



Options Analysis for Norden Farm Centre Trust

A joint commission for Royal
Borough of Windsor & Maidenhead
and Norden Farm Centre Trust

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1. Overview of the Brief

In December 2021 Norden Farm Centre Trust (NFCT) and the Royal Borough of Windsor and Maidenhead (RBWM) jointly commissioned Counterculture to explore options and make recommendations for the future operation of NFCT as a cultural venue.

Since the loss of regular core funding from Arts Council England (2012) RBWM has been the principal source of core funding, although the centre has also worked hard to reduce costs and increase commercial income and revenue from private grant making trusts. However, the Council no longer has the funds to support the venue at historic levels; in 2021 they reduced funding from £158,000 to £80,000 and currently plan to cut all funding to the arts. As such, they are keen to explore if NFCT can become self-sufficient and operate without core funding from them. There is a potential risk that the building will be lost as a cultural centre, and its outreach programmes that support council services for young people and the elderly will no longer be available to residents of the borough.

Counterculture was asked to identify a recommended model with rationale for future operation and:

- examine whether the current organisation is missing out on ways of generating income, commerciality, and becoming self sufficient
- following on from this, propose any ideas for income generation, commerciality, further cost savings, and greater self-sufficiency generally
- benchmark NFCT's income generation, commerciality, cost profile, self-sufficiency status, programme and core grant requirement to other art centres in Berkshire and nearby home counties, and countrywide

Outcomes

- Analysis of potential options for the future operation of Norden Farm Centre Trust as a cultural venue with zero subsidy from the council
- Analysis of potential cultural output at Norden Farm Centre Trust that complements the wider cultural offer in Berkshire
- Recommendations of preferred option/s for future operation of Norden Farm Centre Trust
- Worst case scenario - consideration of the impact and issues that the board and council may be need to consider should the centre need to close/ wind-down.

The work is being driven by a cabinet meeting at which budget cuts will be approved, this report is therefore largely based on desk-based research including a strategic

review undertaken by Trustees of Norden Farm Centre Trust (Appendix 1).
Consultants have also spoken to several key stakeholders detailed in Appendix 2.

Counterculture Partnership LLP is a multi-disciplinary practice that provides strategic and business planning, governance, financial, commercial income, fundraising, legal and related services for education, charitable and public sector organisations, with a specialism in the arts and heritage sector.

We provide ongoing governance advice to cultural bodies, umbrella organisations and public sites. We are also commissioned to complete one off specific reviews.

We regularly support clients with the production of business plans, internal operational manuals and policies, staff handbooks and guidance documents on charity structure and governance.

We are an approved consultant for Arts Council England, advising them on complex business issues affecting organisations they fund.

2. Executive Summary

The Royal Borough of Windsor and Maidenhead (RBWM) have entered into a period of public consultation regarding the draft budget proposals for 2022/23, agreed in November 2021 by the Council Cabinet. Facing severe financial constraints RBWM propose to cut all grant funding to the arts in the borough. Norden Farm Centre Trust (NFCT) is a charity that oversees a group of subsidiary companies, including Norden Farm Centre for the Arts. Located in the borough, they are the sole arts centre and community arts and outreach provider in Maidenhead and in receipt of Council subsidy since its inception in 2000.

The proposal to cut the core subsidy (currently £80,000 to Year End March 22) places the organisation at risk. It is clear RBWM want to ensure that NFCT continues to operate and have a healthy long-term future. They have jointly commissioned this independent report with NFCT to explore whether the organisation can be sustainable without this subsidy. NFCT plays a key role in delivering RBWM's corporate plan. Indeed, in consultation the council were very supportive of NFCT and, like many local authorities, acknowledge the role of arts and culture in place making and in supporting the local economy, community development and the health and wellbeing of their residents. However, RBWM are also clear that funding at previous levels is no longer possible, and that they plan to disinvest all cultural organisations in the

borough. RBWM would like to see NFCT reassess their model and seek opportunities to run more commercially, and without the need for subsidy.

Before the Covid pandemic NFCT operated as a much-loved arts centre and community hub, and since then they have worked tirelessly to remain financially viable. They continue to present a popular arts programme, foster long term relationships with organisations that hire workshop and event spaces, such as the Ministry of Defence (M.O.D) and deliver a highly regarded education programme which they fundraise for. The current business model is typical of small-scale arts venues across the UK, and in line with what one would expect to see. With a significant cut in support the organisation will need to be a different entity. There are of course a number of scenarios and routes that may be possible for NFCT to take, such as becoming a hires only venue staffed with volunteers, but the options analysis show this will not be a viable option.

The organisation is well governed by an expert Board, who delegate the day to day running of the organisation to a skilled CEO/Artistic Director and a team of staff and volunteers. However, as with many organisations, there are opportunities for future development, such as undertaking a cost benefit analysis to gain a better understanding of the profitability of all activities. That said, we are not suggesting that there are areas of major concern. NFCT has been benchmarked against four other arts centres and venues with a similar programme mix and model from across the UK, comparing income generation, commerciality, and core investment (Year End March 2020 to allow for 'normal' operation pre-pandemic). NFCT performs well in terms of income generation, particularly in earned income (ticket sales are particularly high at NFCT given they have the smallest combined auditorium capacity amongst these comparators).

During this period of consultation, we have interviewed stakeholders, reviewed available materials and drawn on our extensive professional experience of working in and with organisations across the arts and heritage sector. It is our view that the recommendations in this report relating to a cost benefit analysis and a review of programme mix will not fill the gap that the cut in subsidy will inevitably bring. We do not believe that the organisation is missing obvious routes to income generation or cost reduction, particularly at a time of changing audience behaviour (audiences slow to return to live performance), and fundraising from individuals, public sources and Trusts & Foundations becoming increasingly competitive. The organisation will need time to look at its resilience in the post Covid economy and test the market. Given the scale of its theatre and studio spaces (238 and 97 seats respectively), NFCT is unlikely to be attractive to a commercial provider – the limited potential ticket income would not be profitable as a purely commercial entity – and is in direct competition with the Baylis Theatre at Brayswick Leisure Centre.

