

Arts Hub & Maker Space

Timetable	
Meeting	Date
PAC	5 March 2024
Cabinet	19 March 2024

Will this be a Key Decision?	No
Urgency	Not Applicable
Final Decision-Maker	Cabinet
Lead Head of Service	Angela Woodhouse, Director of Strategy, Insight and Governance
Lead Officer and Report Author	Ann-Marie Langley, Arts & Culture Officer
Classification	<p>Public report with an exempt appendix.</p> <p>The information within Appendix 5 is considered exempt under the following paragraph of Part 1 of Schedule 12A to the Local Government Act 1972 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).</p> <p>Public interest test:</p> <p><i>To ensure the council achieves value for money for the benefit of council tax payers the information in appendix 5 should be excluded from the public report and treated as confidential.</i></p>
Wards affected	High Street

Executive Summary

In 2021 a Community Arts Hub & Creative Maker Space was included in the Local Investment Plan for UKSPF. As a first stage a feasibility study was commissioned this year to look at options for that space (Appendix 1). Following the study a number of potential options for such a space have been considered. This report sets out the options for consideration by the CLA PAC before being passed to the Cabinet.

Purpose of Report

Recommendation to Cabinet

This report makes the following recommendation to the Cabinet:

1. To approve the creation and trial of a Creative Maker Space and Arts Hub in Granada House in 2024/25 to run for a three year trial period.

Arts Hub & Maker Space

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Setting up and supporting an Arts Hub and creative maker space in the Town Centre will materially improve the Council's ability to achieve its priorities for a Thriving Place.</p>	Director of Strategy, Insight & Governance
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report recommendations could support a number of cross cutting objectives through providing support to the creative sector in Maidstone.</p>	Director of Strategy, Insight & Governance
Risk Management	There will be risk associated with creating an arts hub and maker space as this will be a trial for the council. See section 5	Director of Strategy, Insight & Governance
Financial	<p>Funding of £45,000 has been identified in the Local Investment Plan.</p> <p>We may also be able to secure grant funding from Arts Council England, and possibly the National Lottery Heritage Fund (if we were to look at an historic building)</p> <p>S106 / CIL funding may also be available.</p>	Mark Green, Section 151 Officer & Finance Team

Staffing	Depending on the size and scale additional staffing may be needed, a smaller scale venture in a council owned building would decrease this.	Director of Strategy, Insight & Governance
Legal	MBC has the power to create an arts hub in the town centre. Funding for the project will need to be finalised before any formal contracts are entered into.	Team Leader Contracts and Commissioning, MKLS 26 February 2024
Information Governance	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council Processes.	Lauren McNicol, Information Governance Team
Equalities	We recognise the recommendations may have varying impacts on different communities within Maidstone. Therefore an EQIA will be completed once an option has been identified	Orla Sweeney, Policy & Information Officer
Public Health	We recognise that the recommendations will have a positive impact on population health or that of individuals.	Shafiqullah Hemat Public Health Officer
Crime and Disorder	There are no implications to Crime and Disorder	Director of Strategy, Insight & Governance
Procurement	On accepting the recommendations, the Council will then follow procurement exercises for [listed parts of the action]. We will complete those exercises in line with financial procedure rules	Mark Green, Head of Service & Section 151 Officer
Biodiversity and Climate Change	There are no direct implications on biodiversity and climate change related to this report. In keeping with the Council's biodiversity and climate change action plan, general provision for reducing waste, single use plastic, and provision of recycling, and purchasing local products and services connected to the Community Arts Hub should be prioritised to reduce carbon emissions related to events.	James Wilderspin, Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

- 2.1 In June 2021 the Council created and submitted its local investment plan for UKSPF. A Community Arts Hub and Maker Space was included as a project with the following description:

Community Arts Hub & Maker Space

Utilise an empty unit/building in the town centre and repurpose to provide:

- Low cost exhibition space for local artists and creatives
- Space to deliver arts activities and workshops for the local community
- Retail area where creatives can hire a shelf/unit to sell their products
- Space for community arts groups to meet/rehearse (e.g. local choirs)
- 6 – 8 low-rent studios for use by local artists and creatives
- Mix of clean and messy studio spaces
- Informal meeting area(s) to facilitate networking and collaboration
- Potential to employ an 'artist in residence' to lead activities or to work with different artists/groups to deliver
- Focal point for arts in the town
- Base for town centre events and festivals

Artists and creatives can be offered discounted hire rates in exchange for giving some of their time to lead workshops and/or help manage the facility.

If the right premises can be identified there is potential to enhance the offer to include small-scale theatrical productions/music performances/open-mic sessions/comedy nights/poetry readings, etc. which could also contribute to the early evening and night-time economy.

- 2.2 In year 2 of the UK Shared Prosperity Fund, £5,000 was allocated for a feasibility study, this is attached at Appendix 1 for information.
- 2.3 The feasibility study identifies evidence of a need for creative maker space in Maidstone at page 16. This includes a recent survey carried out by Maidstone Arts Group amongst 100 creatives, with responses from 90 of them. 100% were supportive of a creative arts hub for the town
Main things they would like to see in the hub are: Artist's Studio Space, Music Studio Space, low cost exhibition/gallery space, live music area, café, workshop space

This reinforces earlier research from a gathering of over 50 creatives held in 2021 when the lack of venues, flexible spaces and a focal point for the arts were identified as key issues for the sector.

