use by local groups, it will not include facilities for resident arts organisations and creative businesses. It is hoped that designs will be prepared by early 2010, with construction due to commence in January 2011 and completion by mid 2012.

### **3.4 Resident Organisations**

There are two resident organisations based at the West Wing, RIFCO and Creative Junction, both of which pay annual rental for their office accommodation and additional payments for the use of additional facilities, such as the auditorium or rehearsal rooms. (Creative Academy also pays an annual rental). RIFCO is a revenue-funded client of Arts Council England and works and tours nationally. The Company has strong relationships with Slough and has presented previous productions at the West Wing; in 2006 it presented a week-long run of a play performing eight times to a total audience of 1,300. It also undertakes community-based projects.

The Company would like access to rehearsal facilities and permanent storage and feels it is important to be based in a building with an ongoing programme of professional live arts. It is concerned at the limited support it receives from within the Borough. As a company with a national touring remit, RIFCO does not have to be based in Slough and would consider re-locating to another arts venue if there were greater benefits for the company.

Creative Junction, a Creative Partnerships regional project, has been based at the Arbour School site since 2002 and has always been a Slough-based organisation, even though its work is now sub-regional and now stretches out across the County. The organisation has an annual turnover in excess of £1.5m, including central Arts Council funding of around £1m per annum, channelled via Creative Partnerships.

The organisation also raises project funding to undertake community projects with a strong focus on families and young people in Slough. £75,000 has recently been secured from the Transformation Fund for a Slough-based community project which Creative Junction will deliver in partnership with the Council. If it was not based in the Town, the focus of its locally-based work could shift to its new base area. The organisation is keen to play a part in re-building the West Wing and remaining as a resident organisation in the building.

RIFCO and Creative Junction are two important arts organisations for Slough; together they help to underpin the West Wing and bring life to the building; they attract substantial amounts of external funding into the Borough; and they contribute to arts development through a variety of projects in the community which would not otherwise take place. Both organisations wish to remain in the West Wing and the loss of the building could jeopardise the valuable contribution they make to the arts and the community in Slough.

### 3.5 Arts and Community Needs

#### 3.5.1 Arts and Community Survey

Eighteen organisations responded to the survey (see Appendix VI). The main survey responses are included within the Red Quadrant report on performing arts provision, however the survey also included questions specific to the West Wing. A number of the organisations were involved in providing participatory activities with people from the community, including music and dance classes for young people; drama production; film and media production, including using digital technologies; crafts work; and a variety of work in schools.

They were asked to identify facilities and services the organisation would like to hire if available at a reasonable cost in the West Wing.

Facility	Yes %	No Replies of
Auditorium for live performances and other events (For over 100 people)	86.7%	13
Large room for social events & other activities (For under 100 people)	53.3%	8
Meeting room for up to 30 people	46.7%	7
Fully equipped training & seminar room for up to 20 people	46.7%	7
Art & Crafts Room / workshop space	46.7%	7
Dance studio	40%	6

They were asked how much they would be prepared to pay to hire facilities in the West Wing (in £s per hour).

#### ***Auditorium for live performances and other events (For over 100 people).***

The responses ranged from £5 to £500 per hour. Of the ten responses:

- 5 were prepared to pay £100 or more
- 5 were not prepared to pay more than £50

#### ***Large room for social events & other activities (For under 100 people)***

- one respondent indicated £150
- one stated £5
- the other three ranged from £15 to £40

**Meeting room for up to 30 people**

- ranged from £12 to £70 per hour

**Fully equipped training & seminar room for up to 20 people**

- ranged from £10 to £40 per hour

**Art & Crafts Room / workshop space**

- ranged from £10 to £40 per hour

**Dance studio**

- 2 indicated £10- £15 per hour
- 3 indicated £15 - £60 an hour

They were asked how often they would wish to hire the above facilities:

**Auditorium for live performances and other events (For over 100 people).**

Of the 10 who wished to hire the auditorium:

- 1 wanted it 4 times a year
- 6 wanted to hire it once or twice a month
- 3 wanted to hire it once or twice a year

Total demand amounted to 150 hires a year.

**Large room for social events & other activities (For under 100 people)**

- 4 wanted it once or twice a month
- 1 wanted it once a year

Total demand amounted to around 90 hires per year.

**Meeting room for up to 30 people**

Total demand amounted to around 60 hires a year

**Fully equipped training & seminar room for up to 20 people**

Total demand amounted to around 90 hires a year

**Art & Crafts Room / workshop space**

Of the 6 responding:

- 3 wanted to hire to 3-4 times a month
- 1 said it depended on availability
- 1 wanted it on a few occasions a year

Total demand amounted to over 100 hires a year

**Dance studio**

Of the 6 responding:

- 4 organisations wanted it 4-12 times a month each
- 2 wanted it once a month

Total demand amounted to 336 hires a year

When asked whether the group or organisation was interested in renting spaces at the West Wing:

- 3 stated that they already did
- 1 said yes
- 4 said maybe

The above findings are based on a sample of just 18 organisations and represent only a small proportion of the potential market for use of the West Wing. The figures do not therefore give an accurate estimate of potential demand. They do however provide a useful guide on hire charges (it is clear that this varies hugely depending on the type of organisation) and a good indication that there is demand for use of facilities if they are affordable.

In particular potential demand of 336 hires of the dance studios and 150 hires of the auditorium from a relatively small sample suggests that there is significant demand for these facilities in Slough.

**3.5.2 Consultation Meeting**

A consultation meeting with local arts and community organisations was attended by eight representatives from local organisations. The meeting focused on performing arts provision and development and the future of the West Wing. A discussion about audiences and how to engage them, communication and marketing was followed by consideration of the West Wing and future options for the venue. The key comments and views are summarised below (see Appendix II for full notes).

There was a strong feeling that the West Wing was a valuable, indeed essential facility for the arts in Slough. It had not succeeded in its original aspirations to become a venue presenting a programme of live professional events, but this had been due to a variety of factors, including lack of knowledge and understanding of the venue in Slough, poor marketing and promotion and the general lack of community engagement with the building. It is not a visible building and external signage is poor so people do not identify it as an arts centre.

Since it had been operated under new management (The Creative Academy) it was beginning to develop relationships with the community and to attract artists and arts and creative businesses into the building. It was felt that a new role was being defined for the building as a centre for creative and community activity, but with a lower emphasis on live professional performance. There was optimism that this approach would succeed once a firm commitment to retaining the building was made. At present the uncertainty over its future was inhibiting its ability to attract people and businesses into the building.

There was general agreement that the West Wing was constrained by being operated by the Council and that it would be better place it under the management of an independent trust. This would help to secure its future and engage the community more activity with the building. The building needed to:

- have a programme of regular activity which is popular and reliable
- be a place where people can enjoy a full evening out, with good food
- be affordable
- have daytime usage
- provide a more permanent home for creative businesses
- be embedded within the community to protect it from constant change.

The venue has positive features.

- It feels safe
- There is a good dance studio
- It has helpful staff
- It has good parking

Slough needs a permanent facility for the arts and the continuing uncertainty over the building's future is undermining its ability to succeed. It is evident from the above that the arts and creative sector needs something in addition to a space for live performances; it needs a building which provides a focus for the arts; spaces in which

to create work; workspace for small creative businesses; and a social and creative hub.

### **3.6 Strategic Partners**

#### **3.6.1 Arts Council England**

Arts Council England has worked in partnership with Slough Borough Council over many years to support the Council in developing the arts, providing funding to support the Council's CATS, community arts training programme and artists training programmes. It has supported the West Wing initiative through a two-year one-off Grants for the Arts award (Lottery) of £140,000, aimed at supporting the venue's professional arts programme, marketing and audience development.

Arts Council England also supports RIFCO Arts on a revenue basis as a key regional arts organisation, and has, in addition to its revenue funding for the Company, supported community-based projects. The Company has received the following revenue support towards its production activity and work in Slough.

2008/9	£126,676
2009/10	£130,096
2010/11	£133,609 (allocated)

It also funds the Creative Junction as part of its continuing support nationally for the Creative Partnerships initiative. The organisation receives in excess of £1m per annum. Arts Council England also funds a range of other arts initiatives (in 2007/8 it awarded £166,000 to Slough Borough Council in addition to its support for the above organisations and the West Wing. This funding was for Community Arts Team projects and also to support the Art at the Centre initiative to re-landscape Slough High Street.

Arts Council England has supported the West Wing's live professional arts programme and on the basis of funding partnership with Slough Borough Council. It is not prepared to continue to support the venue in the absence of a professional programme or a continuing commitment from the Council.

#### **4. WEST WING SITUATIONAL ANALYSIS**

##### **4.1 Management and Operation**

Following the change in policy and operational arrangements in spring 2009, the West Wing has been managed by Creative Academy staff with support from the Council's Community Arts Team. There is a full-time post of Facilities Manager whose role is to manage and administer the building. The Creative Academy Business Manager has been spending a considerable amount of time supporting the West Wing in attracting new hirers and tenants and it is reported that this has been detracting from his other duties.

Other staffing support includes part-time bookkeeping and accounting provided by the Academy's Finance Officer; the West Wing has also required Creative Academy management time; and some casual staff have been employed support to ensure that the building is supervised when open in the evenings. It has been estimated that all this amounts to 2 – 3 full-time posts.

The Council's Community Arts Manager has estimated that the staff time currently being allocated to West Wing operation, including all on costs is as follows.

Full time facilities officer, 5 days a week, £15,188

Full time, manager, £36,088.56

Arts Officer, 2 days / week, £10,756.00

Community Arts Manager 2 days / week, £16,160.00

Finance Officer, 2.5 days / week £14,470.975

Duty Manager, 1 day / week, £7391

The current arrangements are transitional but represent an inefficient use of resources since senior staff are being used to provide support operationally rather than staff at lower grades. This support also represents additional subsidy for the West Wing which is not transparent. During the past few months there have been exceptional demands in taking over the management of the building, re-building community support and developing increase usage and new tenancies. It would be reasonable to expect that this will diminish as the new tenants settle in and a more regular pattern of community use develops. Clearly it would make more economic sense for hourly paid staff to be used to operate and supervise the building, rather than officer level staff.

The total cost of the above would be £90,000 per annum, however, this relates to a transitional period when new arrangements were being put in place and the venue was being re-launched, including promoting it to new tenants and preparing facilities for them. Taking this into account it is more likely to represent a figure of around £70-75,000 per annum (for instance if only 50% of the Manager costs were included).

## 4.2 Programme and Lettings

The West Wing has operated as a venue for a variety of activities, including live professional performances programmed and promoted by the venue itself; amateur and community performances; meetings, training events, presentations and arts workshops; and as a base for its two resident companies and the Creative Academy. The Artreach report<sup>1</sup> stated that the venue delivered 212 events with 7,732 paid attendances in its first year of operation, 2006/07, and 203 events with an estimated 8,000 paid attendances in 2007/8. This did not include attendances at non-performance activity and it is estimated that up to 20,000 people used the venue.

Though there are records of all events taken from the Databox system, no detailed and systematic analysis of programme performance and activity by strand appears to have been undertaken by the West Wing management. Neither have summary reports been produced. The exception is the annual pantomime produced at the West Wing (For example, in 2006/7 the production of *Aladdin* consisted of 32 performances and played to a total audience of 2,251, an average capacity of 32%, and yielded £12,593 in ticket income). Unfortunately similar summary data is unavailable for other programme strands).

It is not possible, for instance, to identify which are professional events promoted by the West Wing and which are community productions or hires. Details of programme expenditure are recorded in the financial monitoring systems, but information and sales is recorded on the Databox system. There does not appear to be a system for bringing these two together.

