

# MAYOR'S EXECUTIVE DECISION MAKING

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Thursday, 13 August 2015

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Mayor's Decision Log No. 101 (Response to Call In)

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1. **RICH MIX LITIGATION (RESPONSE TO CALL IN) (Pages 1 - 108)**

[Note – the documents in this agenda pack were originally restricted by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972 but have been made unrestricted following conclusion of the legal proceedings.]

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact: John S. Williams, Service Head, Democratic Services Tel: 0207 364 4204, e-mail: [johns.williams@towerhamlets.gov.uk](mailto:johns.williams@towerhamlets.gov.uk)

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## LONDON BOROUGH OF TOWER HAMLETS

### PROFORMA:

#### MAYORAL DECISION SUBJECT TO CALL-IN AND REFERENCE BACK

Mayoral Decision Log No: 101

Title: Rich Mix Litigation

Is this a Key Decision?

Yes

#### UNRESTRICTED / RESTRICTED:

Report - Restricted

→ ONLY APPENDIX 1, IF THAT, NEEDS TO BE RESTRICTED  
THE REMAINDER OF THIS MD & APPENDICES ARE, UNRESTRICTED  
PRIVILEGED

Appendix 1 – Restricted by virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972 as it contains information that concerns the future conduct of the High Court commercial litigation with Rich Mix and contains legally privileged information.

#### DATE OF OVERVIEW AND SCRUTINY COMMITTEE:

7<sup>th</sup> July, 2015

#### DECISION OF THE OVERVIEW AND SCRUTINY COMMITTEE:

The Committee agreed to refer the decision back to the Mayor for reconsideration, with recommendations that the Mayor considers Rich Mix's business plan and considers setting targets for Rich Mix in relation to working with young people.

#### BACKGROUND

The decision sheet and supporting report are attached at Appendix 1. However for ease, the decision as agreed by the Mayor in relation to the report is listed below:-

## **ORIGINAL DECISION:**

As a result of consideration of the recommendations set out above the Mayor agreed:

- I. Not to proceed with the trial listed for 3 days in the week commencing 20 July 2015; and
- II. To settle the case on the basis of option 2.2 (to accept Rich Mix's settlement proposal of 27 March 2015).

## **Reasons for the Decision**

Appendix 1 to this report sets out the reasons for the decision.

## **Alternative Options Considered**

Appendix 1 to this report sets out any alternative options considered

## **REASONS FOR THE REFERENCE BACK**

The call-in requisition in relation to the above decision set out the following reasons for the call-in:-

Independent Group fully supports and appreciates the wonderful work done by Rich Mix, its staff and partners at grassroots level. The key issues and reasons to call-in this decision herein, relates to the process; lack of transparency, accountability, precedent, best value for money, avoidance from criticism of cronyism and nepotism, together with, a fair and honest level-playing field for all local organisations, among other areas.

While it may be the case that a similar decision can be reached after going through the proper process, the issue of concern is that transparency should be observed with information available for scrutiny by local residents and elected members.

This call-in is based on the following reasons:

This decision was not being undertaken in the right way - here had been insufficient evidence and work to date to clarify the potential risk of a precedent, costs and benefits of writing off such a significant amount of public money, without public and elected councillors having the opportunity to objectively scrutinise and judge the merit of such a haphazard decision taken behind closed doors without evidence.

Need to know the cost of implementation of this decision for the council and local residents.

There has been a lot of talk about transparency and accountability - even criticism by Labour, Conservatives, and Secretary of State/Commissioners

previously - about decisions being taken behind the close doors. If they were genuine in their criticism then all documents relating to this decision should be made public and members should be able to scrutinise the decision.

Given the overall grants/funding related issues, best value review, PWC report and other relevant criticism, would it be wise, professional or appropriate for the new Labour mayor or the Executive to make such a decision now or in future to write off such a significant sum of Tax Payers' money, without proper accountability and transparency.

