

Strategy 2021 – 2025

Making Space for Art



Introduction

The early life of Creative Land Trust was dominated by the work required to start up a new charity. The launch team recruited Trustees, secured funding from our founding partners, and put in place a set of governance arrangements and processes.

In the next phase, during 2020, an executive team was recruited and inducted, taking over day to day operations from the launch consultants. We expanded the Board of Trustees to include Artist Trustees, and established Board Committees to oversee key areas of activity.

Most important, we focused our attention on securing our first building – crucial for launching our fundraising plans. Completion of that initial purchase is expected in early 2021.

Creative Land Trust is now entering a new phase, focused on delivery, and this is our strategy for the next five years. It will guide us in delivering the Trust's mission, moving us closer to realising our vision, through a set of workstreams. Our strategy also highlights the values that will inform the way we go about our work.





Vision

Creative Land Trust was founded to tackle a long-standing problem for London, and indeed other global cities.

In recent years the loss of affordable workspace, and consequent outflow of artists and makers, has accelerated, presenting a serious threat to the wellbeing and prosperity of a city so reliant on creativity for its success. Associated with this are hidden problems: artists unable to focus their time on their practice due to the instability inherent in relying on temporary workspace, and expert studio providers displaced from their locations despite years of building equity.



Our Vision: London will always have space for artists to create, collaborate and inspire others.



Mission

Our strategy describes and directs what we'll actually do over the next five years to turn that vision into reality. Success in fulfilling this mission will provide the springboard for the next five-year strategy in the middle of this decade.

We are unique in being ready to take on this mission. London's many excellent studio providers face growing difficulty in securing even "meanwhile" space; Creative Land Trust will build a new financial and operating model to secure workspace that would otherwise be unattainable. And as a charity we will demonstrate good practice in the way we select and support our studio provider partners.



Our Mission: Over five years we will secure 1000 studio spaces that otherwise wouldn't exist, and make them available for studio providers to rent to artists and makers. Working across London we'll prove that we've created a sustainable and replicable model, ready to expand in the city and nationwide. And we'll play our part in London's post-COVID recovery, helping to rebuild a vibrant creative city.





Values

It is important that we establish what is distinctive about the way we do our work, both to define our own operating culture and to highlight to potential funders why we're a particularly attractive way for them to deliver impact.

We have set out five ways of working that are important to us, that are difficult for others in our field to replicate, and that are meaningful rather than jargon.

Reliable

We'll be stable and steadfast, the anchors on whom people can rely in the long term and the bridge between communities and sectors.

Supportive

We'll look for ways to help.

Expert

We'll always be respectful, and always learning, but we'll really know our stuff.

Pragmatic

We'll find real world solutions, focusing on delivery and innovating where we need to.

Invested

We care deeply about London, the arts, each other, and getting stuff done.

Overview

Over the term of this strategy, we will build a portfolio of over 1000 studio spaces across London, in a range of buildings and locations, operated by a variety of expert studio providers. Taken as a whole, our estate will ensure that CLT supports a diverse set of artistic practices and enhances communities and developments in several boroughs.

Our buildings will be noted for high standards of management and upkeep, and will be recognisable through the application of CLT branding, which will contribute to growing awareness of our work within and beyond the creative and property sectors. Each building will generate a modest financial surplus to meet financing costs and help support our core operations.

