

**Southend-on-Sea Borough Council**  
**Report of Corporate Director for Place**

to  
**Cabinet**  
on

**10<sup>th</sup> November 2015**

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**Agenda  
Item No.**

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**Outcome of consultation on the future of the former Beecroft Art Gallery Building,  
Station Road, Westcliff-on-Sea**

**Place Scrutiny Committee**  
**Executive Councillor: Councillor Graham Longley**  
**Part 1 (Public Agenda Item)**

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**1. Purpose of Report**

- 1.1 To present the results from the consultation on the future of the former Beecroft Art Gallery Building, Station Road, Westcliff-on-Sea to enable Cabinet to make a recommendation to Council (as Trustee) on the future of the building.

**2. Recommendations**

- 2.1 **That the Council acting as Trustees give permission for officers of the Council to investigate the viability of using the former Gallery Building as artist studios. This option would further the objects of the Trust and merits further investigation to determine if it would be financially viable and therefore, in the best interests of the Trust.**
- 2.2 **If the feasibility study finds that the conversion of the building into artist studios will not be viable, the Trustees should proceed with one of the identified options for disposal (see section 5.1.1).**

**3. Background**

- 3.1 In order to inform options for the council, acting in its capacity as the sole trustees of the Beecroft Art Gallery Trust, consultation has been undertaken on the options available to the Trust in respect of the former Beecroft Art Gallery building, Station Road Westcliff on Sea.
- 3.4 Advice was taken from the Charity Commission on the proposed public consultation document and, in general, they were content with the outline of the consultation and the approach being suggested.
- 3.5 The Council as trustees, entered into a 12 week period of public consultation from 29<sup>th</sup> June 2015 to 20<sup>th</sup> September 2015.

- 3.6 Local interest groups, local residents associations (within the Westcliff area), local conservation society, the Beecroft family, Arts Council England, Southend-on-Sea Arts Council, Metal, Focal Point Gallery, TAP (Temporary Arts Project), Leigh Art Trail and other local arts and cultural organisations were directly approached with details of the consultation to enable them to respond.
- 3.7 The consultation (**Appendix 1**) was also made available online via the Council's online consultation portal for any other interested party to participate.
- 3.8 Residents and the wider community were able to participate in the consultation either by writing / e-mailing their comments directly or by using the online consultation portal.

## **4 Consultation Outcome**

- 4.1 Respondents were asked to give their views on a range of options identified by the Trust, namely;
- Option 1: Retain Premises
  - Option 2(a): Sell the premises as it is without additional outlay or cost
  - Option 2(b): Sell the site with Planning consent for residential conversion
  - Option 3: Alternative proposal (put forward by the respondent)
- 4.2 From the comments and suggestions received there is much support for the Beecroft to be used to maintain the original vision of Walter Beecroft and use the premises as either an arts & crafts centre or artist studios; bringing vitality back to the local area.
- 4.3 Of the proposals put forward, the strongest body of feedback was for the premises to be used for artist studios and exhibition space.
- 4.4 With core demand for artist studios anticipated to arrive from London (a report by Greater London Authority identifies only 298 studio sites in the capital, for an estimated 11,500 artists), the project would allow Southend to embrace its potential as an alternative place to reside and create.
- 4.5 A key goal for other regional artist studios, including Plymouth's Ocean Studios, is to prevent graduates from leaving the area. South Essex College alone has more than 25 creative, art and design courses. It is crucial that these students can develop a career within the area.
- 4.6 Locally there are only three comparable sites in south Essex for local artists; two of which are under threat and all of which are full with waiting lists. Graduates emerging from education here have no studio spaces in which to develop their career.
- 4.7 As noted by a 'Local Economic Assessment' [2013], 'Southend has a significant concentration of creative and cultural businesses...Whilst this sector has significant employment and wealth-generating capacity, experience from elsewhere suggests that it also has the ability to create a step change in the

economy, attracting new, ambitious people to Southend-on-Sea and helping the town retain some of the spending power of residents that work in London.'

- 4.8 A study by Greater London Authority [Sept 2014] identified that one in six new jobs in London is in the Creative industries. Evidence suggests that this is beginning to leave the city, due to a dearth of flexible and affordable work spaces. By investing and engaging these professionals, Southend can attract this talent, spend and potential residents.
- 4.9 The study also estimated that 3,220 London-based artists were at risk of losing their places of work in the next five years, primarily due to rising property prices and (ironically) the success artist communities have had in regenerative areas such as Hackney.
- 4.10 This option would meet the objects of the Trust and therefore, merits further investigation to determine if it would be financially viable and therefore, in the best interests of the Trust.