On what criteria and rationale can such a decision be made? We would request that the criteria and rationale be made public and shared with elected members in general, particularly councillors who have called-in this decision taken in a hurry and behind closed doors, opening up the council to potential criticism and cherry-picking, if no such information and evidence is made available. The criteria and rationale must be in writing; formally announced or made public and all organisations should be informed so they are aware of its existence and potential benefits on the same basis as the Rich Mix.

Will other agencies, projects or similar venues be allowed to make such a case (if and once the criteria or rationale is known) and receive the same treatment from the Labour Mayor, Labour executive, and Labour-controlled Overview and Scrutiny Committee which is now supposed to scrutinise and monitor the Mayor, its policies and decisions rather than opposition? More importantly, how will other bodies know on what criteria and rationale this decision was made on, and how can they pursue similar course with the Council if there is no clear information.

If there is genuine need for 'Exempt Information' under legislation relating to this decision - summarised and appropriately redacted information must be provided and at the very least a criteria to inform public and other bodies be available so a fair, honest and transparent level playing fields is established.

How does this decision fit in with the cuts a Labour Mayor and Cabinet will have to make soon. Is it best use of our resources? What evidence is there to support such a claim vis-a-vis other cuts and pressures facing the council?.

The decision has been undertaken in such a hurry, whereas, this decision could have been made in a few days at the Cabinet meeting, following proper protocol with full information. Reports, rationale and details provided for scrutiny so that a transparent and robust decision is reached.

The lack of information, rationale, fairness, transparency, secretive manner in which this decision seemed to be handled has resulted in this decision being called-in - not the work done by Rich Mix. This decision will also make other groups in the community uneasy as there may be a risk of perceived level of cronyism and nepotism due to the manner in which is being taken behind closed doors. In order to support the some of the good work done by Rich Mix, and the Council's reputation, the above points must be addressed immediately

## **ALTERNATIVE ACTION RECOMMENDED BY THE OVERVIEW AND SCRUTINY COMMITTEE (IF ANY)**

The Committee agreed to refer the decision back to the Mayor for reconsideration, with recommendations that the Mayor considers Rich Mix's business plan and considers setting targets for Rich Mix in relation to working with young people. The Committee did not recommend an alternative action to the Mayor but wished the Mayor to confirm and clarify in his decision that Best Value considerations had been taken into account.

## **LEGAL COMMENTS**

The legal comments are set out in Appendix 1 to this report.

## **DECISION OF THE MAYOR**

I have reconsidered the Mayor's Decision Log No. 103 "Rich Mix Litigation" in the light of the representations made to me by the Overview and Scrutiny Committee at its meeting on 7<sup>th</sup> July, 2015 as set out above.

I can confirm that I have considered Rich Mix's business plan, set out at Appendix 2.

I have considered further clarification of the very latest business position by Rich Mix including historic and planned levels of outputs as set out in Appendix 3.

I have specifically taken into account the following considerations as to best value –

Continued pursuit of the Rich Mix loan in the Courts would, in my view, present a real risk of forced insolvency for this important local and regional arts facility which, if this came about, would result in the loss of a substantial amount of the public sector funding provided to establish it. Given the nature of the Charges established against the value of the land and the charitable status of the organisation the Council would be unlikely to be able to recover the money invested, including the loan, if the Rich Mix were to become insolvent.

Whilst Rich Mix retains the full support of all of its key funders it remains vulnerable to changes to Arts Council and voluntary contribution levels which could threaten its viability. The proposed settlement will help to reduce exposure to such risks by facilitating capacity building and reducing its exposure to capital liabilities and will therefore help to safeguard historic investment in this important facility.

Rich Mix has demonstrated its value to the Arts Community which is increasingly centred on East London and which itself delivers significant economic and social benefits to the local area and has solid plans for continuing to do so in to the future. Last year this included the provision of free arts space to artists approximately half of whom were drawn from the surrounding local communities to the value of £312,000 and a clear commitment to maintain free provision at similar levels.