The options listed, and the recommended option in this report, are based on Counterculture's independent experience of supporting cultural venues, the arts sector and local authorities as consultants, executives and trustees, and results from consultation with a NFCT and stakeholders, reviewing available documents and materials and a site visit to NFCT in January 2022.

2.1 Key Findings

Whilst the proposed disinvestment will bring inevitable cost savings to the Council, a 100 per cent cut to NFCT funding brings the following risks:

- NFCT could not operate as an arts centre and community hub - loss of charitable activity and main cultural offer for residents and businesses
- The potential loss of an important heritage asset and cultural offer for residents and visitors to Maidenhead
- Loss of community benefit and outreach
- Loss of a key partner that supports council services such as child services and adult social care
- The charity would need to spend reserves in order to operate, ultimately this will not make them a going concern

This report analyses different options and outcomes based on financial modelling that considers NFCT's last 'normal' operating year (Year End March 2020) and projections for Year End March 2022 and 2023 to factor in Covid recovery. We have considered the viability of income streams, cost of sales and fixed costs/ overheads on four scenarios:

- 100% RBWM cut with a 'hires only' operation
- 2020 RBWM funding levels with a review of operations and programme mix
- 25% reduction on 2020 funding level with review of operations and programme mix
- 80k RBWM grant, review of operations and programme mix and reduced activity.

NFCT is maximising its income strands in terms of its size and scale. There is no hidden additional activity that they can be doing, and its governance and financial reporting is strong. However, we recommend that the organisation undertakes a cost benefit analysis of all activities to understand what areas are the most profitable and review its financial management reporting and processes to improve efficiencies.

Analysis shows that NFCT cannot continue to operate as an arts centre, community hub and education and outreach provider if 'self-sufficient'. The best outcome for NFCT to remain sustainable, at least in the short to mid-term, is continued funding, along with an organisational review of activities and processes. This is by far the best option to set the organisation up for continued success.

The council plans to introduce a community lottery, popular with numerous local authorities across the UK, including neighbouring Reading and Basingstoke. Costs of administrating and governing community lotteries are high and they take some time to become established. With a capped prize of £25,000, a high proportion of the fund is spent on marketing e.g., 60% is available for charitable causes in Reading's lottery. Ethical and social responsibility issues aside, we would advise against aiming to replace a 100% cut to arts investment with a community lottery. This kind of initiative will work well alongside continued investment. It would also be worthwhile considering other options for additional support, such as Section 106 funding.

There would be a significant impact to the local arts ecology and cultural offer if NFCT ceased to exist as an arts centre and community hub. Moreover, NFCT supports the local independent sector and brings investment into the borough (£173,903 in fundraising through trusts and foundations Year to March 2020). If the council is forced to cut or reduce its arts budget, continued investment in an organisation that provides sector support and ensures the continued development of the creative and cultural industries in the borough, would be wise.

It is important to note that if NFCT is wound down as a charity, and the building mothballed, it is not a reversible decision. The costs of restarting a cultural and community hub in Maidenhead in years to come would be considerable.

3.

Current Position – Overview of Norden Farm Centre Trust

Norden Farm Centre Trust is an arts centre in the Royal Borough of Windsor and Maidenhead. After an extensive fundraising campaign, spearheaded by local residents with support from RBWM and the National Lottery, NFCT opened as an arts centre in 2000. Parts of the building are Grade II listed and include a purpose-built well-equipped 238 seat theatre, a studio theatre seating 97, café bar, offices and event spaces for hire. The building overall is well maintained, technically well-equipped and located in a residential setting. Although the location, away from Maidenhead Town Centre can be challenging due to limited public transport links, NFCT is an important cultural and community asset to the borough.

NFCT is a charity, governed by a Board of Trustees. Norden's mission (currently under review) is as follows:

- *Norden Farm offers a wide range of high-quality artistic events and participatory opportunities for the whole community and supports professional and community artists.*
- *We believe the arts have the power to change lives. We create opportunities for people to come together, in real time, and take part in transformative and life enhancing arts activities.*
- *We aim to reach the widest audience possible.*
- *We deliver a regular programme of classes and activities for children, young people and adults together with special projects for the community, that we fundraise for, working in and outside of our building.*
- *We aim to be as environmentally sustainable as possible.*

Before the Covid 19 pandemic NFCT operated as a much-loved community hub, providing a wide range of participatory classes and workshops, spaces for hire, theatre spaces for visiting and NFCT produced performances of drama, along with music and cinema, and a year-round outreach programme aimed at schools and marginalised groups in the borough.

Since March 2020 the organisation has pivoted many of its events online, enabling it to deliver classes and workshops and live stream some events, to a hybrid in-person and virtual audience. NFCT have been inventive and managed to maintain a presence in the local community throughout the pandemic, which demonstrates their determination to continue to support resident's well-being, health and belonging. They have tirelessly looked for ways to support their key priority groups, young people, vulnerable community groups and families at a time of increased

need – helping to combat barriers to participation, building skills and confidence. The work they do has an immeasurable impact on the communities that they serve.

The organisation has made huge efforts to cut costs and earn income to remain sustainable in the past twenty months. Initiatives include:

- Reduced venue opening from 7 days per week to 5
- Reduced staffing levels through redundancies and natural turnover
- Utilised Government emergency support – including Culture Recovery Funds and the Furlough Scheme
- Launched new fundraising initiatives
- Presented a programme of live and digital events
- Reduced community projects (e.g., no lantern parade this year)
- Expanded hires (M.O.D) etc

There's a perception that RBWM as a council overall, are at odds with NFCT regarding the role that arts and culture can play in developing community cohesion. It is not our role to suggest fault on either side, but it is clear that if RBWM and NFCT continue in partnership then the Service Level Agreement (SLA) will need to be reviewed. Currently NFCT reports monthly on KPI's as per the SLA. It is our recommendation that the relationship management of the SLA is reviewed to ensure that elected members have the appropriate level of information for RBWM's needs.