## 5 Consultation Results

- 5.1 In total, 44 responses were received as follows:-

Options	Number	%
Option 1: Retain Premises	10	23
Option 2(a): Sell the premises as it is without additional outlay or cost	7	16
Option 2(b): Sell the site with Planning consent for residential conversion	18	41
Option 3: Alternative proposal	9	20
<b>Total</b>	<b>44</b>	<b>100</b>

- 5.2 As can be seen from the table above 43% of respondents indicated they would like the premises to either be retained or used for an alternative purpose. Whilst 57% indicated a preference for the premises to be sold, comments were provided to support their view of what selling the premises meant to them.
- 5.3 Of the 9 respondents who indicated a preference for an alternative solution, 8 provided their ideas on what such an alternative solution could be. In addition a further 8 respondents provided additional comments to qualify their preferences to the options they had selected. **Appendix 2** provides the full details of those comments.
- 5.4 Other suggestions for use of the building were:

- Sell for development as a Boutique hotel (to address a gap in the borough's hotel offer)
- Use the premises as a shelter for the homeless
- Develop into conference and catering facilities

- Use as an incubator facility for the new museum project
- Sell the premises and put the money towards the Cliff Museum project
- Coffee shop / free bookshop
- Performance area for poetry, book readings, music performances , local artworks & exhibitions, display street art / graffiti currently not traditionally displayed in the area.

5.5 Concerns were raised within the consultation; the majority of which were associated with over-development of the area. Other concerns were:

- Desire to retain the character of the existing property
- Property located within a deprived area and additional development will put a strain on the existing infrastructure
- Issues around parking
- Concerns over the size / height of a new replacement building
- Impact on the appearance of the conservation area.

5.6 Overall, from the additional comments received, the majority of respondents were keen to see the building used in some way to retain the original vision of Walter Beecroft “for the advancement of Art, Music and Literature”, and to retain the character of the building within the local area.

## **5. Options considered**

5.1 Table 5.1.1 overleaf considers a full range of options for the future of the premises.

### 5.1.1 Options for consideration

Option	Comments	Cost / Income / Benefit	Risk
1. Retain the premises for use as artist studios	<p>Building may be able to provide in the region of 35 artist studios, an exhibition space and a café bringing in a regular income stream for the trust.</p> <p>Refurbishment of the building will improve the value of the asset if future resale considered.</p> <p>Artist studios will not require as high a specification for refurbishment as it would for residential purposes</p> <p>Growing demand for artist workspace in the local area as well as increased demand from artists who can no longer afford studio space in London</p> <p>A scheme of this nature would be in line with the objects of the Trust and would not need approval by the Charities Commission.</p>	<p>Feasibility study, costing in the region of £25k, required to test viability of the scheme and enable an application to be made to the Arts Council England Large Capital Grants fund (grants of between £500k - £5m)</p> <p>Refurbishment costs estimated to be in the region of £500k &amp; will incorporate rectifying the structural and access issues of the building.</p> <p>Early estimates of annual income of £75k, with £30k p.a. profit going back into the Trust.</p>	<p>Trust would need SBC to fund initial feasibility study costs (to be repaid if grant application made)</p> <p>Trust will need to consider either working with a partner or employing a member of staff to deal with the management of the scheme.</p> <p>Will need to consider planning implications and whether or not change of use would need to be applied for.</p>