Rich Mix continues to provide valuable support to local arts organisations that supplement the work that the Council undertakes.

Rich Mix has an extensive and well-established schools and youth-focused programme, centred very much on the local community. Since January of this year 3,232 children and young people participated in Rich Mix events with 20 of the Boroughs schools engaged, representing over half of the schools engaged by the organisation over this period. Between April 2014 and March 2015, 86 artists were employed to deliver work for, by and/or with children and young people. A clear commitment has been given to continue this valuable work in the future and the proposed settlement will allow Rich Mix to further improve its fund raising capacity to support this work which is 100% reliant on voluntary contributions.

My principal best value reason for moving to settle this matter as set out in my original decision is that by doing so the Council safeguards its own investment and that made by other public sector bodies and the wider tax payer in establishing this important facility by removing a real risk of insolvency to it and strengthening its financial position. I am satisfied that the organisation has consistently demonstrated outputs of a nature and at levels that directly benefit the local community, that they have provided a commitment to continue to do so at similar or increased levels in the future and that their business plan and associated financial plan supports this. It is also entirely consistent with the Council's best value duty to seek to protect this investment further by helping to improve its financial resilience in challenging economic times.

The organisation has been transparent in the way in which it would intend to apply the net resource resulting from the proposed settlement. This is specific to capacity building in relation to fund raising and to mitigating its exposure to capital costs and risks associated with potential reductions to its future public sector funding profile. I do not wish to set fund raising targets in such a challenging economic environment or to fetter the organisation's ability to apply the additional net resource resulting from this settlement as it sees fit in order to reduce its capital liabilities. I note the comments of the Overview and Scrutiny Committee but for the reasons I have given I do not consider it appropriate in this case to set performance output targets. I will, however, require the net section 106 resource retained by Rich Mix, following subtraction of the outstanding loan sum, to be used for the purposes outlined above and to increase 'free at the point of entry' cultural outputs expressly targeting local residents or local schools and I will make the agreement

subject to an Audit requirement so that I can be satisfied that it has been applied for the purposes I have intended.

I am grateful for the reference from O&S. Having taken into account all of the relevant information I have decided to:-

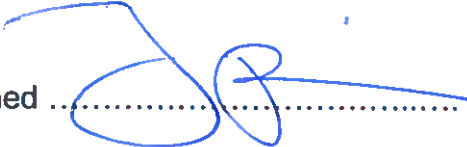
~~(a) Confirm my decision published on 22<sup>nd</sup> June on the matter of the Rich Mix Litigation;\* or~~

(b) Amend my decision published on 22<sup>nd</sup> June on the matter of the Rich Mix Litigation as set out below.\*

My decision is as set out in my original decision published on 22<sup>nd</sup> June but now amended by noting that Rich Mix has through its business plan and other correspondence relating to work with young people and others across the borough, attached to this decision, demonstrated that the purposes intended for the net sum are specifically to increase 'free at the point of entry' cultural outputs expressly targeting local residents or local schools, capacity building within Rich Mix in relation to its own fund raising capability and any purpose for which the primary objective is to mitigate the organisations exposure to capital liabilities or risks associated with potential reductions to its future public sector funding profile. I believe that these facts form tangible consideration for the people of our Borough and help to secure the best value objectives of the Council.

I further note that the release of S106 funds to Rich Mix, which in my view was intended to happen long ago, will enable Rich Mix to repay the £850,000 owed to the Council and which will now be available for any General Fund use.


Finally, Rich Mix is an important cultural asset, and it will be my intention as Mayor, together with my key cabinet member(s), to meet at least annually with Rich Mix in order to exchange information and in particular to ensure that we maximise the relationship between Rich Mix and other institutions and communities across the Borough.