Arts organisations across the UK, like many other businesses, have been under immense strain since the start of the pandemic. With continued subsidy from RBWM, NFCT will continue to be a cultural and community hub that is enjoyed by residents and attractive to artists, participants and visitors for years to come. We have been impressed with NFCT's staff and the Board. They are highly skilled, committed and resourceful. However, there are opportunities for future development that we believe will help the organisation to be even more agile and robust and bring greater stability.

3.1 Artistic Policy

NFCT's artistic policy is to present a '*a wide ranging, ambitious and popular live programme...*'. The January-April 2022 schedule upholds that with a full programme of events. These include cover bands, folk and classical music, theatre, and film screenings including streaming of large-scale theatre and opera performances (e.g. NT Live, Royal Opera House Live) alongside popular and art house films and family

events (such as the Quest Family Fest), a festival that will run during the school half term holidays).

The programme is fully scheduled with events on most days that the centre is open (currently 5 days a week, reduced from 7 days pre pandemic), with the Executive team working hard to present 'something for everyone' and to generate income by keeping the building open. However, given current financial circumstances and the effects of Covid 19 on audience behaviour, this is becoming increasingly challenging. NFCT may benefit from reviewing the current programme and assessing what types of events are most attractive to audiences and show the highest return on investment (such as comedy) and consult with audiences to see what events bring the most social value (Ceilidh events and family Festivals and outdoor markets have been popular). It has been suggested that NFCT could increase ticket prices, particularly for the most sought-after events, and by not doing so it gave the impression that the organisation was being 'too charitable' and underselling itself. NFCT are usually restricted in how they can price popular shows, e.g., by the agent imposing pricing themselves. Nevertheless, it is recommended that NFCT review pricing as appropriate.

There is an argument that NFCT are trying to do too much with diminishing resources, and that now is the time to reprioritise.

It has been difficult to get a full sense of the organisations plans (artistic and operational) without a current Business Plan in place. The past two years have been particularly hard on the arts sector, and it can feel as if plans are obsolete with the need to be reviewed and revised constantly. Whilst that is understandable, there is merit in an organisation creating time to review its current position, refocusing resources for the short, mid and long term, even in the most difficult circumstances such as this. There's no doubt that an outline of a plan exists, and we understand that the Board and Executive discuss targets at monthly finance subcommittee meetings and at weekly team meetings, however best practice indicates that organisational plans should be written, costed and able to be shared and communicated easily with stakeholders.

Opportunities for future development:

- i. RBWM to support NFCT to jointly review communication between organisations, what, when and how this is to be done so that the Council feel better looped into plans and are aware of the value that NFCT bring.
- ii. RBWM to review how they work as a funder and how key relationships are managed. The relationship management of the SLA should be reviewed to ensure it is useful and appropriate.

- iii. The current SLA gives RBWM an opportunity to attend NFCT's Board. We would suggest that NFCT consider making this a more formal arrangement at Officer level to improve communication and partnership working.
- iv. Undertake a cost benefit analysis of all activity to understand where they are most profitable.
- v. Survey NFCT audiences to gain data on audience needs.
- vi. As the excellent Strategic Review (Dec 2021) has already suggested, NFCT should experiment with pricing, aiming for a modest ticket increase as appropriate
- vii. Update the Business Plan (to sit alongside the Strategic Review) to plot out the overall plan for the organisation for the next five years to ensure that all stakeholders understand where the organisation would like to be and that objectives are shared across the organisation.
- viii. Review communication with audiences and stakeholders. NFCT would benefit from clearer 'storytelling' and signposting long-term goals. A 'Theory of Change' framework could be useful model for the organisation and would help to demonstrate its impact and value.

3.2 Staffing

NFCT currently has 21– full time equivalent staff, reduced from 32 pre pandemic. The day to day running of the organisation is designated to the CEO/Artistic Director who leads a small leadership team along with core operational staff and approx. 160 loyal volunteers. Staff are experienced, hardworking and dedicated to NFCT's mission. Overall, the organisation appears to be managed well operationally, with staff taking on additional responsibilities due to redundancies made since March 2020. They have shown resilience in difficult circumstances.

Opportunities for future development:

- i. As highlighted in the Strategic Review, the CEO/Artistic Director is at capacity. Without administrative support there seems little to no opportunity for vital strategic and business planning to take place in the short to mid-term.

3.3 Business Model

The current business model is typical of small-scale arts venues across the UK, with income derived from grant funding (Arts Council England project grants, local authority funding, fundraising from individuals and Trusts and Foundations), income earned from private event hires and catering and income from charitable activities,

ticket income from performances and classes. NFCT had a turnover of £1.8m (year to March 2020) and £1.3m (year to March 22 – including Covid Recovery funding).

NFCT continued to operate throughout the Covid 19 pandemic, albeit with a revised programme, moving the majority of its activities online, and opening for in-person events as restrictions allowed. The centre reduced its operational staff through redundancies and natural shedding at the end of the Furlough Scheme and cut its opening hours to save costs (from 7 days to 5 days per week). The centre relies heavily on a range of loyal volunteers to take on essential operational and stewardship roles and has similarly seen these numbers reduce during the pandemic.

During the height of the pandemic NFCT benefited from local emergency funds and the Furlough Scheme. Whilst NFCT is not currently an Arts Council National Portfolio Organisation (NPO), in that it does not receive fixed term core funding, it has however been successful in securing regular project funding and has received two awards from the emergency Culture Recovery Funds (CRF) which ACE administered on behalf of the Department for Culture, Media and Sport (DCMS). NFCT have advised that they are currently exploring an application to ACE to be an NPO this year, in a joint application with The Curve in Slough.

