

MEETING: 22/09/2016

Ref: 13349

ASSESSMENT CATEGORY - Making London More Inclusive

South London Fine Art Gallery and Library

Adv: Julia Mirkin

Amount requested: £100,000

Base: Southwark

Benefit: Southwark

Amount recommended: £100,000

The Charity

South London Fine Art Gallery and Library (SLG) was founded in 1890 by a Victorian philanthropist as a free public gallery and library for "the working people of south London". SLG is based between five neighbouring housing estates in Peckham and is within a one mile radius of 61 schools. In addition to the galleries, SLG screens films, hosts talks and has a book shop, café and garden. Annual attendance is 130,000 with an additional 8,000 people participating in education activities. The participation programme comprises family workshops, after school clubs for looked after children in Southwark, and community and youth groups. The gallery's 'Art Assassins' is a group for 14-21 year olds, who meet regularly to collaborate with artists, designers, filmmakers and curators on projects. SLG hosts three residencies per year with professional artists and a further one with a recent graduate. The permanent collection includes over 6,000 works, comprising 20th-century and modern prints, watercolours, drawings, lithographs, ceramics and textiles; it includes eminent artists such as Gilbert & George, Anselm Kiefer, Tracey Emin, Sarah Lucas and Keith Tyson. Gallery staff offer free daily tours of the current shows at 1pm and there is late closing on Wednesdays and on the last Friday of every month. All exhibitions and education activities offered by SLG are offered free of charge.

The Application

SLG requests funding for access works to its newly acquired building, the Grade II former Peckham Road Fire Station, approximately 100 metres from the existing site, and unexpectedly donated by an anonymous philanthropist.

The Recommendation

The current SLG site, which has been made accessible with your support, is overcrowded as audience targets have been exceeded. The organisation, therefore, has demonstrated its ability to work with local people and develop new audiences, underpinning its support from Arts Council England. SLG has also demonstrated its ability to raise funds for and deliver large-scale capital projects.

The commitment to raising the £1.56m fund to support programming and running costs for the first five years of operations at the Fire Station, shows SLG adopting a realistic approach to managing the new expanded site and associated programme, which minimises the risks of the project in the longer-term.

£100,000 towards access works, including installation of a platform lift and contributing to the costs of accessible toilets and power-assisted doors.

Funding History

Meeting Date	Decision
06/09/2007	£100,000 towards the cost of disabled access facilities in the new extension to the South London Gallery.
29/01/2004	£90,000 towards the cost of disabled access provision at the South London Gallery, subject to signed audited accounts for 2002/2003.

Background and detail of proposal

The former Peckham Road Fire Station, built by Edward Cresy Junior – student of George Smith of Mercers' Hall - is London's earliest surviving purpose-built fire station and was in operation between 1867 and 1925. The building is listed, which means it is considered to be of special architectural or historic interest; it is also, however, on the Heritage at Risk Register, a listing of buildings at risk and in need of safeguarding for the future. By incorporating the fire station into SLG – a public institution - the trend towards privatisation that comes with rapid gentrification in London is being managed with greater consideration of the interests of local people.

Over-crowding at weekends, fully-booked events and the inability to meet demand from schools, community groups and arts partners, is partly attributed to the success of SLG's programmes and community engagement; it is also attributed to the increased profile following the gallery's expansion in 2010. A thorough analysis and due diligence exercise determined that the restored fire station would meet SLG's growing space needs, rendering the gift of the fire station as particularly timely. Having decided to accept the gift, SLG embarked on a £2.436m capital project to retain the building's historic features whilst converting it into an accessible and energy-efficient contemporary art space. In addition to the capital costs, SLG is committed to raising an additional £1.564m to establish a fund to support programming and running costs for the first five years of the fire station's operations. The total fundraising target, therefore, including capital costs of £2.436m (of which £229,510 is specifically for access works), and establishing a fund of £1.564m, is £4m. The Heritage Lottery Fund awarded a development grant of £254K for additional fundraising, project management and administrative support during the fundraising campaign; it also pledged £1.65m towards the total project cost of £4m, subject to SLG raising £1.564m match-funding by November 2016. As of 17.08.16, SLG has secured £1,269,000 towards its match-funding target, leaving a shortfall of £291,411 to be raised by November to release the HLF grant. Pending applications, including this application, total £285K; SLG aims to raise a further £10K in income from donations.