Further research has also been carried out by KCC on the needs of creatives across the county (Appendix 2):

- Venues and spaces – general maker spaces with opportunities to meet other creatives
- Financial support – grants to support core operation, acquire assets and upskill

- Practical support – shared tools, data and equipment, childcare, careers advice and training
- Business skills – fundraising, accounting and legal, PR and marketing
- Peer and networking opportunities

Recent work by We Made That as part of the Town Centre Strategy also reinforces this view.

2.4 Cushman and Wakefields market assessment completed for the purpose of the Town Centre Strategy identified the following:

"The Government definition of a Makerspace is "a physical location where people gather to co-create, share resources and knowledge, work on projects, network, and build"; it is in effect a flex space as described in the "Flexible Office Space" section of this report, with a focus on light industrial and manufacturing uses, which will typically include provision of workbenches, tools and other appropriate technology required by the industry specifically being targeted. Makerspaces are often operated/ funded by Councils and charitable funds due to the viability challenges associated with their low rent, high-turnover of occupants, which can make including them in a scheme challenging.

However, there are a number of potential benefits to such spaces being made available that may be to the long-term benefit of Maidstone Town Centre, in particular by providing an opportunity for businesses to access resource and support, enabling them to develop new products and services in a cost-effective manner. This can lead to reduced lead or manufacturing times, thus increasing their national and global edge and therefore capacity for growth. Furthermore, the presence of such space unlocks capacity to provide tutored workshops; these allow local residents of all ages to "upskill", ideally under the stewardship of larger businesses, increasing the local skill base and attracting new businesses to the area.

Manufacturing is a small part of the overall composition of industrial provision in Maidstone, with the majority of the space in the Borough being the c. 640k sqft Marley Plumbing & Drainage site. This indicates there is not currently a large manufacturing base in Maidstone; whilst this presents some issues delivering light industrial space in the town centre; there is unlikely to be a significant amount of demand for space in the town centre and viability will be a challenge as a result. In spite of this, the less commercial approach of makerspaces presents an opportunity – whilst such space is unlikely to contribute to a viable scheme, it could be a positive contributor in the town centre, by increasing footfall or occupying commercial space that may otherwise be vacant such as off-pitch retail, for example."

2.5 Beyond the wider impact on communities and the benefits for the arts, consideration has also been given to the economic benefits of a creative maker space and arts hub in the town centre. Looking at the number of units and occupancy up to 40 jobs could be created. There is also synergy with other services and we are proposing that the business advisor support we have in our economic development function is made available to tenants of the hub.

3. AVAILABLE OPTIONS

- 3.1 **Unit 7 – 8 Granada House** is a potential option, being of reasonable size and already owned by the Council

We understand from the Property team that the current occupant is looking to relocate and the unit will soon be vacant. Assuming Pages Schoolwear move into Units 4 – 6 Granada House, then there are currently no other MBC-owned properties within the town centre of a suitable size for the Arts Hub. The only other option would be a commercial unit which would require significantly more financial commitment.

Officers have visited Granada House and we believe it has potential to offer a variety of uses which could help us establish where there is greatest need (e.g. studio space/exhibitions, retail, workshops, etc) and could also allow us to maximise opportunities for income-generation.

A proposed layout for the space is included at Appendix 3.

Costs

The Property team have provided some rough costings for carrying out the necessary refurbishments. These are included in Appendix 5.

We have put together a business case for the Arts Hub (Appendix 4) and some basic financials to indicate the likely costs and potential income for the project (see Appendix 5).

If projected income is achieved the project will only need additional funding up to year 3 with the largest cost in year 1 for fit out. There are business rates costs associated with the project and these have been included in the costs. Rent has not been included in the cost as this is a council owned property, however the opportunity cost of lost rent should be noted of £24,000p.a. and this is part of the Council's contribution to the project. Occupancy rates have been assumed of 50% in year 1, 75% in year 2 and 90% in year 3, there is a risk that these rates may not be achieved.

3.2 Managing the facility

There are two options for managing the day-to-day running of the Arts Hub.

Option One – MBC takes on direct responsibility

Employ one or two members of staff (part-time/job share)

Responsible for staffing during opening hours

Manage bookings for the meeting room(s), workshop space(s) and gallery

Provide a point of contact for the artists and creatives renting studio space and retail space

Encourage artists/creatives wanting to sell in the retail space to share responsibility for staffing it (e.g. reduction in rent for X hours worked per month)

Appoint an 'Artist in Residence' to deliver a programme of public engagement activities during the course of the trial period, offering regular weekly/monthly activities, and also assisting with other MBC arts/cultural events as necessary. This person could be one of the two job-share employees.

On this basis, we could run the Hub as an MBC initiative initially, working closely with partners to work towards the project being operated by a creative organisation in the future.