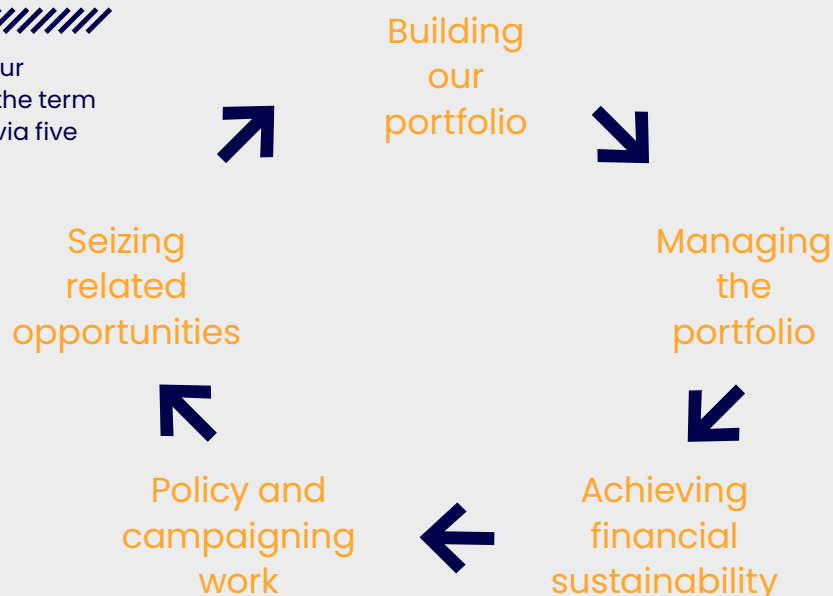
We'll generate further funds to invest in properties from the following sources; grants from a number of trusts and foundations, donations from philanthropies and legacies, and investment from patient impact investors who may be motivated by a passion for the arts. This blend will continue to enable us to acquire freeholds and long leaseholds outright. We will also acquire

buildings through strategic partnerships with housebuilders and other developers, and through asset transfer agreements with public sector organisations.

As awareness of CLT grows, so will our impact through policy and campaigning work. We will become a trusted, expert and impartial advocate for affordable creative workspace. Our particular contribution will be the commissioning of high quality research to fill gaps in the understanding of the importance of arts and culture in communities, conveyed in ways to influence a range of decision makers and opinion formers.



We will deliver our mission during the term of this strategy via five workstreams:





Building our portfolio

Over the term of the strategy, we will secure a large amount of long term, affordable creative workspace for London's studio providers, artists and makers. Our portfolio will include at least 1000 studio spaces that would not otherwise be available to the sector. Most will be additional, although given the impact of COVID, some are likely to be retained spaces that would have been lost without our intervention.

These spaces will be diverse. They will be distributed across London, with Creative Land Trust represented in as many boroughs as possible, reflecting the Greater London Authority's responsibility for the whole city. Some will be in buildings traditionally associated with creative workspace, such as disused warehouses and redundant light industrial units. Others will be in new developments, for example commercial space below residential flats. Others again will be in restored buildings at risk. They will also reflect the diversity of the creative industries through the diversity of studio providers subletting space, and the range of practices and aspects of art and making represented.

The portfolio will be expanded using a number of means. The foundation of Creative Land Trust's estate will be freeholds and long leaseholds acquired by purchase, giving an absolute guarantee of affordable creative workspace held in perpetuity. There will be no disposals during the term of this strategy, although a mechanism may be developed through which occupying studio providers purchase their buildings from Creative Land Trust; such sales would carry a provision requiring no change of use or subsequent disposal at any time.

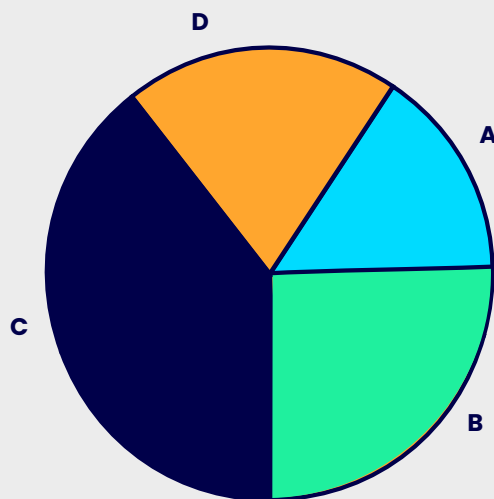
Occasionally we will acquire a property through unlocking an opportunity brought to us by a studio provider. They may already be on site, they may have an off-market purchase opportunity, or they may be developing a relationship with a landowner or developer. In these cases we may choose to relax our normal practice of open tender for the appointment of studio providers.