Signed .....  ..... Date 5th Aug 2015

Mayor John Biggs

- Appendix 1 Exempt mayoral decision and supporting report
- Appendix 2 Rich Mix's business plan
- Appendix 3 Documents demonstrating the business position by Rich Mix including historic and planned levels of outputs



<b>Individual Mayoral Decision</b> Decision Log No: 101	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Stephen Halsey - Head of Paid Service	<b>Classification:</b> Exempt
<b>Rich Mix Litigation</b>	

<b>Is this a Key Decision?</b>	Yes
<b>Decision Notice Publication Date:</b>	18 June 2015
<b>General Exception or Urgency Notice published?</b>	Urgency Notice published
<b>Restrictions:</b>	Exempt

## EXECUTIVE SUMMARY

In June 2012, the Council issued a claim against Rich Mix Cultural Foundation ("**Rich Mix**") in the High Court to recover £850,000 loaned to Rich Mix and due to be repaid in June 2006 plus interest ("**the loan claim**"). Following a case management conference in the High Court on 26 January 2015, the case has been set down for a 3-day hearing in the High Court to take place during the week commencing 20 July 2015.

Rich Mix have applied to adjourn the hearing which is listed for a hearing on Friday 19 June 2015. At the same time, settlement discussions are ongoing and there is an open offer from Rich mix to resolve the proceedings. In the circumstances, a decision is sought from the Mayor as to the future conduct of the proceedings and settlement discussions. The details and options are set out in the attached report.

## DECISION

### Recommendations:

The Mayor is recommended to:


1. Decide whether to proceed with the trial which is listed for 3 days in the week commencing 20 July 2015 or not.
2. Decide whether to accept Rich Mix's settlement proposal of 27 March 2015 (the option in paragraph 2.2 of the report ("option 2.2")) or to continue with settlement discussions on the basis outlined in paragraph 3.17 of the report (the option in paragraph 2.3 of the report ("option 2.3")) or on some other basis.

3. Agree, subject to 2, to continue the constructive discussions with Rich Mix concerning co location as set out in paragraph 3.17.
4. Specify the balance of supporting reasons in respect of the decisions in 1 and 2.

**APPROVALS**

**1. (If applicable) Corporate Director proposing the decision or his/her deputy**

I approve the attached report and proposed decision above for submission to the Mayor.

Signed  ..... Date 18/6/15

**2. Chief Finance Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

Signed  ..... Date 18/6/15

**3. Monitoring Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)  
I confirm that this decision:-

~~(a) has been published in advance on the Council's Forward Plan OR~~  
(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed  ..... Date 18/06/15

**4. Head of Paid Service**

I have been consulted on the content of the attached report which includes my comments where necessary.

Signed  ..... Date 18/6/15

**5. Mayor**

I agree the following from the options presented in the report (please delete or indicate as appropriate):

1. I ~~do~~ / do not wish the Council to proceed with the trial which is listed for 3 days in the week commencing 20 July 2015
2. I would like to settle the case on the basis of:

(a) Option 2.2

~~(b) Option 2.3~~

(c) Some other basis (please specify):

Please specify any additional reasons (if any) to those set out in the body of the report:


.....  
.....  
.....

Signed .....



Date .....

18/6/2015

<b>INDIVIDUAL MAYORAL DECISION</b> 18 June 2015	 <b>TOWER HAMLETS</b>
Report of: Stephen Halsey - Head of Paid Service	<b>Classification:</b> Exempt
<b>Rich Mix Litigation</b>	

<b>Lead Member</b>	No current lead member
<b>Originating Officer(s)</b>	Robin Beattie, Service Head – Strategy & Resources David Galpin, Service Head – Legal Services
<b>Wards affected</b>	All wards
<b>Community Plan Theme</b>	A prosperous community
<b>Key Decision?</b>	Yes

### Executive Summary

In June 2012, the Council issued a claim against Rich Mix Cultural Foundation (“Rich Mix”) in the High Court to recover £850,000 loaned to Rich Mix and due to be repaid in June 2006 plus interest (“the loan claim”). Following a case management conference in the High Court on 26 January 2015, the case has been set down for a 3-day hearing in the High Court to take place during the week commencing 20 July 2015.