Option Two – open call to local creative/arts organisations

Go out to tender for a local arts organisation/charity to take on responsibility for running the facility

They would pay rent to MBC and operate the hub themselves

Reduced/no business rates if a charity or CIC

MBC could provide business support via the Business Terrace for the studios/maker spaces

3.3 Funding

£45,000 from UKSPF

*Up to £150,000 from s106

*These funds could be used to cover the refurbishment and fit-out of the unit.

We will need to apply to Arts Council England (ACE) for a grant to support the Hub for a trial period (ACE will usually fund projects that last up to 3 years). This will help to cover running costs, including salaries, as well as materials and equipment to deliver a programme of public engagement events/activities. If this is unsuccessful we will need to use alternative resource to support the hub for example the business rates pool.

Arts Council England (ACE) funding options

1. Project grant of up to £100,000. If we want to include any 'build' costs as part of this, we will need to contact ACE before submitting a full application.
2. Project grant of more than £100,001 – if the project doesn't relate to one of ACE's Strategic Strands then we must contact them first. The guidance states: "We want to make sure that a project of this size has the

potential impact that we would expect before you invest time in developing a full application. We will also think about where we have budget available. We will confirm in writing whether you can apply.”

3. Major Projects Strategic Strand - to be eligible for this, our application needs to:
 - Be for £100,001 or over. There is no maximum threshold for the fund.
 - Meet the ACE definition of a Major Project. A Major Project is defined as an ambitious, high-quality project that is likely to leave a legacy beyond its funded life.
 - Major Projects applications must be grounded in at least one Element of the Creative and Cultural Country Outcome of the ACE strategy. There are two Elements that might be relevant for our proposal:
 - Element Q: Giving more opportunities to people (especially those who are currently underrepresented) to start a professional career in the creative industries
 - Element R: Ensuring people (especially those who are currently underrepresented) have opportunities to sustain their careers and fulfil their potential in the creative industries.

4. Place Partnerships Strategic Strand – to be eligible for this, our application needs to:
 - Be for £100,001 or over. There is no maximum threshold for the fund.
 - Be for a strategic place-based intervention that is intended to make a long-term difference to the cultural or creative life of the local community;
 - Make a clear step change in provision in that place where a relevant partnership exists to deliver the project
 - Be informed by robust needs analysis and respond to relevant local strategies and
 - Be led by a consortium of partners who are relevant to delivering the project

To apply for either the Major Projects or Place Partnerships Strands, we would need to submit an Expression of Interest in the first instance. If approved, we could then proceed to a full application.

3.4 Approach to letting units

For units 1-4

Our policy will be these spaces are for 'start-up businesses' trading for less than 24 months prior to starting their tenancy.

Businesses can occupy an incubator unit for up to a maximum of two years, which has been split into 2x6 month licences, followed by a 12 month licence agreement.

Units 5-7 more market rates as established business.

Business Support:

1. Arts, Culture and Events Officer to contact ED with perspective tenant details to arrange a business advisory session.
 2. Start-up meets Economic Development's External Business advisor to run through their business idea and business plan.
 1. Business advisor to advise MBC that the business start-up is as financially viable as can be checked as a start-up, the business idea is viable and is able to take on the liability of a licence agreement.
 2. MBC agrees licence.
 3. As the business grows, they can go back to the Business Advisor for additional support and guidance.
 4. The business would automatically be invited to join Economic Developments business database for invites to future business networking events, available grants and business support workshops.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

Preferred option would be to trial the Arts Hub & Creative Maker Space in Granada House. In terms of operation of the hub, we only have £45,000 for 24/25 from UKSPF and this will not cover the operating model or the costs of refurbishment so we will need to apply for grant funding or use other resources, for example up to £150,000 from s106 – could be made available towards refurbishment and fit-out as capital spend leaving the UKSPF money to fund service costs, business rates and staffing. See 3.3 above for potential sources of funding.

5. RISK

- 5.1 As identified in the Cushman and Wakefield Report: "Makerspaces are often operated/ funded by Councils and charitable funds due to the viability challenges associated with their low rent, high-turnover of occupants, which can make including them in a scheme challenging."
- 5.2 The proposal would be to launch the initiative in 2024/25, to operate for a 3 year trial with the first full financial year in 2025/26 to see if it could be viable for Maidstone. The Cabinet Member will be fully briefed and regularly updated on project progress, a six monthly reporting cycle is planned for transparency. The proposed exit strategy is to move towards a Community Interest Company to take over the project if viable.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The creation of an Arts Hub & Creative Maker Space was agreed as part of the Local Investment Plan in 2021, involving anchor institutions in the plan making process as well as Policy Advisory Committees and the Cabinet.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The Communities, Leisure and Arts Policy Advisory Committee considered the matter on 5 March 2024, and recommended that the Cabinet approve the report recommendation.

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Feasibility Study
- Appendix 2: Needs of the Kent Creative Sector
- Appendix 3: Proposed layout for Units 7 - 8
- Appendix 4: Business Case
- Exempt Appendix 5: Financials

9. BACKGROUND PAPERS

Local Investment Plan for UKSPF