RBWM has funded NFCT since its inception, and whilst the relationship between the parties has been cordial (particularly at Officer and CEO level), it is fair to say that RBWM have, over the years, become increasingly reluctant to continue funding the organisation. This is due in part to stretched Council finances, but also an expectation that NFCT can be run more commercially and without the need for this subsidy. The loss of RBWM funding has been a possibility for some time, with the organisation seeing a gradual cut in support, alongside inflationary cost increases since 2020.

RBWM support (£)	Year to
100,000	Mar 18
100,000	Mar 19
158,000	Mar 20
141,000	Mar 21
80,000	Mar 22
0	Proposal for Year to March 23

In 2021 RBWM confirmed that due to a change in priorities, and financial constraints, they will be reducing funding to zero from July in the same year. RBWM plans to disinvest all cultural organisations in the borough.

NFCT now finds itself in a challenging situation due to the prospect of a 100% cut in subsidy, and the options analysis shows that they are unlikely to be sustainable in the current form, without support from RBWM. As a result of this change in support, now seems the appropriate time for NFCT to make hard choices. How can they continue to serve the communities of Maidenhead and deliver the mission where there's the most need and remain financially viable in the current economic and societal climate. A full cost benefit analysis of all activities, along with a review of management systems and processes would benefit the organisation. It is highly unlikely that NFCT will be able to bridge the loss of RBWM subsidy through small internal changes alone.

Opportunities for future development:

- i. Undertake a cost benefit analysis of all activity to understand where they are most profitable.
- ii. Review management processes and reporting to improve efficiencies. Management accounts should show the profit and loss of all activities in one report.
- iii. Update the Business Plan (to sit alongside the Strategic Review) to plot out the overall plan for the organisation for the next five years to ensure that all stakeholders understand where the organisation would like to be and that objectives are shared across the organisation.
- iv. Board and Executive team to continue to review the Risk Register bimonthly, adding in timelines, actions and responsibilities.
- v. NFCT to explore how it can help RBWM deliver some of its services, there is potential for further development here.
- vi. RBWM to consider developing a Cultural Strategy for the borough, using culture as a tool to support the Corporate Plan (Promote health and wellbeing, and focus on reducing inequalities, across all areas and heritage).
- vii. Communication between RBWM and NFCT could be improved if NFCT created a Board role for a RBWM Officer, which is something for NFCT's Board to consider.

3.4 Fundraising

As with many small organisations NFCT do not have a professional fundraiser within the staff team. This responsibility falls to the CEO/Artistic Director and the Education team, who have some support from an external Fundraising Consultant. Fundraising best practice would suggest that it should be the responsibility of the whole organisation, led by the Board. There is an excellent Fundraising Strategy in

development, with plans to undertake an audit of activities which is to be encouraged.

Currently the organisation recovers partial costs in grant applications. Best practice suggests that the true costs of project delivery (operational costs and overheads) should be identified as part of the planning process. Not doing so will result in NFCT directly subsidising projects in a way that is unsustainable for the organisation in the long term.

NFCT are exploring plans to apply for Arts Council England NPO status in 2022, with a joint application with the Curve in Slough. We are not able to comment on this application as it is in early stages of development, and decisions will not be made until October 2022, with funding agreements starting in April 2023 (impact potentially too late for NFCT). However, we will flag that being an NPO creates additional administrative and management scrutiny, alongside the obvious benefits. ACE will want to see a fully thought-out Business Plan and other strategic plans if NFCT becomes an NPO. NFCT will need to consider how they will adapt to deliver the NPO agreement in partnership with the Curve, without putting undue pressure on its own operational structure. It is encouraging to see NFCT be inventive in terms of their partnership with the Curve. It is also important that NFCT continues to consider potential partnerships in the borough for other joint fundraising initiatives as appropriate.

NFCT have an impressive number of members and individual donors, and they should be applauded for maintaining this level of support.

Hires have been an important source of income to NFCT, with regular community and corporate hires bringing in a steady stream of income pre pandemic. Current regular hirers include the M.O.D, which has been a fruitful source of income. There are hopes that this will be a long-term relationship. NFCT have concerns about the short to mid-term market for hires and do not see opportunities for growth beyond current capacity.

NCTF were developing plans to expand hires income by undertaking a Capital project, creating more event space for community, corporate hire and co-working spaces and increasing the Courtyard Theatre capacity by 32 seats. The plans themselves seem to be modest in the general scheme of building projects in the sector (costs circa £1.6m). It is also worth noting that capital projects can have a tremendous impact on organisations – even for larger scale organisations with established relationships with major donors and well-resourced fundraising departments. We note that this plan is on hold, which seems wise until there is more certainty.

The Café Bar at NFCT, operated in-house through a subsidiary company, was profitable when fully operational pre the start of the Covid 19 pandemic. It is open throughout the day and evening offering a lunch and dinner menu. Whilst some interviewees felt that the food and drink offer was limited, it is in line with other organisations with a similar model, in terms of pricing and range of menu.

Opportunities for future development:

- i. CEO/Artistic Director's role and responsibilities should be reviewed to ensure there's clear capacity to lead the implementation of the Fundraising Strategy with the Board, and that other duties are shared appropriately to other staff or volunteers (or an admin role is created).
- ii. Board to consider organising a Fundraising sub-committee, bringing in external help and training for Board members as necessary.
- iii. Fundraising to include full cost recovery of all the operational costs and overhead costs needed to deliver the funded project.
- iv. Continued partnership working with other organisations across the borough could strengthen fundraising bids.
- v. Management account presentation to be reviewed. All income strands should be included in the monthly accounts so that all strands, including grant income and Trust & Foundation support is in one place.
- vi. Board and Executive team to continue to review the Risk Register bimonthly, adding in timelines, actions and responsibilities.