It is therefore extremely difficult to gain a detailed understanding of the balance of programme and activity and to identify areas of financial success and under-achievement without undertaking an exhaustive analysis of the raw data available, which is not possible within the constraints of this review. The ability to analyse and review programme performance on an ongoing basis is a key requirement of effective

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<sup>1</sup> *Arts and Performance in Slough: Future Provision of Arts and Performance in Slough*, Artreach Consultants Ltd. (Maidenhead, February 2009)

venue management and the lack of a system for doing this is a serious handicap to effective management.

Since April 2009 the venue has been managed as a hire facility and it is reported that there is a continuing increase in use of the facility by local organisations and groups. A new pricing structure and more flexible attitude to pricing are helping to encourage local groups to use the West Wing more. We have analysed lettings over a nine month period from April 2009 to the end of December 2009, based on scheduling information supplied.

#### Lettings April –Dec 09 (at Sept 9<sup>th</sup>)

	Local Arts/ Commnty	Council/ Arts Devt	Creat Junct	Rep Theatre	WW Youth	Creative Academy	Other/ TVU
Auditorium	63	5		2		3	3
Whole Building	1				2		4
Blue Room	49	2	10			1	7
Green Room	51		4				
Café/Bar	7	4			1		
Dance Studio	36				1	1	2
Not specified	13	2		24			2
New Gallery					3		
<b>Totals</b>	<b>220</b>	<b>13</b>	<b>14</b>	<b>26</b>	<b>7</b>	<b>5</b>	<b>18</b>
<b>%</b>	<b>73%</b>	<b>4%</b>	<b>4.5%</b>	<b>8.5%</b>	<b>2.5%</b>	<b>1.5%</b>	<b>6%</b>

The most popular spaces are the Blue Room and Green Room (large spaces suitable for meetings or rehearsals) and the Dance Studio (though this is reserved solely for Creative Academy usage and only available for hire when not used by the Academy). Auditorium usage remains relatively low at an average of around seven lettings a month. As can be seen the majority of usage (73%) is now by local arts and community organisations, with in-house companies accounting for 10% of usage and resident organisations, including the Creative Academy, for just 6%. The level of usage of the auditorium is low, representing around 20% of potential evening capacity available and under 7% of overall capacity when possible daytime usage is taken into account.

**Arts and Non-Arts Lettings April – Dec 09 (at Sept 9<sup>th</sup>)**

	Local Arts/ Commnty	Council/ Arts Devt	Creat Junct	Rep Theatre	WW Youth	Creative Academy	Other/ TVU	Total
<b>Total</b>	<b>73%</b>	<b>4%</b>	<b>4.5%</b>	<b>8.5%</b>	<b>2.5%</b>	<b>1.5%</b>	<b>6%</b>	
<b>Arts Usage</b>	44%	2%	4.5%	8.5%	2.5%	1.5%		<b>63%</b>
<b>Non-arts</b>	29%	2%					6%	<b>37%</b>

The table above indicates that, based on bookings received to date for the April-December period 37% of usage is for non-arts activity (Note most arts centres will have non-arts usage by hiring rooms for meetings and other activities as part of their income generation). All of this non-arts usage (37%) could be accommodated in other facilities and does not require arts-specific spaces.

A small number of religious groups are now using the West Wing on a regular basis (the Glad Tidings Fellowship has booked the Green Room 9 times and the auditorium 4 times for October 2009) and these have increased overall usage significantly. Other regular external users include Slough Co-operative Film Society; Apna Virsa (dance); Twoleffteet dance; and Warlords Kickboxing. Interestingly Slough Young People's Centre has hired some rooms at the West Wing even though it has its own facilities.

It should be noted however that since July a significant amount of the increased community usage has been due to usage by non-arts groups. Overall usage by local arts groups over the period accounts for 131 of the 220 bookings in that category (60%); non-arts groups accounts for 89 out of 220 bookings (40%).

It would appear from the information supplied on current users that a number of arts groups are now using the West Wing on a regular basis, but few of these are traditional amateur arts groups such as operatic societies or amateur drama groups. There would appear to be some disengagement by the amateur arts sector and some disillusionment with the West Wing and the Council. It will require concentrated work to re-establish the trust of all local arts groups to encourage them back into the building. Over the past few months the priority has been to let space to whichever organisations have wanted to hire it and there is a danger that the venue will lose its identity if a wider range of local arts groups are not persuaded to return.

We have also analysed lettings by month across the period.

**2009/10 Analysis of Lettings by Month and Facility (at 9/09/09)**

Facility	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Total
Auditorium	4	4	7	9	12	20	4	6	4	76
Whole Building	0	0	0	0	6	1	0	0	0	7
Blue Room	2	9	12	9	10	8	6	4	2	69
Green Room	3	1	0	2	13	9	9	8	10	55
Café/Bar	3	1	2	4	0	2	0	0	0	12
Dance Studio	1	9	9	10	6	3	2	0	1	40
Not specified	13	4	17	5	0	0	0	0	0	41
New Gallery	0	0	0	0	3	0	0	0	0	3
<b>Total</b>	26	28	47	39	50	43	21	18	17	303
<b>Period Total</b>	190					99				

While the overall level of hiring in spring 2009 remained at a relatively modest level, there was a significant increase between June and August. The figures for September onwards only represent bookings to date in early September and it is to be expected that these figures will increase significantly. If the level of lettings can be maintained at the summer level of 40-50 per month, this would represent between 500 and 600 bookings per year.

Total projected lettings income for 2009/10 is £11,290 (compared with £22,360 in 2008/9). In 2008/9 the internal SBC lettings average fee paid was £260; the average Auditorium fee was £639; the average for other rooms was £92. External lettings income average income was £491, ranging between £50 for a small space for an hour to around £900 for commercial (non-subsidised) use of the auditorium and £1,300 for use of a number of spaces including the auditorium.

In May 2009 new letting charges were introduced to make the venue more affordable and encourage more local groups to use the facility. The standard cost to local organisations of using the auditorium for 8 hours was £756 in 2008/9; this was reduced to £440 for 2009/10. Similarly commercial letting rates (for non-charitable/voluntary sector groups) were reduced from £1,680 in 2008/9 to £600 in 2009/10. Longer bookings attract a discount.

Information supplied on 2009/10 lettings income indicates that around £10,000 was generated up to 3<sup>rd</sup> September. The projected annual income will therefore be exceeded. We estimate that it will be in excess of £20,000 (for example, an annual hire charge of £10,000 has now been agreed with the GTF for its regular use of the building).

The table below provides a projection of potential income from letting facilities for 2010/11 onwards, based on levels of usage between June and September 2009 and taking into account the revised letting charges introduced in May 2009. The figures assume that all space is hired on the basis of these charges, but with the capacity to apply some discretion when required. Income from lettings will vary considerably depending on the type of business attracted and length of let. For instance, the drive to increase the number of lettings of the auditorium rather than leaving the space empty results in more local organisations using it, in some cases letting it for short periods, 3-4 hours, rather than a whole day.

#### Lettings - Full-Year Potential Income Projection from 2010/11

	2009/10 at 9 months	Est total for full year	Avge charge	Projected Income
Auditorium	76	95	£250	£23,750
Whole Building	7	10	£500	£5,000
Blue Room	69	92	£30	£2,760
Green Room	55	76	£40	£3,040
Café/Bar	12	16	£50	£800
Dance Studio	40	53	£50	£2,650
Not specified	41	55	£50	£2,750
New Gallery/Other	3	4	£25	£100
<b>Totals</b>	<b>303</b>	<b>401</b>		<b>£40,850</b>

The increase in lettings in summer 2009 (normally a quieter time of the year) and greater availability of the auditorium for hired use (resulted in large part from greater efforts to attract users to the West Wing by the Creative Academy's Business Manager) and the growing level of lettings overall suggests that the West Wing has the potential to double the level of income from lettings in 2010/11 from its 2008/9 level. Despite this there is also considerable spare capacity, with the level of room lettings overall very low (for example the Blue Room could potentially be hired for over 600 sessions per annum and is currently only being hired for 10-15% of the time available).

If the building can continue to attract new users, many of whom have been deterred from using the facility due to uncertainties over its future; it should be able to increase its income from lettings by much more than the estimated level above.

However, due to the current drive to encourage people back into the building lower hire charges are being applied, in some instances at unsustainable levels. For instance the auditorium is being hired to community groups for between £125 (for rehearsal usage) and £300 a night; other organisations have rented practice space

for £12 an hour. There is no criticism of the West Wing management for encouraging groups to use spare capacity at the venue with low hire charges in the current circumstances, but in comparison with 2008/9, when there were many more hires at commercial rates, the average levels of hire income have fallen considerably.

The challenge for the West Wing will be to balance community usage at rates affordable to voluntary and charitable organisations with usage at commercial rates generating much higher levels of income. This will mean attracting back former hirers paying commercial rates who have deserted the building, in large part due to uncertainty over its future. In estimating future income potential we shall assume that there is considerable scope for increasing current average hire charges but not to the overall level illustrated in the table above.

### **4.3 Creative Industries Workspace**

Slough has been identified as a key hub for the creative industries in the Thames Valley. A regional study undertaken prior to the establishment of the Creative Academy in 2002<sup>2</sup> aimed at informing the Heart of Slough Creative Hub development identified a number of key factors relating to the local creative industries sector:

- there were a high number of global companies located in the Slough area
- there were an estimated 500 software companies in the Thames Valley area
- there were 9 film companies based in Slough, with major film sector companies close by (e.g. at Pinewood and Sheperton)
- there was an active Asian film sector
- there were 33 arts organisations and 13 design companies

The Creative Academy was established to nourish and support the sector and its achievements have been recognised regionally and nationally. It has attracted around £5.7m of external investment; supported over 500 young people in developing their career opportunities in the creative industries through training and business support; and initiated a range of other measures, including the Foundation Degree in Dance, which have demonstrated the potential for employment and business development for local people in the sector.

The West Wing has considerable potential to play a greater role in supporting creative industries sector though the provision of workspace and already has three established resident organisations paying an annual rental:

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<sup>2</sup> *The State of Art, September 2002*

RIFCO Arts - £3000

Creative Academy - £20,000

Creative Junction - £13,000

In addition Creative Junction pays £2,000 per annum in an annual hire charge for facilities used.

These resident organisations provide the West Wing with much more than annual rental income. They are all highly respected regional/national agencies attracting significant amounts of funding from outside the Borough which otherwise would not come into Slough, and contributing to arts provision in the Borough through a variety of community-based projects, including work with young and disadvantaged people.

In addition their contribution to the West Wing is highly significant in offering opportunities for local people to participate in arts projects at the venue as well as in the community, in creating work (and employment) in the Borough, and in helping to ensure that the West Wing is a living building with creativity at its heart. The residence of RIFCO and Creative Junction, in particular, at the West Wing is of major interest to Arts Council England and an important factor in their funding decisions.

In my opinion Slough is very fortunate to have three such prestigious organisations based in the West Wing and working in and Borough and there can be little doubt that should the building close, there would be considerable interest from other areas and arts organisations and venues in attracting these organisations to base themselves outside of Slough, with the possible loss of over £2m of annual expenditure.

Since spring 2009 available office/work space in the building has been marketed to creative businesses, including those formerly at the Thames University Enterprise Hub at, which provided shared workspace for 15 businesses and ceased operation in summer 2009. The West Wing has received a number of enquiries from creative businesses formerly housed at the University's facility interested in re-locating to the centre and several businesses have now agreed to re-locate to the West Wing, including a Steve Hart Photography and Resource Productions, which will provide shared office space for several creative organisations.