Workspace in new buildings is likely to come from the acquisition of long leaseholds with low or very low lease premia and/or ground rents, as a result of strategic partnerships with developers. These partnerships are likely to be facilitated through the extra leverage provided by Section 106 agreements and our relationships with councils and the Greater London Authority, and through the impact of our policy and campaigns work.

Another source of properties will be asset/liability transfers, primarily from councils but potentially from other landowners such as the Church or Transport for London. These buildings are likely to require restoration, and may already feature on the Heritage at Risk Register. Given the scale of possible repair costs, any such acquisitions are likely to be in partnership with grant-providing heritage organisations.

Property Portfolio growth over five year period:

Number of properties
Value of properties (£'000)
Total Sq ft ('000)
Total studio spaces



Sources of investment funding over five year period

A	Original Seed Funding
B	To be raised from debt finance
C	To be raised from philanthropy
D	To be raised from investment fund



Break even after five years (net property returns less financing and administration costs)

Managing our portfolio

To be successful in fulfilling our mission and raising more funds, we need to build a reputation for the quality of our estate and the way it is managed. Our intention is that throughout the term of this strategy we will not operate studios ourselves, and will instead sublet our buildings to expert studio providers. In most cases they will be selected through an open tender process, to be launched and tested during 2021.

In some cases, however, we will unlock opportunities brought to us by studio providers, and it may be more appropriate that we work with them rather than opening those opportunities up to wider competition.

Each of our buildings will be clearly branded and will maintain high standards of fit out, environmental performance and operation. In this way, by the end of this period, our brand will be established within the sector and with developers and landowners as reliable and reassuring. Indeed developers will seek us out as the 'shock absorbers' within the value chain, ensuring that they benefit from the presence of affordable creative workspace without the need for frequent interaction with tenants.

Similarly, studio providers will seek us out as our reputation for supportive property management and our passion for the creative sector become widely known. Our unusually long leases and stable rents will ensure high demand for our spaces, and the commitment in our leases to engagement with and contributions to local communities will build our reputation with councils and developers.

As our portfolio grows in size, it will also grow in diversity, as will the range of studio providers to whom we sublet. And it will adhere to our sustainability policy, ensuring that we meet our goal of net carbon neutrality by 2025; this will influence our selection of studio providers and the nature of the leases we offer.

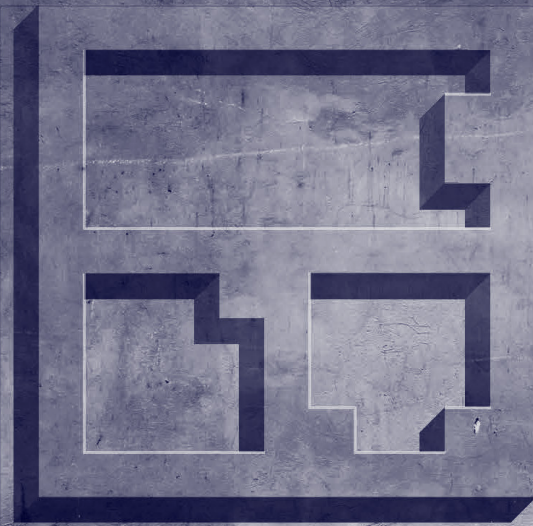
As part of managing our portfolio effectively, we will maximise its value as a resource for impact measurement and associated academic research. We will arrange longitudinal studies of the effect of the provision of affordable creative workspace on

neighbourhoods, working with university partners to supplement research already planned into financial value with studies of social and cultural value.

A key activity for 2021 will be designing and starting to use the framework for measuring our overall impact – financial, social, cultural and environmental. We need to develop a track record to show potential investors that their money delivers financial and non financial returns.



AND OUR PARTNERS
THIS BUILDING WAS
REPURPOSED BY
CREATIVE LAND TRUST



Achieving financial sustainability

Acquiring and managing workspace is not enough. To fulfil our mission, we need to establish a sustainable and self-funding model. By December 2025 our returns from property should cover our finance costs and administrative overheads.