3.5 Marketing & Communications

Comms has a traditional feel at NFCT which reflects the core audience base. It is clear that the organisation has stripped the marketing budget back in order to save costs since the start of the pandemic, however it is important that the remaining budget is focused where it makes the most impact. Interviewees frequently referred to NFCT being a 'hidden' gem, and that their peers are often unaware of the activities that take place there.

The website is designed and managed by a volunteer (a cost saving of £30,000 to the organisation). The website is functional, but it would benefit from a refresh – and if time and budget allowed a full rebrand (potentially including name, logo etc) might be worth exploring. As the website is NFCT's 'shop window', the organisation will need to balance cost savings with the potential return on investment going forward.

Opportunities for future development:

- i. NFCT review communication with audiences and stakeholders. Would benefit from clearer 'storytelling' and signposting NFCT's long-term goals. A 'Theory of Change' model could be useful model for the organisation and help to demonstrate its impact and value.
- ii. Evaluate all strands of activities at NFCT. Review what evaluation tools are in place and whether they are giving NFCT the data it needs.
- iii. Website and rebrand of marketing assets as resources allow.

3.6 Education Programme

Executive and Board are clear as to the core mission and purpose of the charity -the delivery of the participation/outreach programme in schools and with community groups, and they put substantial effort into this area of their work. The majority of events and classes for adults and families take place at Norden Farm. The majority of educational programme and special projects take part in schools or elsewhere in Maidenhead.

There is pride in the organisation in what has been achieved over the years with few resources and the impact that this work makes on participants. NFCT's work here is valuable for health and well-being, building confidence, building skills, giving access to culture to those who are unlikely to do so. There is justified pride in the education programme, and it should be celebrated.

However, it could be argued that this strand of work also needs a review, so that the organisation can prioritise its resources. Interviewees have stressed the value and quality of the work that is delivered to their participants, often at no cost to their organisation. It is clear that some of the organisations that benefit from NFCT works can and would be willing to pay for some of these services. We would suggest that NFCT reviews current agreements and begins to charge for services where it is reasonable to do so.

Opportunities for future development:

- i. NFCT review communication around the education programme. Would benefit from clearer 'storytelling' and signposting NFCT's long-term goals. A 'Theory of Change' model could be useful model for the organisation and help to demonstrate its impact and value.
- ii. NFCT to consider whether education projects should be commissions – rather than the organisation taking on the responsibility of fundraising for this work.

- iii. NFCT should charge partner organisations that are able to pay for their services.
- iv. The operational and overhead costs of education work should be transparent in funding applications and in management papers, so that the impact on the organisation's resources are included and understood.

4. Current Position – Overview of the borough

The council and corporate plan

RBWM Council's corporate plan focuses on 'Thriving Communities and Inspiring Places' and identifies 3 key priorities:

- Housing opportunity
- Supporting infrastructure that connects businesses and neighbourhoods
- Tackling climate changes and improving the natural environment

Their approach to delivery outlines six themes:

- Empower and enable individuals, communities, and businesses to maximise their potential
- Shape service delivery around communities diverse needs and put customers at the heart of all they do
- Promote awareness of a sustainable and bio-diverse environment across all our decision making
- Invest in prevention, and intervene early to address problems before they escalate
- Make the most effective use of resources – delivering the best value for money
- Promote health and wellbeing, and focus on reducing inequalities, across all areas

NFCT plays a key role in delivering the corporate plan. Indeed, in consultation the council were very supportive of NFCT and, like many local authorities, acknowledge the role of arts and culture in place making and in supporting communities and the health and wellbeing of their residents.

NFCT (note these are pre Covid pandemic numbers);

- employs over 40 RBWM residents and engages an additional 20 local freelance artists and local suppliers who are resident in the Borough. It has a local market that supports SME's and has plans to develop as a hub to support the local creative and cultural industries.

- contributes to the wider profile of the Borough as being an attractive place to live and work; it is rated as 1st to 3rd top attraction in Maidenhead by Trip Advisor, winner of Best Theatre in Berkshire by Muddy Stilettos and Little Ankle Biters and referenced on most local estate agent's property listings (commercial and domestic), it has a national profile for its self-produced children's theatre shows and tours across the UK.
- plays a key role in positive place making for the town. The community projects it delivers outside the building enhance and promote community cohesion and magnify civic pride e.g., annual Lantern Parade, Summer Beach and Kite Festival that reach out and bring together groups across the community. Up and down the country, local authorities are investing in this kind of work to attract people back to town centres and support economic recovery from Covid.
- supports the community, including socially isolated older people, and reduces pressure on existing services such as care warden. Research from their flagship arts project, SocialArts (funded by the Rothschild Foundation) found that fewer medical visits were made to doctors and hospitals by participants in this project and that trips and falls were also reduced. The extensive volunteer programme at NFCT (currently 160 local people are involved) provides social connectivity, contributes to a caring community, and has a significant impact on the physical and mental well-being of participants. They are a key partner for Achieving for Children and Optalis, the third parties that deliver social care programmes for RBWM and support statutory services during the school holidays.
- It provides opportunities for local children and young people, working with 22 primary and 5 secondary schools in Maidenhead, paid for by the fundraising activities of NFCT.

Local arts ecology

NFCT is a key cultural stakeholder in RBWM and arguably the main cultural provider within Maidenhead. This is particularly significant given the limited public transport across the borough. In addition to an impressive range of amateur dance, drama and singing groups and community classes there are four other main cultural organisations:

Baylis Theatre, Braywick Leisure Centre, Maidenhead

Run by Braywick Leisure Centre, The Baylis Theatre is a large hall (600 seats). It programmes commercial hires, pantomimes and roller discos and has a large, tiered

spectator seating area. It does not have the acoustics or technical/ backstage infrastructure offered by NFCT and has no community outreach programmes. It presents competition for NFCT in terms of commercial hires, particularly if NFCT were to become a hires only venue.