The West Wing has a considerable amount of spare capacity, both in terms of rooms within the main central block, including the tower block, and in the single storey extension to the rear of the building. However, there is a need for some work and modest capital investment in the building to improve security, emergency lighting and heating, replace a number of doors, and to bring the spare rooms and parts of the

building up to a habitable standard of decoration. (This work has not been costed but we estimate that each additional unit could be brought into use for £2,000 - £4,000). The Creative Academy has indicated that up to 10 additional spaces could potentially be brought into service.

The Creative Academy Business Manager has indicated that there are several businesses and practitioners who would be keen to re-locate to the West Wing if facilities were available and is confident that there would be sufficient demand to fill the amount of workspace potentially available. Some businesses have indicated that they are prepared to restore and redecorate rooms themselves in return for a period of reduced rental. Despite this current rentals are of a reasonable, almost commercial level given the quality of the facilities. As a comparator, stand alone high quality new creative industries units (designed by the famous Thomas Heatherwick studios) at Aberystwyth Arts Centre are being rented out at £3,000 a unit, with some incubation spaces at £1,500 for a preliminary period. The two new tenants at the West Wing will pay a total annual rental of £14,000.

SWIPE Music, a successful arts organisation which works with young people and has ongoing funding support from the Big Lottery Fund and Children in Need has expressed its interest in re-locating to the building and running its activities from the West Wing and would be a valuable addition to the current list of resident organisations, bringing more young people into the building and making use of a variety of facilities.

There are however two constraints: some businesses are concerned about the future of the West Wing and some are reluctant to commit to re-location until the future of the building is secured; and there have been concerns over security (these have been addressed with security shutters installed on rented office windows and the separation of the West Wing from the former school buildings).

#### **4.4 Finances**

##### **4.4.1 Financial Performance**

We have analysed the income and expenditure figures for the period 2007/8 to 2009/10, using the actual final end of year figures for the first two years and the 2009/10 projected outturn figures.

The radical change in mode of operation of the venue, reduced staffing and elimination of the programme of live professional activity has reduced overall

expenditure from £390,517 in 2008/9 to a projected £115,400 in 2009/10. This has reduced the Council's annual subsidy from a high of £160,865 in 2007/8 to just over £51,000 in 2009/10 (not taking into account the estimates £75,000 of additional staff time). The main areas of change are:

- total dedicated staffing expenditure reduced from £168,592 in 2008/9 to £26,760 in 2009/10 (note additional staff costs above)
- theatre promotions and programme expenditure reduced from £110,558 to £11,700
- major reductions in expenditure on equipment maintenance, marketing and building cleaning.

Despite the above, the utilities costs of running the West Wing have increased significantly, from £10,029 in 2007/8 to £42,700 in 2009/10, an increase of 325%.

Total income has now reduced from £232,778 in 2008/9 to £64,220 in 2009/10 as a result of the cessation of the live professional programme; a reduction in external grant aid; and the discontinuation of Arts Council England funding. The shift in mode of operation of the building has resulted in a reduction in income from lettings with a greater emphasis on renting out spaces on an ongoing basis.

The presentation of a programme of live professional performances requires both subsidy and investment in staff resources to manage, run and promote the programme. In 2008/9 the live programme cost £110,558 and generated £52,099 in ticket sales, a net deficit of £58,459. In addition to core staff costs, the programme was also supported with expenditure on marketing and additional casual technical and cleaning support.

With a maximum seating capacity of 250, it is difficult for the West Wing to generate a surplus from its professional programme and, as with most venues of this scale, subsidy is required to underwrite the professional programme. This was a key factor in securing funding from Arts Council England South East, which contributed £90,090 to the West Wing programme in 2008/9. In effect the total annual subsidy cost of running the West Wing in 2008/9 was around £250,000 when Council and Arts Council subsidy is taken into account. Though a large sum, this is not out of line with other arts venues of this scale.

The West Wing has now moved away from activity which involves an element of risk, the direct promotion of live events and sale of tickets, and requires high levels of staff support in order to market and present the programme, to the provision of a facility for

use on a hire and rental basis, requiring much lower levels of direct support and staffing.

However, the current operational arrangement relies on support from the Council's Community Arts staff and support provided by the Creative Academy. This support in kind is not included within the financial estimates or accounts. It has been estimated by Council officers that that this hidden staff support amounts to the equivalent of two to three full-time posts and is currently estimated to be costing in the region of £75,000 per annum. This is partly due to senior staff on high grades undertaking operational duties which could be bought at much lower cost by using operational assistants. This is clearly an undesirable situation and represents a considerable waste of resources.

In 2008/9 the Council provided support of around £158,000; however this does not take into account additional subsidy for the venue provided via internal transfers. It is estimated that these accounted for an additional £52,000.

#### **4.4.2 Bar and Catering Services**

The West Wing bar and catering operation was operated by temporary staff and generated income of £28,011 in 2008/9, with costs of £25,704, a net surplus of £2,306, equivalent to a margin of around 8%. This is well below industry norms of around 30%. Arts centre bar and catering services can be significant income generators, but they can also struggle to generate surpluses if not managed effectively and staffed efficiently.

The West Wing needs a high quality café/bar both to provide a service for audiences and users of the building and for the building's resident businesses and the Creative Academy. To generate sufficient income to be viable, the café also needs to be a destination in its own right, so that people choose to use it socially and to meet there informally (the availability of parking is an important commercial advantage). If it is to achieve this it needs to offer a quality food and beverage services in a distinctive setting, which it has failed to achieve to date.

A catering operation also has the potential to generate income from the provision of services in support of meetings and conference activity and to offer a buffet-style service for other social functions, possibly including weddings, though given its limited facilities the ability to prepare food off-site for such events will be important. It should also provide a bar service to support live events in the evenings.

A key consideration is management and whether the service is to be run in-house or via a franchise arrangement. Direct operation has the potential to generate higher levels of income for the West Wing, and gives the venue greater control over the service provided, but it places greater responsibility on management. Bar services (and finances) can be difficult to control and it is imperative that management time is available to oversee them if they are operated in-house.

The Courtyard Centre for the Arts in Hereford, which opened in 1998, has operated its bar and catering through a number of arrangements in the 12 years since the venue opened. It was first operated in-house with a restaurant that failed to operate commercially and to generate surpluses. The catering was then run on a franchise basis by the service-provider contracted by the Council to run its leisure centre catering. This did not work as the two services were not compatible and did not meet the required standard of the Courtyard. Three years ago it took the bar and catering back in-house (via a trading subsidiary company) and is now generating surpluses which rose from £22,000 in 2007/8 to £65,000 in 2008/9. The Firestation in Windsor generates a surplus in excess of £100,000 from its in-house bar and catering operation.

Franchising out would relieve the West Wing of some management responsibilities and reduce the level of risk. It would however be dependent on identifying a suitable and interested catering operator who would consider there was sufficient potential trade to make the venture financially worthwhile. The viability of the franchise option is therefore closely tied to the success of the West Wing in increasing usage of the building and the number of people who would use an in-house catering service. This includes those working for of resident organisations and people attending activities during the daytime and evening.

The facility should be open from 8.30am to 5pm and from 7pm when evening events are taking place. Hot food should be available throughout the day, and possibly early evenings when events are taking place. The extended opening hours would allow the café to provide services at several key points during the day: breakfasts; morning coffee; lunch; afternoon tea; and bistro-style evening meals are also a possibility. This would maximise its income potential. It is vital that the café is promoted independently of the West Wing with its own street level advertising presence making it clear that it is open to the general public.

The scale of the catering service is relatively modest in commercial catering terms, and might not prove attractive to a major catering company. If the franchise option were to be adopted, we would recommend identifying a local operator who will give

the operation the level of attention it requires and provide a tailor-made service. Given the on-site availability of facilities for hire, there is considerable scope for a franchised operator to generate trade through conferences, functions and other social events as well as through servicing meetings and its day to day business.

#### **4.5 The Building**

The West Wing buildings consist of the former school hall and a variety of classrooms and other rooms sited around a central external, enclosed quadrant area. To the front of the building, extending off the foyer, are a series of small offices, leading to a tower block which adjoins a line of former classrooms at first and second floor level extending to the rear of the site. The first three of these rooms were designated as part of the West Wing; the remainder which run towards the rear of the School site were not included as part of the West Wing and were scheduled for demolition.

The current facilities include of:

- the auditorium
- 2 dance studios
- the foyer and café area with small kitchen
- the green room, a rehearsal/meeting space
- the blue room, a large meeting/rehearsal space
- a series of offices
- a series of rooms hired to independent organisations
- a number of rooms used for storage
- toilets and other ancillary facilities

There are also a number of other rooms and areas, which were included within further phases of the West Wing development, which have not been refurbished and brought into use. In recent weeks two of these spaces have been hired out to local organisations and businesses who are undertaking modest refurbishments.

Proposals for the re-development of the Arbour Vale School site are still under discussion and no decisions have yet been taken, including on the actual buildings which are currently part of the West Wing complex which might be demolished. These include the former canteen areas, to the north of the quadrant and three former classrooms at ground and first floor level extending beyond the tower. Two sizeable rooms in the tower (sited one above the other) could be available for hire if there was an additional fire escape and Swipe has indicated that it would be very interested in hiring these spaces.

In order to bring the tower rooms into commission it would be necessary to install a second fire escape and it has been estimated that this could cost up to £150,000. Bringing additional ground floor rooms into use would require improved security, including new doors and integration into the alarm system, as well as internal redecoration. No costings have been undertaken on this, but it is unlikely that the capital cost of each space would amount to more than 1-2 years of rental income (£5,000 - £7,000).

Funding for the above could possibly be secured from charitable funding sources if the building was operated by a charitable organisation. The capital required for the works at ground floor level could be met by the additional rental income generated over a two-year period.

## 5. FINANCIAL PROJECTIONS

### 5.1 Basis of Estimates

We have produced financial estimates for a three year period from 2010/11 to 2012/13. This includes an analysis of the costs of direct Council operation over the next three years in comparison with operation by a charitable trust. We have also included projections based on increased rental income from rooms which could be available for hire but which require some refurbishment or, in the case of the two tower rooms, the creation of an additional fire escape.

We have used the current premises and administration costs as a basis of future costing and assumed annual increase in expenditure of 4-5% for these areas. There is limited provision in the estimates for supporting project activity or the direct promotion of live events. Any such activities would however need to be self-financing or supported by external funding (which is included in the trust operation estimates).

The basic costs of premises and administration are assumed to be the same under all management options. Similarly each option uses the same staffing model and costings. The areas of difference are with regard to Council rates, superannuation and external fundraising.

### 5.2 Expenditure Estimates

#### 5.2.1 Staffing

The proposed staffing assumes that the West Wing will not promote any events or activities directly and will simply manage and service space for hire and rental. (The Custard Factory in Birmingham manages around 250 creative industries units with a core team of 3-4 fte posts).

It consists of a **West Wing Manager**, responsible for promoting and scheduling the venue, liaising with tenants, overseeing operational and maintenance, overseeing its financial performance and providing operational support including duty management. This post is supported by a part-time (60%) Operations Assistant, part-time bookkeeper (40%) and temporary support staff contracted on an hourly basis to provide additional operational support and duty management.

The **Manager's** salary is costed at £25,000 in 2010/11 and is expected to rise by 2% per year. Other staffing expenditure, with an inflation allowance of 2% per year, is included as follows:

An annual flexible budget is included to for operational support. This might be used to pay for casual staff paid on an hourly basis or towards a full-time post. The role of **Operations Assistants** is to ensure that rooms and facilities are prepared for hirers, to provide duty cover, to ensure that all operational matters are dealt with efficiently and to support the Manager in other ways as required, including liaising with tenants and hirers when required. These are included in the estimates at 40 hours per week in 2010/11 rising to 50 hours per week by 2012/13.

