

This report will be made public on 20 March 2018

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report number: **C/17/84**

To: Cabinet
Date: 28th March 2018
Status: Non-executive Decision
Head of Service: Katharine Harvey, Head of Economic Development
Cabinet Member: Councillor Jennifer Hollingsbee, Cabinet Member for Communities

Subject: Future funding for The Quarterhouse

Summary: This report presents the case for the continuation of funding for The Quarterhouse (QH) in Folkestone, following the end of the five year funding agreement on 31 March 2018 whereby SDC provided £25,000 per annum.

.Recommendations:

1. To receive and note the report.
2. To agree to provide funding for The Quarterhouse at the existing level of £25,000 per annum for a further 3 years followed by a review - option 1 set out in paragraph 4.2 below.

Reason for Recommendation:

The Quarterhouse provides an important cultural contribution to the District and in particular contributes positively to the economy of the Folkestone area through attracting visitors to the town through the many events and activities it runs. The Creative Foundation (CF), which runs The Quarterhouse (QH), has secured £400,000 of funding per annum for 4 years from the Arts Council, which is predicated on SDC and KCC continuing to provide funds at a similar level to previously.

1. Background

1.1 The Quarterhouse is located in the heart of the Creative Quarter in Folkestone Old Town. It is the key performing arts venue for the District and has been a very important element in the Creative Foundation's strategy to help regenerate the deprived wards of Folkestone through culture, education and improvements to the built environment. The background to the inception of this facility was reported to Cabinet on 14th January 2009 (Report C/08/74).

1.2 In 2013, the council entered into an agreement with the Creative Foundation (CF) to provide an annual grant of £25,000 for 5 years. This funding agreement ends on 31st March 2018. This report sets out the case for SDC to continue funding this important performing arts venue in Folkestone.

1.3 SDC has held regular meetings to monitor the 2013 Grant Agreement (GA) with the QH to review the KPIs and the achievement of their ambitions. Key aims included:

- To work closely with Kent County Council, SDC and Arts Council England;
- To embed the QH at the heart of the community with a family and young people's programme and an engagement and arts programme;
- To build partnerships with local organisations including educational establishments, other arts organisations etc to deliver quality programmes accessible to all;
- To set out an ambitious and excellent arts an ambitious and excellent arts programme for the future both within the theatre and out in the wider local area;
- Creatively engage the people of Folkestone.

1.4 Within these aims a list of KPIs have been developed which include: number of people engaged with; number of art events carried out; creatively transforming the look of Folkestone; creatively changing the economy of Folkestone; and changing the reputation of Folkestone as a creative town. The CF publish very detailed reports on activities carried out and below is an extract from their 2016 report:

Extract from 2016 report by the Creative Foundation on the Quarterhouse:

The Creative Foundation has also developed good working relationships with education partners over the year, including Kent universities, particularly the University of the Creative Arts and Canterbury Christ Church University (CCCU). For example, CCCU has become the Creative Partner of the Folkestone Book Festival, actively participating to inspire new thinking and encourage writing.

The Foundation also has forged links with East Kent College's media faculty based in Folkestone. Work experience placements have been negotiated for students with artist tenants in the Creative Quarter. We also anticipate engaging students in film making projects.

Quarterhouse has a sound relationship with the 42 Shepway primary schools, which culminates in the schools' events at the Folkestone Book Festival each year. Every primary-aged pupil in Shepway will have had an opportunity to come to Quarterhouse during their time at primary school.

Occasionally we have partnered a programmed artist to engage with schools while they are in Folkestone. For example, in 2014 Bryony Kimmings brought the Catherine Bennett Show to Quarterhouse and also delivered free assemblies in five local primary schools.

An Arts Council grant enabled the 6 Shepway secondary schools to take part in a year-long outreach project led by award-winning theatre collective The Paper Birds. The resulting production 'Another Brick in the Wall' was devised and performed by a company of students at Folkestone Quarterhouse.

The young company that was formed as part of the Six Schools Project will be basis for a young people's theatre group. Priority will be given to creating an ongoing, out of school offer reflecting the artistically ambitious and contemporary nature of the programme. It will also encompass music, circus, technical and production activities.