The Old Court, Windsor

The Old Court is an arts centre and community interest centre in an enviable town centre location with an event programme that features a mix of live music, drama, comedy, and film and a popular bar it has a range of creative classes. Unlike NFCT the Old Court do not produce their own work, or deliver an education programme, and it delivers fewer live events per week. The Old Court is the only other organisation that receives grant funding from the council.

Theatre Royal, Windsor

A more traditional producing theatre near Windsor Castle, producing and presenting a core programme of drama and theatre for all residents and visitors to Windsor.

Windsor Contemporary Art Fair

Launched in 2005 Windsor Contemporary art fair is an annual one-off event based at Windsor race course and brings a wide range of contemporary visual art from across the UK and Europe to Windsor.

There would be a significant impact to the local arts ecology and cultural offer if NFCT ceased to exist as an arts centre and community hub. Moreover, NFCT supports the local independent sector and brings investment into the borough (£173,903 in fundraising through trusts and foundations in Year End March 2020). If the council is forced to cut or reduce its arts budget, continued investment in an organisation that provides sector support and ensures the continued development of creative and cultural industries in the borough, would be wise.

There are plans to introduce a community lottery, popular with numerous local authorities across the UK, including neighbouring Reading and Basingstoke. Costs of administrating and governing community lotteries are high and they take some time to become established. With a capped prize of £25,000, a high proportion of the fund is spent on marketing e.g., 60% is available for charitable causes in Reading's lottery. Ethical and social responsibility issues aside, we would advise against aiming to replace a 100% cut to arts investment with a community lottery. This kind of initiative will work well alongside continued investment. It would also be worthwhile considering other options for additional support, such as Section 106 funding. It is worth noting that a lottery would compete with NFCT's own in-house raffle which currently raises the organisation approximately £10,000 per annum.

5. Current Position – Overview of Audiences

Like many arts organisations across the UK, NFCT have seen visitor numbers fall during the pandemic, as a result of Government restrictions and building closures, resulting in a reduced programme, with some events moving online. At NFCT visitor numbers fell from 204k in 2019/20 to just under 20k in 2020/21 (visitors in person and online).

Prior to Covid-19, NFCT's range of performance activity attracted strong visitor numbers, particularly to film screenings (averaging audiences of 1,650 per month) and Norden Farm performances (averaging 3,540 attendees per month).

The education offer for both young people and adults is an important element of NFCT's output, proving popular with audiences and supporting the local community by providing arts opportunities. In 2020, 9,422 young people participated in regular or one-off workshops; and 12,412 adults participated in learning activities. The education and community work which NFCT deliver is focussed on local residents including socially isolated older people and looked after children in the Borough, positioning it as a vital resource and gateway to the arts. NFCT also work with 27 primary and secondary schools in Maidenhead to further engage with children and young people.

This type of work with groups such as socially isolated older people has taken on an increased importance in light of Covid-19, with the lockdown demonstrably increasing loneliness and mental health issues across the country. According to a recent survey by the Mental Health Foundation, one in four people in the UK reported having struggled with feelings of loneliness and anxiety in the past two weeks.

6. Analysis – Benchmarking

NFCT has been benchmarked against four other arts centres and venues with a similar model and programme mix across the UK, comparing income generation, commerciality, and core grant requirements (in Year to March 2020). The organisations are venue A, B, C and D. All of the organisations, apart from the venue D (who are run entirely by volunteers) receive some form of public subsidy. NFCT performs well in terms of income generation, particularly in terms of earned income

(ticket sales are particularly high at NFCT given they have the smallest combined auditorium capacity amongst these comparators).

7. Analysis – SWOT Analysis Summary

<p>Strengths</p> <ul style="list-style-type: none"> • Strong new vision statement • Norden Farm brand and reputation is well respected with scope for greater leverage • Programming capability for commercial and charitable activities • Finding and negotiating with funders to deliver charitable projects • Design, organisation and management of events • Highly committed, capable staff • Versatile and committed CEO who has developed many ideas • Large team of volunteers to support activities • Create high profile and well attended community events for Maidenhead e.g. Lantern Parade, Kite Festival • Reasonable financial reserves • Range of spaces available for hire • Multi-purpose facilities • Performance spaces have a good level of technical equipment and technical support • Performers’ appreciation for venue • Education work that is delivered is highly valued by partners and participants • Market that supports local creative industries and SME’s 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Uncertainty of the value the council places on creative outreach work • Resources overstretched – Artistic Director has limited time for programming and devising opportunities to connect with niche audiences • Limited parking particularly when all spaces are fully utilised • Capacity limits of existing buildings results in lost hire income • Location outside town centre affects accessibility to live audiences for some events • Threat to core funding • Theatre capacity fundamentally uneconomic at realistic ticket prices • Lack of visibility of strategic documents (Business Plan, Fundraising Strategy, Audience Development Plan) that can be shared with stakeholders • Management accounts do not currently reflect all income and expenditure in one document • Full cost recovery of operational and overhead costs to be included in fundraising applications
<p>Opportunities</p> <ul style="list-style-type: none"> • Council could champion the work of Norden Farm through council website. • Other possibilities from 2014 report on page 10 e.g. <ul style="list-style-type: none"> ○ ensure cultural opportunities embedded in Local Plans ○ planning conditions and CIL to support Norden Farm directly 	<p>Threats</p> <ul style="list-style-type: none"> • Resurgence of COVID leading to restrictions on providing live performances and reduced demand for venue hire • Rising inflation leading to increased costs and also to lower disposable income of audiences resulting in reduction in spend at Norden Farm • Growth in compliance leading to higher operating costs