A flexible budgetary allocation has been included for finance support to undertake all bookkeeping and prepare quarterly returns.. This could be provided either through a post of part-time **Finance Assistant** (this service might possibly be purchased from the Creative Academy) or purchased on a freelance basis.

**Technical support** will continue to be provided by a pool of casual technical staff. Where technical support is required by hirers, the cost will be covered by the hirer.

National Insurance and Superannuation are included at the current percentages for the projections which assume continued Council management of the facility. These have been reduced to 10% for the Trust option on the assumption that the Trust would not operate a superannuation scheme.

## 5.2.2 Premises Costs

We have assumed that the Council would grant 80% discretionary rate relief if the West Wing was operated by an independent charitable trust, though this could be increased to 100% if the Council agreed. The total cost of energy and utilities in 2008/9 was £27,340. A figure of £42,700 was included in the 2009/10 budget as a safeguard against higher levels of usage, however the current estimates suggest that the final expenditure figure may be lower. We have included expenditure of £35,000 in 2010/11, based on current estimates. We would recommend that rented accommodation is fitted with independent electricity meters so that tenants can pay the actual costs of electricity used. This is likely to reduce costs further.

The costs of building security have varied considerably. We are informed that a series of break-ins occurred at the West Wing in 2008 -09 including some theft from the offices of tenants and thefts of other valuable office equipment. The fire alarm

(although set up) did not function effectively and it took some time to get the system up and running. In the meantime to safeguard the interest of staff/tenants security it was agreed to use the services of a full time security guard for about 3 months. However, the guards were used for a longer period of time.

This accounts for high levels of expenditure in 2008/9 under the 'equipment' heading (about £9000) on building security equipment. The fire alarm is now in place and operational and, as a result, the budget is comparatively less under those heads. The venue no longer uses the service of Security Guards.

We have increased the projected expenditure on building maintenance and repairs to enable the West Wing to invest in upgrading its facilities so that it can continue to generate more room rentals income.

### **5.2.3 Supplies and Services/Administration and Operation Costs**

The budget for expenditure on theatre programme and promotions has been deleted, though a sum of £2,100 has been included in 2010/11 to enable the centre to continue to operate its youth theatre and a small number of other participatory activities. This should be covered by external funding from trusts and foundations. Otherwise costs are based on current levels, increased by 4-5% per annum. A sum of £2,000 has been included for insurance which is not included within the 2008/9 accounts and current 2009/10 projections. A modest budget has been included for marketing and promoting the venue and its facilities.

### **5.2.4 Contingency**

We have not included a contingency, however we would recommend that a contingency of around £10,000 is included in the budget for operation by trust, which will have no reserves to call upon in the event of an income shortfall or overspend.

## **5.3 Income Estimates**

### **5.3.1 Box Office and Sales**

We have not assumed any income from ticket sales or other charged activity.

### 5.3.2 Hire Income

Local arts and community organisations will continue to use the venue on the basis that they will provide their own stewarding and pay for any technical support provided. In some instances they may provide their own technical support and run their own manual box office. Similarly all marketing and promotional activities would continue to be the responsibility of hirers.

We have analysed hire volume and income in 4.2 in the main report. The analysis indicates a potential annual income of around £40,000 at the revised 2009/10 hire rates, providing these can be applied more consistently. In our view it could take 2-3 years to achieve this level and we have therefore included income within the projections building to this over the three-year period.

### 5.3.3 Catering and Bar Franchise Income

In the region of 100 people currently use the West Wing on a daily basis during term time, including the Creative Academy staff and students, resident arts and creative businesses, and other visitors and users of the building. This should provide the West Wing with a core market for a catering operation which could be developed through services to conferences and meetings, social functions, performances and other activities. The catering services should also attract other casual users if it was promoted more effectively.

We estimate that the building should receive around 50,000 visits a year in 2010/11 (around 25,000 based on daily usage by the Creative Academy and resident organisations and 20,000 – 25,000 a year attending live events and activities by organisations hiring the venue). This should provide a sound basis for a catering operation, particularly given the potential to generate significant income from conferencing, meetings and other group catering services. The catering operator would benefit from not having to pay a separate community charge, which would be covered by the building operator. As the level of building usage develops so should the catering profitability and we have estimated annual franchise rental income at the following levels.

Year 1	£7,500
Year 2	£10,000
Year 3	£11,000

This might be structured as an annual rental or a lower rental with a % of turnover so that the operator benefits from increased profitability.

#### **5.3.4 External Funding**

There are many sources of external funding, especially to support work with young people and work engaging disadvantaged communities. A new trust would open up more opportunities to secure charitable funding which is not available to Local Authorities. Though there are opportunities, project funding often requires additional work and costs so the net financial value of grants and awards is usually less than the full award value. However, there is the potential to attract more funding for the West Wing and we have included this within the estimates, with trust and grant aid income of £3,000 in year 1, rising to £10,000 by year 3.

#### **5.3.5 Rental Income**

The core rental income of the three 'anchor' tenants (CJ, RIFCO, CA) is £36,000 in 2009/10. An additional £6,400 will be brought in from new tenants as payment for part-year tenancies, equivalent to £14,000 per annum, on 2010/11. Total rental income in 2010/11 based on the existing tenants at October 2009, will therefore be £50,000.

This has the potential to increase by a further £3,000 in the first instance if a further room can be brought into services and by up to a further £20,000 if the 2<sup>nd</sup> and 3<sup>rd</sup> floors of the tower and other spare rooms can be brought into use. This could amount to £75,500 by 2011/12.

#### **5.4 Financial Projections Summary**

The estimates indicate that under direct Council operation the West Wing would require total subsidy of around £140,000 over the next three years 2010 to 2013. If operated by an independent charitable trust from 2011/12 the subsidy requirement could decrease to around £37,000 in 2012/13 and require around £130,000 over the three-year period.

However, if additional rooms could be rented out, the subsidy of operating the building under trust could fall to about £16,270 in 2011/12 (see Trust B Option below), requiring Council support of around £70,000 over the same period.

<b>Option Costs</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>3 Yr Total</b>
SBC Direct Operation	52,842	44,918	42,955	<b>140,715</b>
SBC 2010, then Trust from 2011	52,842	40,642	37,270	<b>130,754</b>
Trust B Option	52,842	20,642	16,270	<b>89,754</b>

There is no provision for capital finance within the estimates. During the past six months the Creative Academy has brought additional rooms for rent into use at low cost and through negotiation with tenants. There is scope for continuing this cost-effective approach to rooms within the main building and the allowance for repairs and maintenance has been increased to enable more of these to be brought into commission without additional capital. External funding would need to be raised for works of greater scale and cost.

It is not possible at this stage to produce accurate estimates and a subsidy requirement related to operation by an existing organisation, such as the Windsor Firestation Arts Centre, as this would be subject to potential savings due to economies of scale and crossovers in staffing. For instance, with management and bookings coordinated by an existing organisation, the West Wing could be operated without the post of Manager. The potential for generating income from the café and bar could be considerably higher. There would also be likely to be a management fee.

It is not possible to provide indicative figures for this arrangement without more detailed negotiations with the Firestation and there is no existing model for this type of arrangement we might refer to. The Firestation would need to conduct its own analysis of the finances and operational requirements with reference to this report and to make a proposition to the Council based on its own business estimates. These would be produced on the basis of its proposed staffing and operational arrangements. However, based on preliminary discussions with the Firestation, we believe that this option could be possible within a funding scenario of 50K next year and 25K the year after.

## 5.5 Financial Risk Assessment

### 5.5.1 Areas of Financial Risk

We have identified several main areas of risk, all related to income projections.

**Rental income** – the financial projections are based on current rentals assuming that the current tenants remain in the building from the period of the estimates. There is no provision for gaps in rental income due to rooms being empty.

**Lettings** – while we have set realistic levels of hire income, based on the current level of demand and potential income, it is always possible that the income could fall short of the projections.

**External funding** – there is no assumption of external funding under Council operation but we have assumed that a trust would secure funding at increasing levels (some of which is offset against project expenditure). There is a real possibility that the trust could fail to secure external funding.

**Creative Academy** – the Academy pays an annual rental of £20,000 to the West Wing. Should this end it would leave a significant gap in the finances.

**Contingency** – there is no contingency within current Council estimates for the West Wing. However, if the venue was operated by a trust it would require a contingency to counter the above risks.

The table below assesses the financial risks in relation to the projections for 2010/11 and 2011/12. These are based on potential shortfalls in key areas of income, which are the main areas of risk.

Financial Risk	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
	@10%		@ 15%		@ 20%	
Loss of Rental Income	3780	3969	4347	4564	4536	4763
Loss of Lettings income	2,800	3,500	3220	4025	3360	4200
Loss of external funding		300	0	345	0	360
Total Risk Exposure	6580	7769	7567	8934	7896	9323

It suggests a total risk of shortfall of between £6,580 and £7,896 in 2010/11 and between £7,769 and £9,323 in 2011/12, based on a maximum shortfall of 20% in key income areas. This is based on all the above areas of income falling short by the

percentages indicated and, in our view, the top end of the range represents a worst case scenario which would only occur if all four areas under-achieved by 20%.

	2010/11	2011/12
<b>Median Financial Risk</b>	£7,347	£8,675

This has been used as the basis for the budgeted contingencies.

Note: projected external grant income is also offset by project expenditure which could be reduced if external funding was not secured.

### 5.5.2 Loss of Creative Academy

Should the Creative Academy close or re-locate to other premises the West Wing would lose annual rental income of £20,000. In addition the loss of the daytime student population would have a secondary impact on catering. This would have to be compensated either by finding another tenant to take over the accommodation currently occupied by the Academy at a similar rental or by renting out the spaces at the times currently used by the Academy to increase rental income.

Dance studios are very desirable facilities and there is in every town a commercial dance school sector which is always interested in high quality studio provision and independent dance teachers using a variety of temporary facilities who would be very interested in setting up their operation at a permanent centre. This is a very successful and commercially driven sector. The private sector stage school operator Stagecoach (which currently provides theatre and dance classes for children aged 4 – 16 years near Slough – venue information has been requested) could be interested in hiring facilities at the West Wing.

In our view it should be possible to identify private dance or stage schools prepared to take over rental of the two dance studios on an annual basis (possibly on a shared basis) at a level at least commensurate with the current rental indeed, in our view, we would expect this to generate a higher annual rental income than the present rental income paid by the Creative Academy given the limited range of dedicated dance facilities available and the quality of the facilities.

Bringing commercial dance or stage schools into the West Wing would also generate considerable potential business for the catering operation. Stage schools can cater for several hundred young people during a session (which might run from 3pm to

9pm) with parents bringing and collecting children and young people and often spending time waiting in the building.

Further, more detailed research beyond the scope of this study into this would be required should the Creative Academy re-locate or close.

### **5.5.3 Financial Risk Mitigation**

The financial projections should include a contingency sufficient to deal with the median range of income shortfall as set out above. The loss of a major tenant, such as the Creative Academy would require the west Wing to identify a new tenant to take over the accommodation. To protect against this the West Wing should ensure that rental agreements provide sufficient termination period clauses, 3 months minimum.

Information provided by Creative Academy management suggests that there is excess demand for space in the building; identifying replacement tenants should not therefore present major problems.