Rich Mix have applied to adjourn the hearing which is listed for a hearing on Friday 19 June 2015. At the same time, settlement discussions are ongoing and there is an open offer from Rich mix to resolve the proceedings. In the circumstances, a decision is sought from the Mayor as to the future conduct of the proceedings and settlement discussions. The details and options are set out in the attached report.

### Recommendations:

The Mayor is recommended to:

1. Decide whether to proceed with the trial which is listed for 3 days in the week commencing 20 July 2015 or not.
2. Decide whether to accept Rich Mix’s settlement proposal of 27 March 2015 (the option in paragraph 2.2 of the report (“option 2.2”)) or to continue with settlement discussions on the basis outlined in paragraph 3.17 of the report (the option in paragraph 2.3 of the report (“option 2.3”)) or on some other basis.
3. Agree, subject to 2, to continue the constructive discussions with Rich Mix concerning co location as set out in paragraph 3.17.

4. Specify the balance of supporting reasons in respect of the decisions in 1 and 2.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Council are entitled to recover the £850,000 plus interest paid to Rich Mix under the loan agreement. Counsel's view is that the Council's prospects of success in relation to the loan claim are strong and in the order of 70%.
- 1.2 The costs in the case are significant. The litigation began in June 2012 and is at an advanced stage. The Council costs were just under £130,000 to January 2015, which included internal costs and represented 72% of the estimated total spend on this litigation. Rich Mix's costs were £160,000 of an estimated total spend of £215,000.
- 1.3 The court expects the parties to engage in alternative dispute resolution and an out-of-court settlement could yield additional value which the council is seeking.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council could withdraw its claim against Rich Mix and vacate the hearing in July 2015, although there is no legal reason to do so, given counsel's advice. It would result in the Council writing off Rich Mix's debt and the council would also be liable for Rich Mix's legal costs to date.
- 2.2 The Council could accept Rich Mix's most recent settlement offer which was that Rich Mix would repay the loan of £850,000 and pay the Council's external legal costs up to £50,000 if the Council released the section 106 monies totalling £1,570,482 which the Council received from Bishopsgate Apartments LLP. The monies held under the S106 agreement formed part of Rich Mix's counter claim against the Council, which was dismissed following the preliminary judgment on 1 October 2015. This would be a simple commercial offset and relatively straightforward to implement, although paragraph 5.3 of the legal comments should be noted. The Council is not obliged to pay over the monies held under the section 106 agreement. There may be a question as to whether payment would deliver best value, which should depend at least in part upon what Rich Mix will deliver for the further investment. However, as the money would be utilised by Rich Mix to fund its operations it is arguable that it does represent best value as it protects Rich Mix's immediate future and safeguards the significant investment the Council has already made in the charity.
- 2.3 Alternatively the Council can continue with settlement discussions on the same basis as it has done to date or adopt a different settlement strategy entirely. Any alternative strategy would need to take into account the matters in dispute as outlined in this report, including costs. The current settlement discussions have related to the co-location of an Idea Store in Rich Mix's building. The proposals have been discussed between the parties and dialogue continues between the Council and Rich Mix. This dialogue has

diminished following the outcome of the election court. This option would be more difficult to implement and agreement would need to be obtained from the key funders as well as the board of Rich Mix. However it does present a strong technical solution to establishing value for money and best value without risk to the financial future of Rich Mix in a way that could substantially reduce on going revenue risk to it and support its business model. The co-location of an Idea Store would take several years to be designed and installed. . If an Idea Store was co-located at the Rich Mix site then the best value requirement would be further satisfied as the local community would have access to an Idea Store in an area where the Council does not have one. The Council would be obtaining a below market-rate lease in exchange for ending proceedings in respect of the loan amount. This should recover the amount loaned to Rich Mix in the longer term.

