

## Sydenham Arts Appeal Main Grants draft recommendation and notice of proposed change to funding 28 February 2019

Sydenham Arts (“SA”) appeals LB Lewisham’s (“LBL”) recommendation that SA should receive **£0** from its 2019/2022 Main Grant Programme (“MGP”) against £34,353 p.a. The summary grounds below set out why we consider the recommendation to be ‘*unfair in the light of the MGP Criteria and Guidance*’<sup>1</sup>. This focuses on the, **limited**, areas in our application which score 3 or below (given many other aspects scored a strong 4) or comments with which we disagree.

**Introductory remarks:** A **£0** outcome represents a **100%** cut of, rather than an adjustment to, the previous level of MGP funding to SA. This is naturally a very significant blow for any arts charity to absorb. We recognise all local authorities are operating in an unprecedented fiscal environment. SA has never been complacent, knowing that ongoing grant funding is by no means certain. However, we consider that neither the outcome nor grounds of the assessment fairly reflect our application, nor does the outcome support LBL’s stated objectives for the MGP. A **£0 decision** not only limits our ability to ‘*take risks and innovate*’ – but removes all base level funding, which provides some security over core costs. At a stroke this decision therefore defeats two stated aims of the MGP<sup>2</sup>. It will also impact on accessibility (e.g. multiplicity of arts/wellbeing events and box office).

**Ground 1: A ‘zero sum’ outcome is disproportionate to the merits of the application** - We consider our application demonstrated significant organisational strengths and an undeniable track record of delivering a diverse, multi-arts programme, appealing to and accessible by the widest possible audience of LBL residents. SA are firmly committed to arts delivery in LBL- through effective partnerships combined with a relentless focus on the ‘*value of our offering*’ (creatively and economically). This is reflected by:

**High score in key areas** LBL’s assessment of many aspects of our MGP 2019/2022 application - in which **we have received scores of 4 (out of 5)** on aspects such as (i) mobilising assets (ii) overcoming barriers to access and engagement (iii) collaborative working (iv) attracting human and financial resources and (v) governance. So **we have met an 80% threshold** in scoring for much of the required Funding Criteria<sup>3</sup>, in particular on deliverables and track record, and also in respect of Theme 4 (widening access to arts).

**A trusted partner** We have been recipients of previous LBL MGP funding from July 2015. We have achieved sustainable funding from multiple sources - (£77K self-generated in the last three years, compared with £47K from grants). We are evidently a trusted partner, with an ability to maximise output from the MGP grants we receive. In 2017 we became tenants of LBL’s ‘Sydenham Centre’, embedding our existing partnership with you, supporting the vision<sup>4</sup> for the venue in the heart of Sydenham. A **£0** funding decision is wholly contradictory to the stated aim of the MGP to ‘*support key partners to realise their ambitions*’<sup>5</sup>.

**Ground 2: Scoring ‘3’ on core/non core funding is unfair:** As LBL have noted, we have a ‘*strong track record of fundraising*’. Grant funding maximises the programme we can deliver but, without ‘core funding’, we would have to scale this back. In the past we have received MGP funding to support core costs - **but only £8,474 p. a.** - whilst also successfully delivering planned outputs. However, for the 2019/22 MGP, we were actively encouraged to ‘*be brave, bold and ambitious*’<sup>6</sup> in our application (as were others). Our entire application, for a larger amount to meet core costs, was framed around an ambitious 3-year programme and LBL’s stated guidance on core cost applications<sup>7</sup>. **We are very concerned that taking an ambitious approach has now counted against us**, by a mid-range score of 3 and the description of our application as seeking a ‘*significant uplift.....to help address some of their identified weaknesses*’. We interpret this as meaning that, by seeking a higher MGP grant, rather than recognising this was to contribute to our more ambitious aims, we have been assessed as being unrealistic in outlook and/or placing over reliance upon MGP funding to meet core costs and that this has contributed to a negative assessment /score of 3 (and despite LBL acknowledging strong evidence of SA also raising funds elsewhere). **Had we understood that seeking a significant uplift could be interpreted in this way, and/or place us at risk of a £0 outcome, we would have sought a more modest sum from MGP 2019/2022 allocation.**

**Ground 3: Scoring ‘2’ for financial health is not a fair reflection of our fiscal management** – We are financially viable, with strong governance (scored at 4). As an NFPO<sup>8</sup> our focus has been sustainable funding, applied to deliver our objectives, rather than build up reserves and the terms of certain funding requires strict application to the project, not for reserves. The 31/10/2017 & 31/10/2018 deficits are reflective of our old operating model when our largest expenditure was Q3 (delivery of our Summer festival)- with natural lower levels of cash in Q4 ahead of the next Q1-Q3 fundraising cycle. Our new model is a more even programme across the year, with a smoother cash flow (and supports building reserves). We have successfully managed down our deficit, each year, since 2016/17, whilst also absorbing the 15% reduction in Main Grants in 2017, and are targeting a surplus 2018/19.

<sup>1</sup> LB Lewisham letter to SA 28/02/19

<sup>2</sup> Para 1.2 Criteria and Guidance, last two bullets

<sup>3</sup> Local intelligence, asset-based approaches, innovation and enterprise

<sup>4</sup> Sydenham Community Centre 2016 – vision (Petra Marshall) “an inclusive community focus around arts, dance, physical movement and wellbeing”

<sup>5</sup> Para 1.4 Criteria and Guidance

<sup>6</sup> James Lee – Main Grants Workshop/Presentation [09.01.19]

<sup>7</sup> See also para 1.7-1.8 of Criteria and Guidance

<sup>8</sup> Not for profit organisation