## **6. OPTIONS ANALYSIS**

### **6.1 Overview**

#### **6.1.1 West Wing Capital Repayment**

The West Wing was developed at a cost of around £650,000 with £489,000 of capital funding provided from the Buildings for Sports and the Arts Fund which was channelled via Sport England; a condition of funding was a commitment to continue the project for a twenty-one year period. Sport England has confirmed it would seek repayment of part of the £489,000 it put into the project (i.e. the West Wing element of a bigger grant to four schools in all totalling £1.2m).

The element that Sport England would claw back is based on a formula which equates at present to a little less than half the current market asset value of the West Wing building. The Council is ascertaining whether that applies to the point of closure or the point of disposal and securing a market valuation for the building as it stands. While the possible repayment of the funding received is of concern, the Council has indicated that it should not, by itself, present a barrier to future options for disposal should the building prove to be unsustainable.

#### **6.1.2 The West Wing Operational Model**

Under the management of the Creative Academy the West Wing has already developed into a different type of facility to that which formerly operated. It is no longer presenting a programme of professional work and its focus has been on attracting new hirers and resident businesses. During the first six months of 2009/10 a number of regular new users and tenants have been attracted generating an additional £14,000 per annum of room rental income. The operational model is now much leaner.

In considering options for demolition of the West Wing and replacement of its facilities elsewhere the developing role of the West Wing as a base for arts and creative business must be taken into account. The centre is no longer primarily a venue for the arts, it is now a hub for arts and creative industries. Replacement of the facility, either through a single facility or other more dispersed forms of provision, would therefore need to include provision of workspace and rehearsal facilities, in addition to a performance space.

A further major consideration is the particular role which the West Wing plays as a base for two independent organisations and the Creative Academy. RIFCO and Creative Junction together bring over £1.2m a year into the Borough, but neither organisation needs to be based in Slough and could re-locate out of the Borough if the West Wing closed.

The impact of this would not simply be loss of external funding into the Borough but loss of a significant strand of work in community settings undertaken by both organisations due to their being based in Slough. This community-based work also attracts additional funding into Slough. The Creative Academy also attracts external funding into the Borough and supports the development of the creative sector.

All of these organisations benefit from being based in a creative centre alongside other creative organisations and businesses and it is this creative clustering which is now becoming an important role of the West Wing, in addition to its valuable function as a provider of space for community-based arts activities.

## **6.2 Options Criteria**

In assessing the options for development and taking the above into account the following criteria will be applied.

1. The ability to continue to provide an equipped space for live performance of a comparable seating capacity range to the West Wing (150 – 300 seats).
2. Affordability to the Council - subsidy requirement and potential to become self-sustaining
3. The ability to generate community support
4. The potential benefits in management, operational and financial terms
5. The ability to provide a range of quality facilities and hub for the arts and creative sector including workspace for arts and creative businesses.

## **6.3 Options Appraisal**

The Council has identified a number of potential operational and financial models for the West Wing.

- Model 1a: West Wing managed by Slough Borough Council with £50,000 subsidy
- Model 1b: West Wing managed by Slough Borough Council without £50,000 subsidy
- Model 2: West Wing managed by an independent company

- Model 3: Close the West Wing, with the community supported to showcase work in venues across the town.

These options will be considered alongside the work being undertaken on the performing arts in Slough and appraisal of community and audience needs.

### 6.3.1 Option 1a and 1b – Council Operation

The aim of these two options is to ensure the future survival of the West Wing, in the case of 1a with continued Council subsidy; and in the second, 1b without subsidy. The current operational model has reduced staffing to a minimum but continues to rely on staff support from the Creative Academy and the Council's Community Arts Team, which provides management support and operational cover. To assess Options 1a and 1b fully, we have assumed that the West Wing is operated as a stand alone service with the necessary staffing built into its revenue budgets.

The financial projections (see appendices for full details) are based on detailed analysis of operating accounts for 2008/9 and the current financial year, based on latest projections at September 2009. The financial picture and profile of the West Wing has changed significantly during 2009 with the new management arrangements and approach and the financial projections take into account the developments and changes which have occurred since April 2009. A series of notes are provided which support the estimates.

The estimates provide a 'real cost' analysis of operating the West Wing without any hidden or in-kind subsidy provided by the Council or Creative Academy in the form of officer time, allocation of arts development funds or other hidden subsidies. They indicate that the West Wing could only continue to operate with Council subsidy of around £53,000 in 2010/11, decreasing to around £43,000 per annum by 2012/13. This is subject to it achieving the rental and hire income projected.

<b>Direct Operation Costs</b>	
2010/11	52,842
2011/12	44,918
2012/13	42,995
<b>Total</b>	<b>140,715</b>

This represents a considerable financial improvement on the situation in 2008/9 (when the West Wing was operating with a full staff complement and presenting a programme of live events), with the West Wing being subsidised through Community Arts Team and Creative Academy officer time, an annual subsidy of £151,000 and

other transferred Council funds, even taking into account external grant aid. It also represents the actual cost of operating the centre without hidden subsidies, such as Arts Officer time.

### ***Achieving Viability***

In Section 4.6 above we have identified some spare capacity within the buildings currently part of the West Wing. This includes the two tower rooms which are part of the building identified for retention if the West Wing is retained, and up to three former classrooms. In addition there is the row of small ground floor units sited across the quadrangle opposite the auditorium which are ideal for workspace, though would require enhanced security and some refurbishment to be usable.

There is already a potential hirer (SWIPE) for the two tower rooms (2<sup>nd</sup> and 3<sup>rd</sup> floor) which could generate an annual rental of at least £15,000 if an additional fire escape were installed. (This might be included within the Arbour Vale site development costs as a Section 106 provision, though we understand that there are already excessive demands on this potential source of investment). On simple capitol repayment basis this would require an extended period, however if the fire escape were to be funded externally it would contribute to the financial sustainability of the West Wing at no additional cost to the Council. A new resident organisation, particularly one working with numbers of young people, would also increase hire income from use of facilities and catering.

If another two former classrooms could be brought into use this could generate an additional £7,000 per annum. There is therefore scope to increase annual income by to £22,000 to £25,000 by retaining the element of the extended classroom block currently included within the West Wing. Should the ground floor units and former canteens be developed this could generate a further £15-20,000, though this would require substantial capital funding for conversion.

The current site development plans drawn up by the Council in partnership with Slough Town F.C. assume demolition of all of the buildings beyond the tower block, including the classrooms referred to above. They also assume demolition of the former canteen and ground floor units referred to above. Should the plan proceed on this basis, the ability of the West Wing to be operated viably would be severely constrained.

## **Model 1A – Continued Council Management and Subsidy**

### **Advantages**

- Retains the West Wing as an arts and creative industries centre
- Retains creative organisations and businesses in Borough
- Retains a focus for arts and creative industries
- Supports the work of Council's Community Arts Team
- Underpins the Centre so that it can maximise income streams
- Provides ongoing security
- No need to re-locate Creative Academy
- Provides a basis for further partnership with Arts Council England
- Re-builds confidence with arts and community sectors

### **Disadvantages**

- Council continuing subsidy required
- Council responsibility and risk continues
- Limits capital receipts from land sale unless Council closes the building in 2012
- Requires continuing Council management overview
- doesn't utilise financial and other benefits of trust management

The Model 1A option assumes continued Council support of £50,000 per annum. With continued subsidy of £50,000 per annum spread over a three-year period it should, on the basis of our analysis, be possible for the West Wing to operate viably, though we estimate that £53,000 would be required in 2010/11 reducing in the following two years.

It would not be possible to operate the West Wing viably with a lower level of annual subsidy unless the range of hire facilities could be extended to generate additional annual income at least equivalent to the 2012/13 subsidy requirement. In order to achieve this some capital investment would be required to bring more rooms into commission. This could cost in the region of £150,000 to £180,000 (detailed estimates are required).

## **Model 1B - Continued Council Management Without Subsidy**

### **Advantages**

- No subsidy requirement
- Maximises income generation
- Retains the West Wing as an arts and creative industries centre
- Retains creative organisations and businesses in Borough
- Retains a focus for arts and creative industries
- Maintains Council control over West Wing
- Continues to support Community Arts Team's work
- No need to re-locate Creative Academy

### **Disadvantages**

- Not achievable
- Unrealistic course of action
- Continuing financial problems and dilemmas
- High risk of impact on other budgetary and operational areas.

The analysis above indicates that it would not be possible for the West Wing in its current form to be operated directly by the Council without annual subsidy from 2010/11, even taking into account sizeable increases in hire and rental income.

### **6.3.2 Model 2 – Independent Operation**

There are two options for independent operation:

- Management by an existing organisation or company (commercial or charitable)
- The creation of a new independent charitable trust

The first of these is dependent on there being an existing organisation with an interest in taking on the building and with the capacity and expertise to operate it successfully. A key requirement would be that the organisation did not simply take over the West Wing as a base for its own operations to the possible detriment of other users, unless the Council decided that it could no longer function viably as a facility for the arts and creative sector and was therefore best disposed of for other purposes and at no ongoing cost to the Council.

The Creative Academy is not an independent organisation, but a Council service. At present it operates the facility on behalf of the Council. Should the organisation move to independence then it might consider taking on management of the West Wing. There is no indication that any of the other resident organisations would wish to take on management of the building and given the financial projections we have produced, it is unlikely that a private sector organisation would wish to take over unless it was on a different basis with a much greater emphasis on developing conference trade and with commercial pricing which would be likely to discourage arts and community sector users and replicate provision already in Slough.

### **Model 2a – Existing Organisation**

#### **Firestation Arts & Culture, Windsor**

We have held preliminary discussions with the management of The Firestation (Arts Centre) in Windsor, which is operated as a Community Interest Company (CIC) and has expressed an interest in managing the West Wing. The Firestation was operated from its opening in the 1990s as a charitable trust as Windsor Arts Centre. In 2007, the trust went into receivership. A rescue operation was mounted to save the venue and in spring 2008 it re-opened under the management of a new CIC organisation and re-named the Firestation.

The Company operates within the CIC framework, with a Managing Director who is the sole shareholder. Surpluses have to be deployed for Company purposes, but up to 30% of any profits generated can be distributed to shareholders in the form of dividends (subject to a dividend cap in proportion to the value of each share). In the 2009/10 financial year it receives £80,000 support from the Royal Borough of Windsor and Maidenhead.

The new management has brought a more commercial approach to the building, based on substantial prior experience in the arts & entertainment industries. This has involved reorganising its staffing with new staff brought in from the private catering and events management sectors; introducing a full cost recovery approach to its activities, including its education programme; and revitalising its bar and catering operations. Bar & catering, corporate & private hire now generate substantial profits with an annual turnover of £330,000 in year one and projected turnover for the current year at £490,000 (it is located on the High Street and has to compete with other local bars and cafes).

The Firestation's main auditorium has flexible seating for 160 which makes for an intimate user experience, but presents challenges when generating surpluses on events and the venue's approach to programming has changed radically. It now presents touring work on a split fee basis with the risk shared with the touring company or performers. Previously the venue had paid companies guarantees resulting in a substantial deficit on its live programme. Its theatre programme is built on presenting new works & engaging emerging professional companies and performers and presenting studio-scale work. The venue realises that it cannot address the needs of all audiences effectively and focuses on a core audience in the 25 to 45 age range. This enables it to style the café and bar operation, its programme and other services to this core market, without excluding the wider community.

The Firestation's principal aim is to survive and prosper, but it views its role as wider than simply presenting work at the venue. In order to provide a more varied and high profile programme, which requires access to spaces with greater seating capacities, it has begun taking work to other venues and collaborating with other organisations. It recently promoted rock band *The Fall* at the 600-seat Windsor Theatre Royal in partnership with the Windsor Festival and produced The Firestation's Big Picnic (an outdoor event in partnership with the Windsor Town Centre Manager).