To achieve this we need to;

- We will achieve a blend of funding from philanthropy, partnerships with property owners and developers, grants from trusts and foundations, and in particular social impact investment
- We will assess every potential acquisition, even if an asset transfer, to ensure it provides sufficient return to meet our overall portfolio targets
- Minimise overheads

We will set out a target "year 5" portfolio which looks like this;

- 1,000 studio spaces at a total capital value of approx £35–40m, generating net returns of around £1.2m
- This will be funded by £20m financing (social investment plus traditional bank finance) and £20m initial funding, philanthropy and other opportunities to acquire property

Financing

In 2021 and 2022 we will set in place the foundations for achieving finance from investors and banks;

- Establish a track record for managing properties and measuring our impact
- Test the water with investors by setting up a small fund, targeted at achieving £500,000.

This might be targeted at a specific property opportunity.

In 2023 we will look for investment funding, seeking £10–£15m of finance, and we'll also look to raise traditional debt finance against our growing portfolio. The financial plan shows debt at reaching 30% of portfolio value.

Philanthropy / other funding

During the term of the strategy we will become increasingly effective at raising funding from philanthropy, trusts and foundations. The value of this fundraising will grow over the period, reflecting the importance of a track record of securing and



operating properties to provide assurance to potential supporters. Over the full period, revenue from philanthropy, trusts and foundations will reach £15m.

In the early part of the period, our efforts will be focused on securing grants from trusts and foundations, primarily to support capital investments, but where appropriate to fund policy and campaigning work as well as fit out costs for CLT properties. (Our intention is to fund our organisational running costs from trading income as our portfolio grows)

In the first year we will complete production of a comprehensive and prioritised database of potential funders, and will begin to submit bids, with a target success rate of 50%, rising to 67% by year three as we build our skills and network.

We will begin to seek major donor support on the opening of our first location, which will be marked by our first cultivation event. As described in our fundraising plan, we will recruit a “committee” of potential donors and contacts, and will target seven figure income from large donations from year three onwards. This will be supplemented in the later years of this strategy with smaller donations from a patrons’ scheme; again, this is reliant on the development of our portfolio of

locations.

A legacy scheme will be launched during 2021, with the aim of delivering six figure income by the final year of this strategy.





Policy and campaigning work

The creative workspace sector has been revealed over the past year to be limited in its ability to influence decision-makers and opinion-formers. We have no wish to become the sector's spokesperson or representative, but over the term of this strategy we can increase our impact and ability to deliver long term affordable workspace through targeted policy and advocacy work.

As a new organisation, we face three barriers to effectiveness in this area, and to overcome them we need to build credibility in our brand, to build audiences who want to listen to us, and to build an evidence base so we have original things to say.

To be listened to at all, we need to raise awareness of our brand as a significant and expert organisation in our field. This will entail agreement on and deployment of our new strapline, Making Space for Art. We will seek out opportunities to build our media and sector-specific presence, with the aim of conveying expertise and authority in our particular areas. In service of this, given the relative newness of our name and logo, we will work wherever possible in partnership with established and highly regarded organisations and individuals from different but related fields.

To build audiences, we need to support our brand with a communications plan that extends our reach, and customer relationship management that provides a meaningful database of contacts who welcome our content. During the first year of this strategy we will invest in and implement a CRM system, integrating it with our existing contact databases and communications. We will continue to deliver our social media plan, building digital audiences and demonstrating our ability to work in partnership with, for example, the Creative Workspace Network, Creative Industries Federation and Urban Art Forum to inform and influence. We will also roll out a refreshed website and begin a concerted effort to drive traffic to our channels.