### 3. DETAILS OF REPORT

- 3.1 In 1999, Cityside Regeneration Ltd ("**Cityside**") conceived a project to provide a cultural centre for the arts in Bethnal Green. Cityside acquired a freehold property at 39-47 Bethnal Green Road ("**the property**") to construct the centre. The Council provided £1.8 million to Cityside in forward funding for the project in August 2002 and a further £952,000 in forward funding in March 2003. These two loans were paid pending the Cityside project obtaining funding from other sources.
- 3.2 At a meeting of Cabinet on November 2003, proposals were approved to implement the Rich Mix project in the following terms (among others) and a forward funding written agreement was entered into in September 2004:
- (1) the property would be transferred from Cityside to the Council and then from the Council to Rich Mix;
  - (2) the forward funding of £2.75 million from the Council would be repaid less a sum of £850,000 ("**the second forward funding**"), repayment of which was to be subject to a legal agreement between the Council and Rich Mix;
  - (3) £900,000 of forward funding ("**the first forward funding**") would be repaid on practical completion;
  - (4) £1 million would be made available to Rich Mix by the Council by way of capital grant.
- 3.3 Clause 3 explicitly set out that the first forward funding was payable on the practical completion date and that the second forward funding was to be repaid to the Council by Rich Mix on 1<sup>st</sup> January 2006, or such other date agreed by the Council before 1<sup>st</sup> December 2005.
- 3.4 It was subsequently agreed between the Council and Rich Mix that the second forward funding be repaid by July 2006. This was extended by the Council's Director of Development and Renewal at the time under delegated powers. The sum of £850,000 became due in July 2006 but to date the loan has not been repaid to the Council.

- 3.5 The cultural centre was completed at the Rich Mix site and has been in operation since 2006. It consists of a cinema, café, performance theatre space, bar, gallery, offices and work spaces which are leased to arts organisations. Rich Mix has the continuing support of its key funders, as indicated in the letter dated 17 March 2015, which is Appendix 3 to this report.
- 3.6 The Council's right to bring proceedings to recover the outstanding loan of £850,000 was due to expire in June 2012. This was a result of the Limitation Act 1980, which relevantly requires litigation to be commenced within six years. In order to protect the Council's position, the Council issued the loan claim in the High Court in June 2012. The claim seeks to recover interest on the unpaid loan, which takes the total claim over £1million. The decision to issue the claim was taken by the then Assistant Chief Executive after consultation with the Mayor.
- 3.7 The claim was not served immediately on Rich Mix, so as to enable discussions to continue between the parties. However, there is also a time limit on serving proceedings once they have been issued and, when discussions did not lead to settlement, the loan claim was served on Rich Mix in October 2012.
- 3.8 In November 2012, Rich Mix served a defence to the Council's loan claim, but also filed a counterclaim for £1,570,482 which it claimed was due under a service level agreement with the Council dated 26 September 2010 ("the **SLA claim**").
- 3.9 A preliminary hearing took place in the High Court on 9 July 2014, which considered a point of law determinative of the SLA claim. As a consequence of the preliminary hearing, Rich Mix no longer has a claim in the High Court for payment of £1,570,482 under the SLA. The High Court litigation now focuses on the Council's loan claim, which is due to be heard over 3 days in July 2015.
- 3.10 There are costs associated with the litigation to date. These costs were assessed for the purposes of the case management conference which took place in the High Court on 26 January 2015.
- 3.11 As at January 2015, the Council's costs in the litigation were just under £130,000, consisting of £26,820 for counsel and £100,000 for the Council's in-house legal service, which is handling the case. The Council's projected costs to conclusion of the case have been assessed by a costs draftsman as being £180,000 including the amount spent to date.
- 3.12 Rich Mix is being represented on a pro bono basis, but they have also had their costs assessed by a costs draftsman. As at January 2015, Rich Mix's costs were approximately £160,000 and their projected costs were limited at the case management conference to a total of approximately £215,000.