The Firestation management is keen to explore the potential for managing the West Wing on a similar basis to its arrangement for the Firestation, with ownership of the building retained by the Council and the Firestation operating it on the basis of a Service Level or lease agreement. While there is potential for promoting live events, the core function of the West Wing would be as a creative village, providing a centre for creative businesses with a lively bar and café operation servicing the building. A limited programme of live events would be introduced gradually.

The Firestation believes it would be possible to operate the building more efficiently through shared staffing, making use of its core staff team and joint management arrangements to reduce operating costs. The Firestation has indicated that it could potentially take over management of the building from spring 2010 and would be prepared to operate it on an initial short term lease, or to 2012 should it be scheduled for demolition. It would seek to have some security with regard to the venue's anchor tenants and to negotiate a transitional subsidy agreement with the Council to underpin its operation over an agreed transitional period. The Council would need to make a firm decision on the future of the building, at least up to 2012.

Operation by an independent commercial organisation or CIC operating with commercial principles would mean that the venue would be operated commercially with the aim of maximising income as well as for the benefit of the community. It would require the Council to agree with the operator the terms on which community organisations would be able to hire facilities and any reduced rates.

One option adopted by some Councils (e.g. Wycombe District Council) is that voluntary and community groups pay a commercial hire rate (at least for use of the auditorium) and then apply to the Council for subsidy from an allocation reserved for this purpose. Alternatively the Council and operator agree reduced rates for community users. This requires clear agreement on the basis of community hires in relation to any subsidy provided and the operator's business plan. There could be a risk of reduced community access if commercial demand increased significantly.

In order to take this option further, the Council will need to enter into discussions with The Firestation management company at the earliest opportunity to explore the option further. Management by The Firestation offers an attractive option and the opportunity to bring a more commercial approach to the West Wing. However the Council would need to undertake a formal tender process in accordance with its procurement rules.

### **Advantages**

- Transfers responsibility and risk from Council
- Brings in external expertise and new ways of working
- A charitable organisation would be eligible for up to 100% rate relief
- Possible economies of scale
- Retains the West Wing as an arts and creative industries centre
- Retains creative organisations and businesses in Borough (and existing revenue streams from external funders)
- Retains a focus for arts and creative industries
- Could provides a more commercial operating model
- Frees management from Council staffing strictures
- No need to re-locate Creative Academy
- It provides independence from political considerations
- It offers greater flexibility, for instance, in contracting cleaning and other services
- It is usually more cost-effective.

### **Disadvantages**

- Role of building could move away from that of arts and community facility
- Possibility of reduced community access and loss of community support if commercial demand increases
- Identity of building could change
- Lack of Council control
- Venue could collapse if operating organisation fails
- Risk of commercial failure by the operating company.

### **Model 2b – Charitable Trust**

The alternative to transferring management to an existing organisation would be to create a new independent charitable trust or community interest company. This might take the form of a company limited by guarantee with charitable status. The Company would have its own board of management and would be responsible for appointing and managing staff and all management and operational responsibilities. We have assumed that the Trust would obtain a lease to manage the West Wing from the Council at a peppercorn rent.

The charitable trust option can bring financial benefits and open up the potential to attract external funding from a variety of sources not available to Local Authorities. It frees the management to buy services for commercial providers in the market place and enables the organisation to operate outside Council strictures (though TUPE would apply to staff transfer arrangements). However trusts are vulnerable and carry a higher risk than direct operation; they lack financial reserves and the financial and organisational backing of the Local Authority. If they encounter financial difficulties they have little recourse other than to go into liquidation (as happened at Windsor) or to seek additional financial support from the Council.

### **Advantages**

- Retains the building as an arts and community facility
- Engages the support of the community and re-builds trust
- No need to re-locate Creative Academy
- As a charitable organisation the trust would be eligible for up to 100% rate relief
- It would be eligible to apply for funding from a variety of charitable funding source, many of which are unable to give funding to Local Authorities
- It would be better placed to engage members of the local community as board members and as volunteers

- It could recruit expertise to the board that otherwise would not be available
- The Trust would not be bound by Council employment terms and conditions or by Council procedures
- Trust management removes the financial risk from the Council.
- A Trust could raise external capital funding to develop the building further.
- It enables the Council to be involved in the management through board representation while not directly operating it or carrying full responsibility for it
- It provides independence from political considerations
- It offers greater flexibility, for instance, in contracting cleaning and other services
- It is usually more cost-effective.

### **Disadvantages**

- There is a need to recruit board members and a Chair with an appropriate level of expertise and commitment, which might prove difficult
- The Trust would not have the protection of being part of the Local Authority and the benefits of its expertise and financial reserves and it is less easy to benefit from Council support in areas of operation, for example, financial management and building maintenance
- If the Trust failed the lease would revert to the Council
- This might be a higher risk option
- The Council gives away control over the building

There are strong feelings among the local community that an independent facility run by a charitable trust would be a better option for the West Wing as this would protect the building from changes in Council policy and the uncertainty which has been hanging over the West Wing. Furthermore in engaging greater community support and involvement the venue would potentially benefit from a pool of volunteers and the time and commitment they would put into the building.

This is a valid point of view, though the financial risks in operating the facility via a trust need to be given careful consideration as does the issue of possible board membership. The trust option should only be considered if it can demonstrate financial sustainability and if a strong board of management can be assembled and there are sufficient financial safeguards in place.

### ***Achieving Viability***

We have produced financial estimates (Trust B) which include the additional income which the Centre would receive were it in a position to hire out 2 additional former

classrooms and the two available rooms in the tower building. We have assumed additional annual income of £20,000 (assuming the works are financed by external fundraising and from within maintenance and repairs budgets). The result is a reduction in the operating deficit, assuming the trust secures the projected external income, to around £16,000 per annum by year three (this includes budgetary provision of a contingency sum of £8,000).

While this could be eliminated if other rooms for rent were brought into commission (on the basis that they were not funded from capital loans or via depreciation), it remains the case that the trust option would continue to require subsidy until sufficient additional rental and hire income was generated to cover this shortfall on an annual basis.

### **6.3.3 Model 3 - Disposal**

The demolition of the West Wing is one of two options included within the development plans for the site. The benefits of demolition to the scheme are that it would remove an existing building from the site enabling a complete re-design of the site and would maximise the capital receipts. Though there would be a requirement to pay back a proportion of the £490,000 received from Sport England, this would be covered by the capital receipt.

Should the Council decide to dispose of the West Wing it would, under the current planning guidance, be required to make alternative comparable provision. It might be argued that this could be provided through several means, rather than simply in the form of a like for like replacement facility, for instance, by creating a new performance space in the Learning Curve and making use of existing community facilities as a means of replacing the West Wing's other facilities.

It is however important to bear in mind that the facilities of the West Wing consist of much more than a performance space and now include administrative accommodation for several arts and creative organisations and businesses, one of which, Creative Junction, was resident in the building prior to the creation of the West Wing as an arts facility.

Furthermore the West Wing is now a creative hub, not just a suite of rental spaces, and provides a range of facilities for local arts and community groups. It is a focus for the arts and creative sector in the Borough and is the base for two Arts Council England funded organisations which are not obliged to remain in Slough and provides valuable studio and rehearsal facilities.

It also now provides workspace for local creative businesses which have been developed with the support of the arts and creative industries development programme run by the Council. It therefore plays a key role in supporting community activity and retaining arts practitioners and creative organisations in Slough and in ensuring that these individuals and organisations are available to work with the local community.

The West Wing is therefore a central hub of the Council's approach to arts and creative industries development and underpins its work with the creative sector and in supporting community-based arts programmes. Should the West Wing close there could be a significant negative impact on arts and creative industries development which is far greater than the loss (possibly temporary) of an arts performance space. Replacement of the West Wing would therefore require consideration of provision for arts and creative business workspace and dance and rehearsal facilities as well as a performance space.

If the West Wing cannot be made to work financially without substantial continuing Council support then retention is not a viable option in the current fiscal circumstances. Should the Council decide to close the West Wing by 2012 when the Learning Curve is scheduled to open, it will need to consider the options for alternative provision.

This will be informed by the wider work on performing arts provision in the Borough being undertaken by Red Quadrant and the Council's review of community facilities.

There are two key issues to be considered:

What replacement facilities would be required?

and, What would be required in the transition process between now and 2012?

### **Replacement Facilities**

to summarise the current West Wing facilities to be given consideration with regard to replacement consist of:

- an auditorium for live events (West Wing currently seats 240)
- administrative premises for the two core resident organisations (RIFCO and Creative Junction)
- accommodation for the Creative Academy

- workspace for other creative businesses currently based in the building
- flexible spaces in which local groups can rehearse and undertake workshop activity including dance/rehearsal studios
- gallery provision (limited)

With the exception of the auditorium, which could be replaced by a new facility in the Learning Curve provided it was of appropriate scale and fully equipped technically, it is conceivable that the other facilities could be provided in a variety of community spaces. However there would undoubtedly be challenges in finding appropriate spaces for dance and rehearsal studios (for which there is community demand) without some capital investment.

Certainly administrative facilities and creative workspace could be accommodated in a non-specialist facility and it would be possible for local groups to use community facilities for rehearsal and workshop activity. It should also be possible to accommodate a gallery within the Learning Curve or another facility. The Creative Academy has very specific needs; these might be found within another community or educational facility, but the provision of shared facilities for the Academy, other arts organisations and community users would seem to make good sense if possible.

The provision of alternative accommodation could therefore be achieved by:

1. providing a new studio theatre at the Learning Curve
2. providing a new home for the Creative Academy
3. providing administration offices and workspace within a single adapted building
4. providing a variety of flexible spaces for community arts activity

It is possible that 2-4 could be accommodated within a single building.

The key questions in relation to the above option are:

- Would it be more cost-effective to provide the above in several buildings than in a single building?
- Would operating costs be reduced or increased as a result of the separation of facilities?
- What would be the impact on existing resident organisations?
- Are there suitable buildings available in Slough to meet the above needs?
- What would be the cost of adapting other buildings so that they can meet the needs of the resident organisations and arts and community activities?
- What would be the overall impact on the arts in Slough?

These questions have to be answered in the context of the work undertaken by Red Quadrant and in relation to specific options for facility replacement.

### **Transitional Process**

A decision to dispose of/demolish the West Wing by 2012 would mean identifying and adapting alternative facilities over the next two and a half years and re-negotiating the basis of tenure of replacement facilities with existing tenants of the West Wing (current leases run to spring 2011). Tenants would need to be given notice of closure in accordance with the lease requirements.

We would anticipate that some demolition could be required in advance of 2012 to enable preliminary work on residential developments on the site to proceed. It is not therefore possible at this stage to identify an actual date of closure, though the site could become inhospitable once demolition and construction work commences.

We suggest that the following actions be undertaken over a 15 month process:

1. Decision taken to dispose of building
2. Discussions with tenant organisations
3. Research into alternative facilities and lease/rental arrangements
4. Identification of alternative premises
5. Identify capital funds for adaptation of replacement buildings (as required)
6. Negotiations with tenant organisations and community users
7. Undertake work on premises
8. Prepare leases/agreements
9. Organisations re-locate

It is not possible at this stage and without specific facilities being identified to assess the financial implications of disposal. However, the basis of alternative provision should be that the user pays the appropriate cost for facilities to the facility operators and that no Council subsidy is applicable.