The new space will double SLG's floor space and allow it to reach a total of 260,000 visitors annually (85% London based) and double the number of disabled people visiting the gallery. Spaces specifically for community use will host SLG's disability arts programme and a traineeship scheme to target young people from under-represented groups to careers in the arts. An archive about the fire station's history will be located in the new gallery and a volunteer scheme, specifically designed to engage volunteers in the management of the archive, will be initiated. The expanded programme will allow SLG to explore new funding sources and the increased profile will attract new potential donors, helping to secure SLG's long-term sustainability.

Building work is scheduled to commence in November 2016 and the project is due for completion by April 2018, with the planned opening scheduled for June 2018.

Financial Information

Of the £2,757,792 Forecast income in 2016/17, £1,718,820 (62%) had been confirmed by 17 August 2016.

In terms of the Fire Station project (part capital and part revenue), as at 17 August 2016, only £295k (including this application) of a total of £1.56million needs to be secured as matched funding for the HLF to release their contribution of £1.65million.

Funding applications to secure the balance are pending with Wolfson Foundation, Clore Duffield, Fidelity and the Foyle Foundation. On completion of the capital element of the Fire Station project, the charity will be able to draw on project funds of £800k raised for revenue purposes. The charity considers there is potential to invest monies raised for the revenue funding phase to extend the lifespan of supporting and developing the related activities beyond the planned 5 years.

The charity's reserves policy target is to achieve 3 months of 'unrestricted running costs'. At £200,000 this equates to between 1 and 1.5 months of total expenditure over the 3 years which is comparatively low. However, the charity has advised that it has been able to maintain positive free reserves at a level of over £45,000 since at least 2010, they have successfully delivered another significant capital project in that time, their existing operations can continue without interruption, Arts Council core funding is confirmed until at least 2018 and expected to be renewed and that they have ongoing support from other bodies including Southwark Council.

Whilst the charity considers that it has sufficient free reserves to maintain its operations, it does have a property which could realise a surplus of £200,000 should it need to be sold to support its activities.

The cost of generating funds reduces in 2016/17, due to fundraising for the Fire Station project winding down, towards a level that the charity considers a more normal level. The reduction is also partly attributed to the charity seeking more income from the expanded charitable activities to be undertaken.

Year end at 31 March	14/15 Audited Accounts	15/2016 draft accounts	2016/2017 Forecast
Income	1,344,106	2,100,167*	2,757,792*
Expenditure	1,605,989	1,534,484	2,398,299**
Unrestricted Funds Surplus / (Deficit)	(110,730)	(34,578)	(43,400)***
Restricted Funds Surplus / (Deficit)	(151,153)	600,261	402,893
Total Surplus / (Deficit)	(261,883)	565,683	359,493
Surplus / (Deficit) as a % of turnover	(19.48%)	26.94%	13.03%
Cost of Generating Funds (% of income)	252,723 (18.8%)	187,040 (8.9%)	165,000 (6%)
Unres free reserves at Yr End	51,827	75,229	75,229***
Months' worth of expenditure	0.38	0.59	0.38
Reserves Policy target	£200,000	£200,000	£200,000
Months' worth of expenditure	1.5	1.6	1.0
Free reserves over/(under) target	(148,173)	(124,771)	(124,771)

* 2016/17 includes funding towards the Fire Station project of £1.1m (2015/16 £723k) and for other capital projects £195k (2015/16 £128k)

** 2016/17 includes Fire Station capital costs of £703k (2015/16 £186k) and other capital project costs of £235k (2015/16 £126k).

***Unrestricted deficit matched fully by utilisation of designated funds available. Designated funds remaining at 31 March 2016 are predicted to be £43,400.