2. Continue to use the building as an art gallery	With the relocation of the Gallery to new premises, it is unlikely that the Trust will have any further use for an additional Art Gallery.	<p>Minimum of £250,000 would need to be spent on the building before it can be used again safely in any form.</p> <p>Additional staffing would be needed, placing financial pressure on the trust.</p> <p>Trust does not have the reserves to fund the cost on initial remedial works or further staffing.</p>	<p>High revenue cost for the trust in having to run 2 premises.</p> <p>Accessibility within the premises will still remain an issue.</p>
3. Use the premises for storage	The Trust does not have a current need for additional storage – new premises have ample storage and can also make use of the Museums Service storage at Tickfield.	<p>Minimum of £250,000 would need to be spent on the building before it can be used again safely in any form.</p> <p>Trust does not have the reserves to fund the cost on initial remedial works</p>	<p>Repair and maintenance on the building would be required – likely to be quite high.</p> <p>The Trust would become responsible for the long-term management liability for the building.</p>
4. Sell the site (with outline planning permission to knock down and re-build)	<p>Planning consent may be difficult to achieve as premises located in a conservation area.</p> <p>Property agents have advised that this would be the most attractive option for developers due to challenges with re-developing the existing premises and its location within the site itself).</p>	<p>£30,000 to obtain outline planning permission (includes all architects &amp; agents fees).</p> <p>Trust does not have the reserves to fund the cost on initial remedial works</p> <p>Sale likely to realise in the region of £800,000.</p> <p>Agent's fees of a minimum of 1% of the sale value would need to be paid from</p>	<p>Trust does not have the reserves to fund the cost of obtaining planning permission</p> <p>Property located in conservation area and subject to Planning Policy C4 – Council has a statutory duty to preserve and enhance the character of its conservation area. The building is deemed to make a positive contribution</p>

		the proceeds of the sale.	<p>to the area. Making a case to replace it with a new build property may therefore be difficult and time consuming.</p> <p>Objections likely from local community keen to retain the original building which may have an impact on the outcome of the planning decision.</p>
5. Sell the site in its current condition (without planning permission)	<p>This option involves the least amount of input from the Trust.</p> <p>(Property agents have advised this would not be preferred option for developers due to existing challenges with the site and premises.)</p>	<p>Sale likely to realise in the region of £525,000 - £575,000</p> <p>Agent's fees of a minimum of 1% of the sale value would need to be paid from the proceeds of the sale.</p> <p>This option will not require any funding to be made available by the Trust.</p>	<p>Potential developers would need to undertake a full feasibility study of the site before considering an offer.</p> <p>Premises may be on the market for some time risking further deterioration in the condition of the premises.</p> <p>On-going Security of the site will need to be considered. Site may become a haven for a range of anti-social behaviour.</p>

## **6 Recommendation**

- 4.11 Whilst the majority of consultation respondents were in favour of selling the premises in some form or other, a clear view has emerged from the comments and alternative proposals provided that the premises should be used for Art, Music and Literature, with very strong feedback suggesting the use of the premises as artist studios. This option would further the objects of the Trust and therefore, merits further investigation to determine if it would be financially viable and therefore, in the best interests of the Trust.
- 6.1 The viability of the potential business model of artist studios will be better understood with a feasibility study, which will confirm the number of studios available and the potential rental income that could be realised. An initial estimate suggests the site could attract around £75,000 income per annum at full capacity, with a profit of around £30,000 per annum for the Trust, before any private sector income if a café were to be included within the development.
- 6.2 It is proposed that the Trust seeks external funding to undertake a feasibility study to incorporate the following:-
- Survey of site
  - Project brief and schedule of works
  - Costing
  - Analysis of business model

This is crucial to decide whether renovation proceeds and for the funding proposals for the capital. Following the feasibility study, funding would be sought for capital investment.

## **7 Implications for the Trust**

### **7.1 Financial Implications**

- 7.1.1 It is understood from previous condition surveys carried out on the building that a minimum of £250,000 needs to be spent to address the main structural issues with the building. (It should be noted that this figure is now several years old and therefore costs are likely to be higher). A full feasibility study needs to be carried out to determine the full scale of works required and the associated costs.
- 7.1.2 It is anticipated that the likely costs of a feasibility study will be in the region of £25k, for which the Trust would need to request the financial support of the Council. This money could be repaid to the Council at a future date once the trust has either generated an appropriate level of income or been successful in attracting external funding for the scheme.
- 7.2.1 The Trust may be able to apply for funding for the project through the Arts Council England Large Capital Grants. The Arts Council has budgeted £88 million from the National Lottery over the period 2015-18 for large capital grants.
- 7.2.2 The available budget has been split over two application rounds, with the first round already having taken place. £43 million will be available in 2016/17.



Whilst the full budget is committed over the three-year period, the Arts Council expect the money to be paid over a longer period.

7.2.3 The application is a two-stage process. There is the opportunity at stage 1 of the process for the Trust to request a Development Grant. The development grant can only cover the costs of work needed to be completed between the period of a stage one decision and the submission of a stage two application.

7.2.4 The Arts council do not normally cover 100 per cent of the development costs and would expect the Trust to contribute funding from other sources.