### **Model 3 – Disposal**

#### **Advantages**

- Releases capital for alternative scheme
- Maximises value of Arbour Vale site development

- Relieves Council of revenue commitments
- Low risk
- Opportunity to create town centre facility in Learning Curve
- Dispersal of facilities might make them more accessible to more communities
- Town Centre performance space

### **Disadvantages**

- Loss of West Wing as central focus/hub for arts and creative industries
- Loss of range of facilities
- Possible loss of resident arts and creative organisations/businesses to Borough
- Potential loss of external investment into Borough
- Possible loss of some community-based arts programmes linked to resident organisations
- Need to re-locate Creative Academy or loss of Academy
- Difficulty in replacing facilities
- Need to address planning requirements
- Need to repay capital funds to Sport England
- Loss of credibility with arts and community sectors
- Waste of capital investment to date

## **6.4 Options Appraisal Summary**

The financial projections set out in Section 5 above indicate that it does not appear possible for the West Wing in its current form to be operated without Council subsidy (Option 1b). Neither would it be possible for the Council to continue to operate the building with reducing levels of subsidy unless there was some further capital investment in the West Wing to bring more rooms for rental into commission.

If the building is retained with sufficient accommodation to enable it to rent out more space, then it could be possible under independent management, to reach break even position once the additional rooms were brought into commission, likely to be 2012/13. In order to achieve this some capital investment would be required. In particular, a new fire escape would be needed if the tower rooms were to be brought into use.

It would be likely to take up to ten years to recoup the capital investment required for the fire escape if it was funded through loans or depreciation and clearly this would only be an option if a decision was taken to retain the West Wing long term. If it was not possible for the fire escape to be constructed as part of the Section 106

agreement relating to the site development then an independent operator (especially if a CIC or charitable organisation) could aim to raise external funding for this, including from charitable trusts and foundations. However this could take time and delay the move to viability without subsidy.

Whichever management option is adopted the West Wing is likely to continue to require some subsidy for the next two to three years while it consolidates its new role and builds its income generation. Should the Council wish to continue to operate the facility, it will therefore need to continue to provide annual subsidy on a declining basis over the next two to three years.

The total subsidy required over the three-year period without further capital investment to bring more rooms into use and operating the building under trust management (Option 2b) would be £130,000. We are not in a position to provide a figure of the level of subsidy which might be required should management of the building be transferred to an existing organisation, (Option 2a e.g. The Firestation, Windsor) as this would be subject to negotiation, though we would anticipate that this could be significantly less than the cost of Option 2b.

It is evident that continued Council management is not the best option for the West Wing. There are financial and policy arguments in favour of placing the facility into a trust (Option 2a). Operating the building under trust management would reduce the operating costs, provided the Council grants 80-100% rate relief and the trust secures a modest level of external funding to support its activities.

However there are risks associated with trust operation. If the Council fails to recruit the right board members or if the trust fails to secure any external funding it could face financial difficulties or fail as it would have no resources. If it does fail the Council would be left with little option but to take over the West Wing again. The process of transferring a building to trust management requires stability and certainty in funding, which is not present at the moment.

In our opinion the trust option would only be viable if the Council were to maintain its subsidy level in 2010/11; to underwrite the trust with an agreed level of subsidy of not less than £40,000 a year for the following two years; and to ensure that some capital funding was secured to enable more rental units to be brought into commission. A modest level of investment £15,000 - £20,000 possibly, could bring 4-5 new rooms into use and repay the investment within two years.

**Without a higher level of subsidy or capital investment, there are only two remaining options: follow a procurement process to negotiate for an independent operator with a view to transferring management of the building to the organisation for a two-year interim period; and closure and disposal of the West Wing. It is recommended that the option of transferring management to another organisation should be pursued in the first instance. Should negotiations fail to identify a basis for partnership then the West Wing will need to be closed with a clear and well managed exit strategy.**

Should closure of the building be necessary, it should be undertaken in a planned way over the next eighteen months, allowing the Council time to work to identify alternative provision and arrangements. It would need to be coordinated with planned developments at the Arbour Vale School site and the Learning Curve development (planned to open in 2012) and take into account the impact on resident organisations.

## 7. CONCLUSIONS AND RECOMMENDATIONS

The West Wing is a valuable facility and central to arts and creative development and provision in Slough. It is now especially important as the administrative base for key local arts organisations and in supporting creative enterprise. It plays a key role in supporting the Council's arts development work and ensuring that Slough retains arts organisations with the capacity to deliver arts in the community programmes.

The potential of the West Wing to provide a central hub for the arts and creative industries and act as a resource for the voluntary and amateur arts sector has not yet been fully realised, but there are encouraging signs that it could play such a role if managed and operated efficiently and if there was an ongoing commitment to retain the building and some investment in it.

The West Wing should not be closed without fully understanding the negative impact this will have on arts development in Slough. Closure could potentially result in the loss of over £1.2m of annual external investment coming directly into Slough should RIFCO and the Creative Junction decide to re-locate. Furthermore the Creative Academy will require premises if it continues to operate which could result in additional capital costs. Should the Academy not continue then Slough would lose a valuable asset and even more external investment.

The Council is facing serious financial challenges and difficult decisions. It has indicated that may need to reduce further its annual subsidy to the West Wing. If that subsidy amounts to less than £98,000 in total over the next two years then the only way of keeping the West Wing open would be to transfer management of the building to an independent organisation prepared to operate it without that level of annual subsidy (possibly the Firestation or another organisation if one could be found). It is possible that an independent operator would take on the building for a limited period of 2-3 years, though this would limit the potential for capital investment from a commercial operator.

Given the current circumstances, going out to tender for an independent operator could prove time-consuming and it is likely to prove difficult to find many reputable potential operators prepared to take on the venue given the uncertainties around it. However, depending on the Council's standard procedures for contracting out, this may be necessary.

**It is our recommendation that the option of independent management is explored further, in the first instance through exploratory discussions with the**

**Windsor Firestation management, with a view to implementing a procurement process and a selected organisation taking over management from April 2010.**

Should management by an independent organisation not prove to be achievable, the choice facing the Council is either to create a trust to operate the West Wing by continuing its subsidy at the current level in 2010/11 and then, potentially, at reducing levels over the next 2 years, and to facilitate some modest capital investment; or to pursue other models of arts development and find alternative facilities capable of accommodating current activities at the West Wing.

In our view implementation of the trust option requires a stable financial environment and guaranteed funding over an initial period while it establishes itself. In the present circumstances it could be a highly risky option and is not advisable.

There can be no assurances that replacement of the West Wing by providing facilities at the Learning Curve and at other existing facilities will be a successful strategy. Without identifying which facilities might be used it is not possible to ascertain any capital costs which might be involved in adapting other buildings. Neither is it possible to guarantee that organisations based at the West Wing will choose to accept alternative provision or remain in Slough or that community support will be engaged via an alternative strategy. The option of closing the West Wing must therefore also carry an element of risk.

Whichever course of action the Council pursues, it is imperative that a firm decision on the future of the West Wing is taken without further delay. The uncertainty over the future of the building is deterring organisations and businesses from using the building; making it more difficult to attract new hirers and thereby restricting its capacity to generate income; and it is causing uncertainty in the minds of existing tenants which could result in some deciding to re-locate.

**The West Wing has the potential to become sustainable without ongoing Council subsidy, but only if it can develop more facilities to rent out and generate income and reduce its operating costs. In order to reach that position it would require ongoing financial support over the next two to three years and some capital investment. The building would also need to be retained within the Arbour Vale School site development with almost all of its current range of facilities and spaces. If it is not possible to meet these requirements and the Council cannot find an independent operator, it should take a decision to close the building in Spring 2011 so that uncertainty over its future is ended and in preparation for the re-development of the site.**

## **Appendix I**

### **Consultation List**

#### **Slough Borough Council**

Howard Albertini, Planning Officer  
Rebecca Cairns, Community Arts Manager  
Alison Hibbert, Head of Culture and Sport  
Jagdev Khatkar, Business Manager, Creative Academy  
George Kirkham, Creative Academy Manager  
Louise O'Dwyer Barnard, Arts Development Officer  
Coutinho Sarojini, Finance and Administration Officer  
Palwinder Sunder, Arts Facilities Officer  
Andrew Stevens, Assistant Director, Learning and Cultural Engagement  
Paul Stimpson, Head of Planning and Policy

#### **Other Agencies**

Patty Cohen, Creative Junction  
Jamie Green, Community Development Officer, SWIPE  
Parvesh Kumar, RIFCO  
Judith Hibberd, Head of Performing Arts, Arts Council England South East  
Mike Jennings, Arbour Vale Scheme Consultant  
James McVeigh, Head of Resource Development, Arts Council England South East  
Louise Rogers, RIFCO  
Kate Allen, RIFCO  
Kuldip Malhotra, KKM Architects

#### **Community Consultation Event on Thursday 1<sup>st</sup> October 2009**

##### **Attendance:**

Russell Park, Red Quadrant RP  
Alun Bond, Artservice,  
Rebecca Cairns, Community Arts, Slough RC  
Louise O'Dwyer Barnard, Community Arts, Slough LO'DB  
Tina Muir, Patchwork Theatre, TM  
Balbir Kaur, Apna Virsa, BK  
Sascha White, SYPC, SW  
Sobia Shakil, the Petal Workshop, SS  
Richard Golding, Sough Art Society, RG  
Dom Oliver, Resource Productions, DO  
Suzie Parr, Slough Museum SP  
Anna Jones, Creative Junction / RIFCO Arts, AJ

## Appendix II

### Focus Group Meeting Notes

A consultation meeting with local arts and community organisations was attended by eight representatives from local organisations. The meeting focused on performing arts provision and development and the future of the West Wing. A discussion about audiences and how to engage them, communication and marketing was followed by consideration of the West Wing and future options for the venue. The comments and views are summarised below.

#### Performing Arts Provision and Audiences

Pricing is important and it was commented that people in Slough wanted everything to be free, particularly the arts; young people especially had come to expect free provision. 40 years ago it was possible to see major artistes at the Adelphi in Slough, (e.g. Stevie Wonder), but the Town had lost its identity as a venue for live arts and entertainment. Community events can and do sell out, as families and friends tend to support performers, but there is not much crossover between audiences. People over 25 tend to go to London for the arts where they can enjoy a whole evening experience combined with eating.

Young people in Slough who do get engaged in the arts often move away. There is a lot of provision and funding for the under 25's. Once you are over 25 the ability to access free arts is not available. There are lots of activities run by voluntary groups in slough for the arts and traditionally the 25 – 50 age range is time poor. There are lots of activity for the under 25s or over 50s. The town centre feels unsafe which deters people.

There is still segregation in Slough between different cultural sectors; how do you find out about what is happening in other cultural sectors? The most effective communication is word of mouth, especially when it is community-focused. Some needs are:

- A public notice board in centre of town
- Regular activity which is popular and reliable.
- A central point of communication in central Slough.
- Local press arts coverage – it is patchy and more likely to cover Windsor.

Very few local people have heard of the West Wing and know where it is, but Slough needs an arts venue. However, to be successful a venue needs to be a place where people can enjoy a full evening out, with good food, in a central location, affordable and with transport and parking.

## **The West Wing**

### ***Is it a success?***

The venue has not been a success to date but it is the only dedicated venue and better than having nothing or using non-dedicated venues. People and groups are now moving in to the West Wing and it is feeling more alive, it now feel as though it is working. The venue has positive features:

- It feels safe
- There is a good dance studio
- Helpful staff
- It covers all art forms

Not enough people who know about it and it is not a success commercially. It is not visible and external signage is poor so people do not identify it as an arts centre. There has been a focus on filling the auditorium and if the emphasis was taken off that and onto other activities then the venue could have a successful future. The West wing is a good idea but the execution is not quite there yet. Slough needs something permanent and the continuing uncertainty over the building's future is undermining its ability to succeed. The building is important because it is a stepping stone to the future, people need a structured future and to know what is happening. If a decision is made to retain the building then people would begin to make the best of it.