The Creative Foundation supports the delivery of the Arts Award in schools, working directly with them to create tailored support for school arts and enrichment programmes.

Quarterhouse has many delivery partners who bring different skills and experiences to the venue. For example, the Creative Foundation is partnering Strange Cargo in an arts leadership and mentoring project, funded through the Kent County Council Inspire programme.

The Creative Foundation works with the artist infrastructure in the town, in particular with the Folkestone Fringe, which has grown out of previous Triennials. The Fringe has partnered the Foundation as co-producers of festivals. The WOW festival, for example, was co-curated by poet Leah Thorn and Folkestone Fringe, and festivals are delivered in partnership with co-producing organisations such as Living Words, Transport Theatre, Fevered Sleep and others.

Community partners are important too. The festivals are crucially shaped by local people, who work together in a series of 'think-ins' to establish the variety of events and the organisations we work with to deliver the programme. They include many local individuals (not all artists) and a few local organisations such as Folkestone and District MIND, Folkestone Migrant Support Group and Folkestone Soroptimists.

- 1.5 As a result of the relationship with Shepway District Council, and the funding that has been provided, the Quarterhouse, makes available their premises for 4 'free use days' annually for the council to use at its own discretion, either for council or other community purposes.

2. Importance of The Quarterhouse to Folkestone

- 2.1 The Quarterhouse is an award-winning performance arts venue in the heart of Folkestone's Creative Quarter. Since 2009 it has hosted an impressive array of artists from the world of theatre, comedy, music, dance and performance.
- 2.2 It is also a venue with a dedicated film programme, family-friendly shows and workshops and it has supported local and regional talent and artistic work created by young people over the years.
- 2.3 As a valued local and national asset, the QH provides a community focused resource which has inputted positively to the regeneration of the town, not only as a result of having an iconic building in an area of deprivation, but also by engaging positively with the local community.
- 2.4 Activities are very varied covering festivals, comedy, dance, film, theatre etc. and In terms of input to the local economy one example is extracted from their 2016 monitoring report is extracted below:

Festival	Number of events	Number of attendees	Total revenue
Normal? Festival of the Brain	42	821	£17,810.65
SALT: Festival of sea & environment	50	396	Total to be confirmed
Women of the World	30	575	£3,537.33
Outlands	29	143	£784.67

3. Future funding for The Quarterhouse

3.1 The Creative Foundation has successfully gained NPO status (National Portfolio Organisation status) from the Arts Council for the first time. This will provide CF with £400,000 per annum for four years from the Arts Council (with a review after 3 years due to CSR).

3.2 NPO status offers the Quarterhouse a number of advantages, including:

- Receipt of regular funding which is committed for 3 or 4 years.
- Better advice and support from the Arts Council provided to NPOs.
- Having more influence with the Arts Council on strategic issues.
- An ability to apply for funding, such as for capital funds, limited only to NPOs.
- Not having to make hugely time consuming separate applications for a similar level of funding (i.e. previously received similar level of revenue funding which grant now covers).

3.3 A condition of the NPO application was that the funding would not be used to replace local authority funding and that it should be additional to it. In view of this the Creative Foundation indicated in its application that *'We [The Creative Foundation] will continue to receive Kent County Council and Shepway District Council funds for the programme which supports the NPO bid'*.

3.4 The Creative Foundation is therefore now seeking the continuation of this level of financial commitment from both Shepway District Council and Kent County Council.

3.5 KCC has confirmed that it is committed to continuing to provide £100,000 per annum financial support to the Quarterhouse for the next 4 years.

4. SDC Funding options and impact

4.1 The SDC Communities base budget for 2018/19 has capacity to accommodate £25,000 funding for the Quarterhouse, should Members agree to provide this.