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| <ul style="list-style-type: none"> • Mobilise key stakeholders to support Norden Farm and promote its value both with the community and with the Council • Develop legacy & bequests programme • Capacity limits can be addressed by building the New Wing Capital funding potential from RBWM, sponsors/philanthropists • Live streaming and on-demand streaming of events to produce additional marginal income subject to royalty rights being reasonable • Develop Volunteer network into a larger community capable of providing more support to Norden Farm with the possibility of reducing staffing costs • Potential for new 'Products' such as: <ul style="list-style-type: none"> ○ creative courses for online creators, influencers, videographers building on the experience of 'Digi Den'. ○ mobile offerings such as geocaching experiences ○ micro payment solutions maybe incorporated into mobile offerings to improve income ○ virtual reality installations include some educational as well as entertainment packages. One company provides no-cost installation on a revenue-share model ○ curate a range of activities requiring little organisation to deliver for a fee. E.g. online workshops with activity kits. Platforms such as Domestika or Skillshare may provide delivery solutions. • Potential to monetise the programming and technical capabilities by acting as consultant/outsource provider to other organisations in the area e.g. Slough Curve • Potential to increase ticket prices for live events • Apply for NPO status with Arts Council • Partnership working with other venues – such as The Old Courtyard to attract local and regional funding opportunities • Invitation to RBWM Officer to join the Board to improve communication and visibility • Fundraising Strategy is an opportunity for Board, staff and volunteers to have more involvement • Theory of Change to review organisational priorities | <ul style="list-style-type: none"> • Limited parking may compromise the New Wing project • Cut to council funding in difficult fundraising context • Plethora of online entertainment vying for audience time • Local venues in competition to Norden Farm • Reluctance of audiences to return to live performances in pre-Covid numbers |
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- Create a Board Fundraising Sub-committee to support the development of the Strategy

Developed from NFCT's Strategic Review

8. Options Analysis

The options listed, and the recommended option, are based on Counterculture's independent experience of supporting cultural venues, the arts sector and local authorities as consultants, executives and trustees, and results from consultation with a NFCT and stakeholders, reviewing available documents and materials and a site visit to NFCT in January 2022.

Options are based on NFCT's budget in a normal operating (i.e. non-COVID affected) year – the year to March 2020. We have reviewed these figures against the estimated profit & loss for Year End March 2022 and Year End March 2023 to ensure projections reflect Covid Recovery and current market.

8.1 Option 1

100% RBWM cut - Hires only model

Total turnover	£406,216
Total cost of sales	£277,000
Total overheads	£330,000
Operating deficit	£(200,784)

Assumptions:

- Venue is open only when events take place, otherwise not open to the public
- No charitable activity taking place, which means there's no activity for grant fundraising.
- No offer to generate sponsorship or membership income
- Hires only programme for auditorium and other spaces. 238 seat theatre is in direct competition with larger Baylis Theatre at Braywick Leisure Centre.
- No regular film, theatre or comedy programme for residents and businesses.

- Hires income increased to reflect new operating model but this does not reflect post Covid market for events
- No education and outreach will be delivered for community benefit
- Anticipate skeleton staffing only if hires led structure. Programme events staffed with volunteers. Experienced staff for technical and Duty Management roles (responsible for health & safety of audiences) may be difficult to secure for irregular events in the current job market

Advantages	Disadvantages
Cost saving to council	Venue could not operate as an arts centre
Venue still in operation but as a hall for hire	Loss of curated programme with community benefit and education programme
	Loss of vital income streams i.e. box office income and no charitable activities to fundraise against
	Loss of key partnerships that support council programmes (Achieving for Children, Optalis etc)
	Loss of cultural offer to audiences and visitors to Maidenhead
	Company would have to spend reserves in order to operate, ultimately not a going concern
	Cost of maintaining building remains and In direct competition with the larger venue based within Braywick Park Leisure Centre

8.2 Option 2

RBWM investment 100% - £158,000

Total turnover	£1,386,000
Total cost of sales	£759,200
Total overheads	£611,000
Operating surplus	£15,800

Assumptions:

- Venue is open 5 days per week
- Review of programme mix and education activities
- Income streams include fundraising against charitable activity, earned income (box office, room hire and catering)

Advantages	Disadvantages
Venue able to operate as an arts centre and as a community hub	Continued cost to RBWM
Heritage asset and cultural offer to audiences and visitors remains in Maidenhead	Will take NFCT time and resources to implement suggested opportunities for development
Community benefit. Education programme to be delivered	
Borough retains key cultural assets to ensure it supports the local ecology in the face of cuts elsewhere	
Company has small operating surplus ensuring that they can operate sustainably and bolsters resilience.	

8.3 Option 3

RBWM investment 75% of £158,000 - £118,000

Total turnover	£1,346,500
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Total cost of sales	£759,200
Total overheads	£611,000
Operating deficit	£(23,700)

Assumptions:

- Venue operating 5 days
- Review of programme and education activities
- Income streams include fundraising against charitable activity, earned income (box office, room hire and catering)
- Projected manageable deficit
- Management would need cut to fixed costs or increase income targets which may pose some risk

Advantages	Disadvantages
Venue able to operate as an arts centre and as a community hub	Continued cost to RBWM
Heritage asset and cultural offer to audiences and visitors remains in Maidenhead	Will take NFCT time and resources to implement suggested opportunities for development
Community benefit. Education programme to be delivered	Risk in further reducing fixed costs or increasing income targets
Continued investment in a key cultural asset ensures it supports the local ecology in the face of cuts elsewhere	

8.4 Option 4

RBWM investment 50% of £158,000 - £80,000

Total turnover	£1,215,000
Total cost of sales	£715,000

Total overheads	£599,000
Operating deficit	£(99,000)

Assumptions:

- Opening hours restricted
- Income streams include fundraising against charitable activity, earned income (box office, room hire and catering)
- Reduced programme yet less fundraising income as less charitable activity to fundraise against
- Limited arts programme
- Limited community programme
- Restructured staffing with support from volunteers
- Despite efforts to reduce costs there is an unmanageable deficit.

