

COMMUNITY INFRASTRUCTURE LEVY NEIGHBOURHOOD FUND

Globe Studios Limited
(ref.18558)

Amount requested: £198,633

Amount recommended: £ 198,633

Purpose of grant request: Developing a creative studio and architecture/design library. The studio will feature a regular weekly schedule of public, private and corporate classes hosted by professional makers.

Type of cost: Mixture of revenue & capital

Ward(s) benefitting: *Portsoken*

The Applicant

Globe Studios Limited is a private limited company with the company number 10225028 that trades under the name of 'Benk + Bo'. The applicant has four full-time staff and three part-time staff.

Benk + Bo provides an accessible, creative and community orientated space located on Gravel Lane in the Portsoken Ward. The applicant occupies three floors of a commercial unit on the estate. The ground floor is home to a public cafe and lounge area, from which they provide culinary workshops for the public. The lower ground floor is a free-to-use open workspace which becomes an event space during evenings and weekends. The first floor is currently home to a piano room, a meeting room and a yoga/fitness studio.

The applicant seeks to support culture and the arts within the City and in turn to change perceptions about the area and all that it offers. It is a popular space with London's creative enthusiasts, artists, makers and thinkers: providing engaging classes, activities and events. Encompassing a range of different projects from food to furniture, book clubs to talks and events: Benk + Bo promotes the building of communities, skills and sustainable choices.

Background and detail of proposal

Benk + Bo is seeking £198,633 over two years to convert the first floor of the premises they currently occupy on Gravel Lane into a craft studio space and to run a programme of creative classes that will be accessible to the public.

This will involve amending the existing space and adding work benches, storage, various tools and equipment to facilitate a range of small-scale craft activities. The applicant is seeking support from the CILNF for the upfront costs of making alterations to the space (£20,000), craft equipment (£35,000) a proportion of rent for the first floor space (£42,733 over two years), the salary for a Craft Studio & Community Coordinator role (£50,000 over two years) and various other costs related to delivery of the project.

The applicant has provided a supplementary document to this application which demonstrates extensive planning and market research to evidence the viability and appetite for this proposal. The proposed activities fall within the Craft Sector and tap into what is known as 'The Experience Economy'. The Craft Council 'Market For Craft Report' shows craft sales in the UK between 2006 and 2019 increased from £883m to £3b - an increase of around 240%. Benk + Bo seek to tap into this growing market by offering physical space and facilitated classes to the community of the Square Mile and beyond.

Benk + Bo has a history of strong community engagement with residents in the ward of Portsoken, where they are based. Residents of the Middlesex Estate on Gravel Lane regularly use Benk + Bo's facilities and during the pandemic, the provision of free-to-use workspace proved to be popular with the local community.

The applicant has also demonstrated an ability to attract a diverse community of creatives from across London to the workshops and events that it hosted pre-pandemic. This project will help the applicant grow its offering and drive footfall back into the Square Mile through the renewed and expanded provision of workshops and events. This work has the support of the Aldgate Business Improvement District and the applicant has been put forward as a potential lead for a number of workstreams in the Culture & Commerce Taskforce that is Chaired by the Lord Mayor.

An important aspect of this application is the intention to provide an architecture and design library on the premises. Whilst many libraries will have resources available on architecture and design as part of their wider offering, the only dedicated resource for this subject in London is the library at the Royal Institute of British Architects. The applicant has secured the support of the Barbican Centre and other stakeholders in the field of architecture and design, who will provide the materials to fill this library, should this application prove to be successful.

The applicant expects around 700 people per year to benefit: a realistic (and perhaps somewhat conservative) figure, given that Benk + Bo was seeing over a thousand people attend workshops, events and classes that were being hosted pre-pandemic. The applicant has a history of working with and listening to the communities that access its space: the content of this proposal and the planned workshops have all been informed by extensive research conducted by the applicant with over 100 stakeholders.

The initial range of creative classes on offer will include options such as woodwork; sewing and textiles; jewellery making; life drawing; sculpture; book binding; writing and cooking. The common thread throughout these classes will be a focus on sustainability and care for the environment: a core ethos at Benk + Bo.

The facilities which the CILNF is being asked to fund have the potential to become a key part of the culture landscape for both the City and Greater London. The applicant has a track record of delivering high quality workshops that have attracted interest from the Square Mile and beyond. Whilst they have been badly affected by the pandemic, the organisation has proven to be resilient and quickly moved to reduce its expenditure this year to ensure a viable long-term future.

Financial Information

Globe Studios Limited is a private limited company (company number 10225028). The applicant also has a dormant Community Interest Company (CIC) and are considering whether they transition to a CIC structure for the long-term. Globe Studios previously operated as two separate entities: 'Globe Studios Limited' (looking after the workshop space) and 'Benk + Bo Bakery' (looking after the bakery and kitchen activities). Since early 2020, all activity for both companies has been transferred to 'Globe Studios Limited' and the forecast and budget figures below reflect this revised structure.

The applicant was first incorporated in 2016 and began trading in the latter half of 2018. The applicant had two years of gradual growth prior to the pandemic. The business strategy and operations of Benk + Bo were overhauled at the start of 2020 when a new Financial Director joined the team to streamline staff costs and evaluate all administrative and overhead expenditure.

The end of year forecast for 2021 should very much be considered in the context of the pandemic: the impact of lockdown restrictions has been particularly painful for the applicant, given that its business model is predicated on the face-to-face provision of services in a fixed location with specific equipment. The applicant moved quickly to reduce its costs by taking advantage of the furlough scheme and other available grants to ensure that the business would survive and be able to return to normal trading when possible. The applicant expects to be able to resume normal trading in the last two quarters of 2021 and the budget for 2022 reflects this (the figure excludes any potential income from this grant, should it be approved).

Globe Studios Limited's accounts show a large net liability which is attributed to a significant sum of money injected into the business as a Director's Loan from one of the founders of the business. Given the steps that have been taken to reduce expenditure during the pandemic and the long-term plans which have seen the applicant shed the loss-making elements of its programming to make the business sustainable: the business remains viable as a going concern. If this grant were to be approved, with the exception of the capital costs, the rest of the financial risk to the CILNF can be managed through quarterly retrospective payments to the applicant.

Globe Studios Limited has several fixed costs such as rent for their premises and the salaries of a small staff team. Beyond that, their primary expenditure is on sessional teaching staff for classes, alongside the materials for those classes. Should the grant be approved, the applicant has the necessary financial understanding and procedures to manage the proper administration and reporting of the grant funds. The applicant has a long history of timely filing and compliance with the requirements of Companies House.

Year End 31/05	2020 Signed Accounts £	2021 Forecast £	2022 Budget £
Income & expenditure:			
Income	317,158	41,000	210,000
Expenditure	430,709	48,000	205,000
Total surplus/(deficit)	(113,551)	(7,000)	5,000
Reserves			
Share capital	100.0	100.0	100.0
Profit and loss account	-278,981	-285,981.0	-280,981.0

Recommendation

Benk + Bo is an important part of the City's cultural offering. If this application is successful, it will create a unique resource within the Square Mile. The community appetite for this work has been thoroughly researched by the applicant and the positive impact on the City's cultural offering is clear.

Whilst this will be the applicant's first grant of this size, with careful management on the part of both the applicant and the City of London, there is no undue cause for concern regarding this. The applicant has provided a strong monitoring and evaluation framework as part of their application and this provides confidence that the grant will be spent effectively and responsibly. The recommendation is for this application to be fully funded.

£198,633 over two years (£131,816; £66,817) to develop a creative studio and architecture/design library alongside a regular schedule of public, private and corporate creative classes.