'If people said, we will close the West Wing but get a new amazing space all would support replacing it but we don't want to loose the West Wing without re placing it.'

### ***Who should run the building?***

*'It is run by SBC so almost like no local group could have a stake in it; if it was all independent and not run by the Council....'*

There was support for the building being operated by a trust, in part to protect the venue from possible future Council decisions to close it (Windsor Arts Centre is now a Community Interest Company and is protected). There was a discussion about the difficulty of attracting people of the right experience and calibre as trustees. Those capable in Slough are mostly involved in other trusts such as the museum. It was commented that Arbour Vale school site was left in trust to the children of Slough and the Council's right to sell the site was questioned.

### ***If the West Wing Closed***

*'The Hub closed and three of us moved here, if the West Wing closed what would we do, where we would go.'*

### ***What do you want to see in the future?***

Community involvement

An advisory group of people who run successful projects

Day time usage

Continuing improvements in operation of the venue – it has definitely improved recently

A more permanent home for creative businesses

A Phase 2 development of artist studios

### ***Problems***

Transport problem – bus companies need to add a stop outside

Marketing and promotion of the building

Costly for community hire – many community venues are cheaper but are not dedicated arts facilities.

### ***Why do we need the West Wing?***

It provides a much needed focus for the arts and creative industries

It is beginning to feel like a hub which hadn't happened before.

SYPC provides something different; all activities are free; people who go to the West Wing can pay; SYPC is heavily subsidised.

### ***What do you want from the future performing arts in Slough?***

The West Wing should focus less on the performing arts and more on the creative arts community, providing a hub for small, micro and medium businesses with the opportunity to have space and show dance, film etc. It should be driven by small businesses and organisations and how they can sustain and self perpetuate in a multi – functional space with all art forms.

There is also a lack of visual arts spaces

Performing arts opportunities for young people

Opportunity to collaborate with other professionals

Good performances in dance and theatre and good film

A venue embedded within the community to protect it from constant change

An affordable venue to hire

The creative industries needs stability, affordable rents and space, and access to multi-functional and flexible space.

A good café as a social shared space is important

A place where we can come together to work on joint funding bids

We need to do the groundwork and build audiences up

Young people coming to the West Wing for a variety of reasons

Rethinking the type of venue we offer; not just performances in a traditional space

Keep traditions alive pass on traditions to young people

***What will stop creativity happening and what would not help the arts?***

Promising and not fulfilling promises

No focal point

No space

No stability

No money

***What will stop a multi functional space happening?***

Lack of funds

Lack of vision

Lack of people's perception

***What will harm performances and collaboration?***

Venue costs

Creative and cultural industries leaving Slough

Kids not having opportunity to see performances

***How will you develop audiences? How will people come?***

If the West Wing hasn't been able to get a core arts audience in it is a problem. If artists are now starting to come in for the first time, others will follow.

The West Wing is only just starting to happen

There is much more of an entrepreneurial approach now and it has changed dramatically under its new management.

The decision on the West Wing is being made at a time when it is just taking off.

The West Wing rent is higher than High Street rents but arts groups use it anyway.

## Appendix III

### West Wing Studies and Policy Decisions

Two important studies into future development options for the West Wing have been undertaken by Artsreach for the Council since the venue opened. In 2007 the Council commissioned a feasibility study into possible re-location of the venue following the re-location of Arbour Vale School and the Council's consideration of the sale of the site. The study looked at four potential re-location options: retaining the facility on the existing site; incorporating a new facility within the proposed Slough Town Football Club development; re-locating the venue to the Centre; and re-locating it to another possible site.

It concluded that the inclusion of a new facility within the Arbour Vale site re-development was the preferred option, provided that the replacement facility was fit for purpose. A capital cost in excess of £3m was estimated. An alternative was to retain the facility on its current site, but with under new management. It concluded that the other options were not viable, partly due to the capital investment needs, but that closure of the West Wing was also an option, though it might require the Council to repay the funding it received from Sport England towards the refurbishment.

In late 2008 a further study was commissioned<sup>3</sup> (completed in February 2009) to take a wider view of future arts and performance needs in Slough and to make recommendations on future options for development. The context for this review was planned cuts in arts budgets of £160,000 for 2009/10 and the possibility of further cuts. The consultants recommended retaining the West Wing but with reduced opening and a 100% focus on community-led events and activity with the aim of saving £113,000. They also recommended re-launching the cultural and performing arts offer in Slough with a new vision and business plan in 2010, but with the aspiration that the venue would be replaced after three years; and developing a brief for a new arts and creative industries facility as a driver to inform regeneration discussions.

The above studies looked in detail at the role of the West Wing and the range of demands and needs from the local community which the facility should be meeting; they identified the facilities and spaces required for a venue of its type; and emphasised the importance of such an arts facility having a variety of spaces to accommodate a range of activities, including creative workspace. However, the 2009 study found that the West Wing at that time lacked the level of community support which had been envisaged when it was developed

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<sup>3</sup> *Arts and Performance in Slough: Future Provision of Arts and Performance in Slough, Artsreach Consultants Ltd. (Maidenhead, February 2009)*

Following consideration of the above 2009 report, in March 2009 the Council implemented the recommendations relating to programme and staffing changes as a holding position for 2009/10, but with reduced funding of £50,000 for 2009/10.



	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2011/12</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2012/13</u>	<u>2012/13</u>	
<b>INCOME</b>	Actual	Actual	Projected	SBC	Trust	SBC	Trust B	Trust	SBC	Trust B	
Box Office Income	70,678	52,099	0				0				
Bar and Catering	203	90	0	7,500	10,000	10,000	10,000	11,000	11,000	11,000	
Sales of Merchandise	1,712	3,681	20	0	0	0	0	0	0	0	
Lettings	30,266	22,360	11,290	28,000	35,000	35,000	35,000	40,000	40,000	40,000	See notes
Events & Exhibitions	4,000	684	0	0	0	0	0	0	0	0	
Rentals	17,833	27,496	36,000	36,000	37,800	37,800	37,800	39,690	39,690	39,690	5% increase p.a. from 2011/11
Rentals - additional			6,400	14,000	17,700	17,700	37,700	18,585	18,585	38,585	See notes
Miscellaneous	10,065	7,979	1,010			0	0			0	
Technical Hires		3,590		1,500	2,000	2,000	2,000	2,500	2,500	2,500	
Contribution		10,000	9,500			0	0				
<b>TOTAL GENERATED INCOME</b>	<b>134,757</b>	<b>127,979</b>	<b>64,220</b>	<b>87,000</b>	<b>102,500</b>	<b>102,500</b>	<b>122,500</b>	<b>111,775</b>	<b>111,775</b>	<b>131,775</b>	
Arts Council Grant Income	70,500	92,090	0								
Other Grant Aid	5,446	12,709	0				0				
Other grants & sponsorship					3,000	0	3,000	6,000	0	6,000	
<b>TOTAL GRANTS</b>	<b>75,946</b>	<b>104,799</b>	<b>0</b>	<b>0</b>	<b>3,000</b>	<b>0</b>	<b>3,000</b>	<b>5,000</b>	<b>0</b>	<b>6,000</b>	
							0				
<b>TOTAL INCOME</b>	<b>210,703</b>	<b>232,778</b>	<b>64,220</b>	<b>87,000</b>	<b>105,500</b>	<b>102,500</b>	<b>125,500</b>	<b>116,775</b>	<b>111,775</b>	<b>137,775</b>	
<b>NET EXPENDITURE</b>	<b>-160,865</b>	<b>-157,739</b>	<b>-53,180</b>	<b>-52,842</b>	<b>-40,642</b>	<b>-44,918</b>	<b>-20,642</b>	<b>-37,270</b>	<b>-42,955</b>	<b>-16,270</b>	

<b>SUMMARY</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2011/12</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2012/13</b>	<b>2012/13</b>		
	Actual	Actual	Projected	SBC	Trust	SBC	Trust B	Trust	SBC	Trust B		
<b>EXPENDITURE</b>												
Staffing Costs	181,202	168,592	26,760	61,571	60,265	65,544	60,265	63,515	69,079	63,515		
Premises	32,121	71,196	68,080	63,388	59,979	66,476	0	62,973	69,715	62,973		
Supplies and Services	158,245	150,729	22,560	14,883	18,398	15,398	0	19,056	15,936	19,056		
Contingency	0	0	0	0	7,500	0	7,500	8,500	0	8,500		
<b>Total Expenditure</b>	<b>371,568</b>	<b>390,517</b>	<b>117,400</b>	<b>139,842</b>	<b>146,142</b>	<b>147,418</b>	<b>67,765</b>	<b>154,045</b>	<b>154,730</b>	<b>154,045</b>		
<b>INCOME</b>												
Theatre Box Office	70,678	52,099	0	0	0		7,280					
Other inc Bar & Catering	15,980	12,434	1,030	7,500	10,000	10,000	10,000	11,000	11,000	11,000		
Lettings	30,266	22,360	11,290	28,000	35,000	35,000	0	40,000	40,000	40,000		
Rentals	17,833	27,496	36,000	36,000	37,800	37,800	37,800	39,690	39,690	39,690		
Rentals - Additional	0	0	6,400	14,000	17,700	17,700	37,700	18,585	18,585	38,585		
Technical Hires	0	3,590	0	1,500	2,000	2,000	2,000	2,500	2,500	2,500		
Contribution	0	10,000	9,500	0	0	0	0	0	0	0		
Grants	75,946	104,799	0	0	3,000	0	3,000	5,000	0	6,000		
<b>Total Income</b>	<b>210,703</b>	<b>232,778</b>	<b>64,220</b>	<b>87,000</b>	<b>105,500</b>	<b>102,500</b>	<b>98,970</b>	<b>116,775</b>	<b>111,775</b>	<b>137,775</b>		
<b>Net Expenditure</b>	<b>-160,865</b>	<b>-157,739</b>	<b>-53,180</b>	<b>-52,842</b>	<b>-40,642</b>	<b>-44,918</b>	<b>-20,642</b>	<b>-37,270</b>	<b>-42,955</b>	<b>-16,270</b>		

**Appendix V Firestation Windsor Room Hire Charges 2009***\*All rates quoted per hour***The Basement Studio**

Sun - Weds		Thurs - Sat	
Day	Night	Day	Night
£20	£25	£25	£40

**The Auditorium**

Sun - Weds		Thurs - Sat	
Day	Night	Day	Night
£30	£40	£30	£75

**The IT Studio**

Sun - Weds		Thurs - Sat	
Day	Night	Day	Night
£20	£25	£20	£40

*Change over from day to night rate at 18.00**All rates quoted ex VAT*

## Appendix VI

### Web Survey Respondents

Wed, Oct 21, 2009 11:13 PM

Slough West Indian Peoples Enterprise

Making Music

Muddy Icon

Davy and Kristin McGuire

Slough Creative and Media Diploma Consortium

Steve Hart PhotoGraphic Ltd

Connexions Berkshire

Popstars Academy

Creative Junction

Mon, Oct 12, 2009 9:51 AM

SKEELS

West Wing Repertory Company

Slough Creative & Media Diploma Course

Resource Productions Ltd

Slough Young People's Centre

Love&Madness

Gloria Garcia