7.2.5 The Trust does not hold any reserves and would need to approach the Council for assistance in funding the initial feasibility study and any match funding requirement from the Arts Council England. This amount to be repaid once appropriate levels of funding allow.

7.2.6 If the Trust does decide to sell the premises, the income from the sale will be re-invested back into the Trust.

### 7.3 Legal Implications

7.3.1 Whilst considering the different options it is worth noting that the trustees (The Council) are legally bound by the requirements of the Charity Act 2011.

- As sole Trustee, the Council is duty bound to ensure that the maximum value is received from the use or disposal of any asset held by the Trust.
- Any proceeds of sale will be a permanent endowment which means that the income received from the proceeds of sale (e.g. through investment) will be available to further the objects of the Charity.
- If any of the capital is to be expended rather than just the income, it would additionally be necessary to establish to the total satisfaction of the Charity Commission that this would be expedient in the interests of the Charity.

### 7.4 People Implications

7.4.1 There are no direct people implications as a result of this report.

### 7.5 Property Implications

7.5.1 This consultation provided a range of options detailing the property implications for the former Gallery Building.

7.5.2 The recommendation of this report is for the Trust to retain the premises and, providing that the feasibility study confirms the financial viability of the scheme, the structural issues with the property will be remedied as part of the refurbishment programme to develop artist studios.

7.5.3 Retaining the premises would be in keeping with the Council's planning policy relating to Conservation areas:-

**POLICY C4 - CONSERVATION AREAS** - All buildings, open spaces, gardens, trees, views from public places and other aspects of the environment which contribute to the character of Conservation Areas will be protected and enhanced. Proposals for demolition and development will normally be permitted only where they would not be detrimental to the local scene and the character of the area. All development affecting Conservation Areas should meet the following requirements:

- the position and design of new buildings should respect the general pattern of the area, and should preserve or enhance as appropriate its townscape character;
- the mass of extensions and new buildings should be in scale and harmony with the existing and neighbouring buildings and with the area as a whole;
- the proportions, detailing and materials of extensions, alterations and new buildings should be appropriate to the area and sympathetic to the existing and neighbouring buildings.

## 7.6 Consultation

7.6.1 This report provides information relating to the period of public consultation undertaken from 29<sup>th</sup> June 2015 – 20<sup>th</sup> September 2015.

7.6.2 Accepting the recommendation within this report will demonstrate the actions the Trust has taken in response to the alternative proposals received during the consultation. However, should the Trustees decide to proceed with disposal of the former Gallery Building, the Charity Commission have discretion as to whether further public notice over a new scheme or, possibly, a sale of the property will be required. They have indicated they may be prepared to waive the requirement for public notice but this will depend on the level of controversy generated.

## 7.7 Equalities and Diversity Implications

7.7.1 Access within the property is restricted, particularly for people with mobility issues. Any refurbishment works would need to comply fully with requirements under the Disability Discrimination Act.

## 7.8 Risk Assessment

<b>Risk</b>	<b>Impact / Likelihood High (H) Medium (M) Low (L)</b>	<b>Mitigation</b>
Conflict of interest with the Trustees being the Council	H/H	Decisions must only be in the best interests of the Trust and its objectives
Trust unable to obtain level of funding required to undertake initial feasibility study	H/M	The Trust would seek financial support from the Council
Trust unable to secure funding for capital works	H/M	Discussions have been had between the Council and Arts Council England who are

required		generally in support of the creating of artist studios in the borough. They have been clear that an objective, third-party survey would first be required to bring about a strong application.
The artist studio business model does not work	H/M	<p>A feasibility study will assist in establishing a robust business plan for the scheme.</p> <p>The value of the Trust's asset will have been improved by the refurbishment works and may realise more income for the Trust if disposed of.</p>

## 7.9 Value for Money

7.9.1 The proposal provide the Trust with the opportunity to significantly improve the value of its asset and generate an income for the Trust, thereby reducing reliance on Southend Borough Council to meet any operational deficiencies.

7.9.2 Any works undertaken to further this proposal will ensure that the best value possible will be obtained.

## 7.10 Community Safety Implications

7.10.1 There are no community safety implications as a result of this report.

## 7.11 Environmental Impact

7.11.1 The gallery building is located within the Milton Conservation area. Refurbishing the property will maintain the character of the local area and help to revitalise the area.

## 8. Background Papers

Beecroft Art Gallery Trust Governing Document

## 9. Appendices

9.1 Appendix 1: Consultation Document

9.2 Appendix 2: Consultation Comments