4.2 It is proposed that Members consider the a following funding options

- Option 1 – Provide funding at the current level of £25k for 3 years from 1st April 2018 and then review in line with the Arts Council's review (after 3 years) of NPO status.
- Option 2 – Provide tapered funding for the next 3 years, of £25,000 in 2018/19; £20,000 in 2019/20 and £15,000 in 2020/21, and then review in line with the Arts Council's review (after 3 years) of NPO status.
- Option 3 – Not to provide any funding for the Quarterhouse

Table 1: Advantage and Disadvantages of Funding Options for The Quarterhouse

Options	Advantages	Disadvantages
1. £25k per annum for 3 years	<ul style="list-style-type: none"> • Funds from KCC and SDC are valued by the Arts Council and has assisted in gaining the additional Arts Council funding • Allows the QH to continue providing a valuable asset to the area, providing an attractive cultural offer. • Indicates that the council considers the QH as a valued asset worthy of financial support 	<ul style="list-style-type: none"> • This is a considerable financial commitment by SDC for the next 3 years, in a difficult funding regime
2. Tapered Funding over 3 years (reducing by £5k per year)	<ul style="list-style-type: none"> • Encourages the QH to seek other funding sources and to become more self – sufficient and less reliant on SDC funding • Reduces the SDC financial commitment 	<ul style="list-style-type: none"> • May jeopardise the Arts Council NPO status which was predicated on the continuation of a £25,000 per annum SDC grant • Financial gap may not be filled which could affect some activities from being undertaken and may impact on Arts Council Funding • May cause reputational damage to SDC if the Arts Council funding is consequently impacted
3. No funding	<ul style="list-style-type: none"> • Brings financial savings for SDC. • QH is forced to look at other options which may make it more sustainable in the long run 	<ul style="list-style-type: none"> • Places a valued local asset under threat. • Reputational damage locally from not supporting • Reputational damage with the Arts Council and potentially with KCC (if they have agreed to the £100k pa) • Provides a negative signal that the council does not value this asset • Adverse impact on business investment in the area • Reduces cultural offer from the CF and adverse impact on local community • Reduced opportunity to add value to cultural events

3.4 It is recommended that Members agree to option 1 above, as the advantages of this option far outweigh the disadvantages is evidence of the priority the council attaches to the economic growth of Folkestone.

3. IMPLICATIONS

3.1 Please give consideration to the following and provide information here (if relevant):

- **Legal (DK):** There are no legal implications arising directly out of this report. Legal Services will, upon instruction, advise on the terms of a grant funding agreement between the Council and the Creative Foundation.

- **Finance (CI):** Within the draft detailed budget for 2018/19 there is a £25k budget allocated within General Grants (FH18) for Quarterhouse grant. If the recommended option is agreed then £25k will need to remain in the base budget for 19/20 and 20/21.

4. CONTACT OFFICER AND BACKGROUND DOCUMENTS

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Appendix 1

Extract from 2013 SLA

The Grant is supplied subject to CF meeting the following criteria by the end of the second year of the Agreement and continuing to meet the criteria for the remaining years of the Term:

- To re-launch the Venue with CF taking the lead but supported by partners including Kent County Council, SDC and Arts Council England;
- To embed itself at the heart of the community with a family and young people's programme and an engagement and arts programme;
- To build partnerships with local organisations particularly educational establishments;
- Build partnerships with other arts organisations to deliver quality programmes accessible to all;
- To increase programming in the areas of current success;
- To set out an ambitious and excellent arts programme for the future both within the theatre and out in the wider local area;
- To develop a sustainable and increasing sized audience for the programming;
- To have an appropriate governance structure in place; and
- To build a team of qualified and committed staff including locally trained or recruited individuals.

An annual evaluation of overall performance and attendance figures for each event must be provided to the Supervising Officer as and when requested.

In addition CF will provide details of the work carried out and the standards achieved in meeting the following goals and key performance indicators ("KPIs") to the Supervising Officer on a twelve monthly basis:

The CF's KPIs are:

- Goal 1: Creatively engage the people of Folkestone.
 - KPI: number of people engaged with
 - KPI: Number of art events carried out
- Goal 2: Creatively transform the look of Folkestone.
 - KPI: Number of people visiting the OHS
- Goal 3: Creatively change the economy of Folkestone.
 - KPI: level of Creative Quarter building occupancy
- Goal 4: Change the reputation of Folkestone as a creative town.
 - KPI: Website hits for Creative Foundation
- Goal 5: Create a sustainable Creative Foundation
 - KPI: Staff satisfaction survey
 - KPI: Financial performance