Advantages	Disadvantages
Cost reduced to RBWM	Continued cost to RBWM
	Unmanageable deficit
	Will take NFCT time and resources to implement suggested opportunities for development
	Limited community benefit. Restricted education programme
	Risk to key partnerships that support council programmes (Achieving for Children etc)
	Company would need to spend reserves in order to operate, ultimately not a going concern
	Less charitable activities to fundraise against
	Compromised curated programme with community benefit

9. Recommended Option

	Option	Artistic programme & vision (5)	Financial viability (5)	Audience benefit (5)	Social impact (5)	Alignment with RBWM priorities (5)	Total Score
1	100% RBWM cut with hires only operations (unmanageable deficit, potential closure)	0	0	2	0	2	4
2	2020 RBWM funding levels with streamline of operations, additional fundraising and more hires (showing operating surplus)	5	5	5	5	4	24
3	25% reduction on 2020 funding level, streamline of operations, additional fundraising and more hires (projected manageable deficit)	4	2	4	5	4	19
4	50% investment – 80k (unmanageable deficit, potential closure)	2	1	2	2	2	9

The options analysis shows that the best outcome for NFCT to remain sustainable, at least in the short to mid-term, is continued funding, along with an organisational review of activities and processes. This is by far the best option to set the organisation up for continued success. Doing less better is becoming the new mantra in the arts sector. We recommend that NFCT look at the strands of work and understand which are the most profitable and desirable. We also recommend that internal systems and processes are strengthened and the presentation of the financial reporting is reviewed.

Whilst we would endorse the option of the grant remaining at or around pre pandemic levels, RBWM have stated that they do not intend to continue to subsidise NFCT at previous rates, given budgetary constraints and instead see themselves as a partner, but without being the core funder.

Like other arts centres of similar size and income diversity, NFCT is not sustainable in its current form - an arts centre with an outreach programme - without subsidy. With a significant cut in support the organisation will become a different entity, a hall for hire without a charitable mission, with a limited education programme if resources allow. The analysis shows that the hall for hire financial model is not viable given the costs of maintaining a listed building and loss of key income streams. There are of course several scenarios and routes that may be possible for NFCT to take, but it is important to note that in our opinion we do not believe that the organisation is missing obvious routes to income generation. Given their size and the capacity of the theatre and studio spaces the programme alone will not be profitable. The worst possible outcome is of course that the organisation is not able to recover this loss, resulting in the winddown of the charity, and the loss of the building and cultural asset to the community. The winddown of the charity and the loss of a cultural hub is not a reversible decision. As RBWM are not able to reach previous levels of support, further discussion is urgently needed to find a constructive and viable way forward.

10. Appendices

10.1 Strategic Review

Provided as an attachment to this document.

10.2 List of key stakeholder interviews

Name	Organisation	Job Title
Martin Kaye	Norden Farm Centre Trust	Chair
Nick Winton	Norden Farm Centre Trust	Trustee
Nina Maan	Norden Farm Centre Trust	Trustee
Jane Corry	Norden Farm Centre Trust	CEO/Artistic Director
Ray Bowyer	Norden Farm Centre Trust	Financial Controller
Matthew Biss	Norden Farm Centre Trust	Deputy Director & Technical Manager
Stephanie James	Royal Borough of Windsor & Maidenhead	Service Lead for Economic Growth
Cllr Andrew Johnson	Royal Borough of Windsor & Maidenhead	Leader
Cllr Samantha Rayner	Royal Borough of Windsor & Maidenhead	Deputy Leader, Cabinet Member for Corporate & Resident Services, Culture & Heritage, Windsor and RBWM Armed Forces Champion
Elaine Keating	Achieving for Children	Youth Engagement Officer

10.3 Venue Benchmarking

2020 accounts	Norden Farm Centre for the Arts	Venue A	Venue B	Venue C	Venue D
NPO	No	Yes	No	Yes	No
Turnover	£1,871,395	£780,133	£1,605,538	£5,146,262	£168,025
Surplus finance	£2,327	£7,264	-£53,170	-£80,342	£41,484
Core grants	£158,000	£241,894	£288,639	£561,895	
Earned Income	£914,469	£502,611	£1,300,220	£1,781,018	£110,079
Contributed income	£173,903	£277,520	£16,679	£1,664,297	£30,590
Cost of programme and outreach	£683,812	£771,293	17,995	£3,793,166	£0
Hire fees	£1350 for a full day in the Courtyard Theatre, £725 for a full day in Studio Theatre, Long Barn event space £725 for a full day (2022 commercial rate)	£1,500 for a wedding; £950 for a gig/party. Security/technician fees in addition	£375/event in the auditorium; £23/hr in the Studio. Security/technician fees in addition	£500/day in the Theatre; £425/day in the Studio; £875 in the Theatre	£345/evening hire; £2,700 full week hire
Number of core staff	32	30	Figures not available	213	170 volunteers (no staff)
Capacity of auditorium	Courtyard Theatre - 238 seated, Studio Theatre - 97 seated	300 seated, 400 standing	510 seated, 450 standing	84 seated in the Theatre, 140 seated in the Studio, 219 seated in the Theatre	362 seated
Number spaces for hire	6 spaces, ranging from auditorium to gallery	One space - capacity 400 standing	8 spaces ranging from auditorium to meeting rooms	3 auditorium spaces and outdoor stage	1 auditorium
Tickets sold	70,816	41,708	Figures not available	95,800	19,625
Events run per year	2876	316	Figures not available	345	90
Total visitors	204,875	54,508	Figures not available	923,469	19,625
Subsidy per head	£0.77	£4.44	Figures not available	£7.72	no subsidy