To have worthwhile content, we need a targeted approach to commissioning original research, and punchy, evidence-based opinions to convey through the various channels that are open to us. Our first research project, for delivery and dissemination during 2021, will be analysis of the financial value of inclusion of creative workspace in developments, aimed at an audience of developers and investors. Each year we will commission further research, with a particular focus on longitudinal studies analysing the impact of our locations, for example on local employment opportunities, wellbeing and satisfaction levels among residents, and environmental considerations. We will ensure that the definition of "affordability" is kept up to date, to support the efforts of studio providers in securing and managing workspace. Working with partners such as universities and councils we will steadily generate a highly credible evidence base of long-term value to decision makers in government, local government and our key sectors.

So – in five years' time we are one of the go-to sources of comment in areas of our genuine expertise. More important, we will have influenced the property and local government sectors in their attitudes to creative workspace through the quality of research reports that we have commissioned and the partnerships and media work that have brought them to wider attention.





Seizing related opportunities

We will have a clear focus on the delivery of our mission, which will primarily be done through the acquisition and management of workspace and advocacy work to make that more achievable.

As shown by our recent experience with the Creative Workspace Resilience Fund, during the term of this strategy there are likely to arise certain opportunities to serve our sector and raise our profile that cannot currently be foreseen. The positive impact of seizing such opportunities, if done in a way that is coherent with our mission, could be important. Administering the Resilience Fund brought about a change in the sector's perceptions of Creative Land Trust and our ways of working, and has enabled us to build a network of sustainable relationships, for example through periodic networking meetings.

It is impossible at this stage to foresee what opportunities might arise over the next five years. Any that do present themselves will be evaluated in line with this strategy, our mission and our values.

Risks

We have set ourselves ambitious targets and based on the experience of 2020, it's sensible to anticipate that things may not always go to plan.

We manage our risks with an organisational risk register, which is reviewed regularly. Our most significant risks are as follows.

Changes to the planning environment reduce opportunities for us

The Government's "Planning for the Future" document proposes major changes to the planning environment which could negatively impact on affordable workspaces for artists. During 2020 we worked with other creative industries to respond constructively to the consultation as well as raise awareness more generally about the lack of protection for creative spaces.

We will continue to campaign for a flexible planning system and will also work on building the economic case for investment in affordable workspace to influence future decisions of property owners and developers.

Difficult fundraising and economic environment

The economic fallout from the COVID crisis is likely to be extremely challenging. We may struggle to attract donations. On the other hand, many people have rediscovered the importance of the creative industries during lockdown, and we believe targeted approaches to specific funds and groups could still get a good response. The lasting and sustainable nature of our purpose will appeal to donors and funders seeking to make a long-term impact by supporting the arts.

There are likely to be opportunities to acquire property at less than market value, if demand for commercial and high street retail properties contracts as forecast.

Delays or difficulties in launching an investment fund

In order to achieve a self-funding sustainable model, we need to launch an attractive investment fund. To maximise our chances of success we will be setting up a smaller start-up fund initially while building a successful track record of managing our portfolio.

We also have the option to increase the amount of money raised via senior financing if this proves to be an easier route to fund the initial portfolio.



Environmental Impact and sustainability

The Board of Trustees declared a climate emergency in 2020 and agreed a detailed sustainability plan with an overall aim of net carbon neutrality by 2025.

The key features of our sustainability plan are;

- We will report on our carbon footprint from the start of January 2021
- We will put green leases in place for all our buildings and work with studio providers to help lower their carbon footprint
- We will bring environmental considerations into our procurement processes





Building our capacity and capabilities

In line with our values, we will remain throughout the period of this strategy an efficient and increasingly expert team. The key features of our people plan are:

- We will maintain a flat organisational structure
- We will expand our core team only when absolutely necessary; our preference is to operate as a small team with resources available to secure temporary specialist support as required
- We will develop the skills and experience of our team through personal development plans, annual objective setting and reviews, training, and cross-functional working
- We will be supported by volunteers and interns, recruited and managed in line with the highest standards of inclusion, equality and diversity, and broadening opportunities to enter the sector
- We will maintain excellent organisational governance







Making Space for Art
www.creativelandtrust.org