- 3.13 The Court has discretion whether to order one party to litigation to pay the other party's costs. However, the usual rule is that costs follow the event, so that the losing party is usually ordered to pay the winning party's costs. Should the council be unsuccessful at trial in relation to the loan claim, the Council will be liable to pay Rich Mix's costs which relate to the loan claim. However, as a result of Rich Mix being unsuccessful with its SLA claim, a proportion of the Council's costs to date should be recoverable from Rich Mix.
- 3.14 The Council and Rich Mix have made continuing efforts to try and settle their disputes by means other than litigation. Settlement discussions have continued on a confidential basis alongside the litigation but have not been successful to date.
- 3.15 Rich Mix sent an open offer letter to the Council at the end of September 2014 (please see Appendix 1). That letter was sent prior to judgment on the preliminary point on 1 October 2014 and sets out Rich Mix's most recent, formal position in relation to settlement. Whilst not accepting any legal liability for the loan, Rich Mix have offered to pay £850,000 back to the Council, on the condition that the Council pays to them section 106 monies totalling £1,570,482 which the Council received from Bishopsgate Apartments LLP.
- 3.16 On 27 March 2015, Rich Mix provided the council with a revised settlement offer. Rich Mix have offered to repay the £850,000 loan and up to £50,000 of the Council's external legal spend if the Council provides Rich Mix with further funding of £1,570,482 (please see Appendix 2).
- 3.17 The Council has proceeded to conduct settlement discussions according to the following principles established by the Council's Executive—
- (1) The Council is under no obligation to pay any section 106 monies to Rich Mix, although it may do so.
  - (2) Rich Mix owes the Council £850K plus interest.
  - (3) Forgiving the loan or paying Rich Mix further section 106 monies would involve a significant further investment in Rich Mix at a time of austerity and should yield a significant additional benefit for Tower Hamlets if it is to be considered..
- 3.18 On 21 May 2015 Rich Mix applied to stay proceedings indefinitely to allow the Council time to consider Rich Mix's offer. The hearing to consider the stay application was listed on 4 June 2015. After consulting with the DCLG Commissioners on 27 May 2015 the Authority agreed that it ~~the Council~~ would request that the stay application hearing be adjourned until after the Mayoral election on 11 June 2015. Rich Mix agreed to this request and it has been re-listed on 19 June 2015.
- 3.19 The Council was required to serve its witness evidence by 29 May 2015. The Council has one witness statement, which was filed with the court on 28 May 2015. Rich Mix informed the Council that it was unable to comply with the direction. Rich Mix requested an extension of time to serve their witness evidence after the hearing on 19 June 2015. The Council has agreed to this



request. If Rich Mix's application to stay proceedings is unsuccessful then they have agreed to serve their witness evidence by 22 June 2015.

- 3.20 There are good reasons for not agreeing to adjourn the hearing which is presently listed for July. The proceedings were filed in 2012 and have now been going for around three years. It should be in the interests of both parties to bring the proceedings to a conclusion. Settlement should always be the preferred option, but even taking this into account the hearing dates have value as a powerful incentive to encourage settlement.
- 3.21 To date, Rich Mix has not been able to offer any significant additional benefits of the kind which might comply with the 3<sup>rd</sup> principle outlined above to justify the further investment that it seeks. However, they do remain in constructive discussions regarding the potential co-location of an Idea Store in part of the Rich Mix site. These discussions provide a potential platform whereby the Council may secure sufficient value for money, subject to the terms of such co-location, to justify consideration by the Mayor of their request for section 106 monies and the possible conversion of the loan debt into the value of any co-location arrangements. These very constructive discussions are running in parallel to the court proceedings and are relevant in so far as they represent a genuine option for Rich Mix should they be of the view that the loss of the court case specific to the loan issue may risk making them becoming insolvent. The acceptability of such an agreement would also be dependent on the agreement of Rich Mix's key funders.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1. This report seeks the decision by the Mayor in cabinet to proceed to the hearing in the High Court in July 2015 to recover the £850,000 loan made to Rich Mix which was due for repayment in June 2006. Following the decision made at a preliminary hearing in the High Court on July 2014, Rich Mix no longer has a claim against the Council for payment of £1,570,482 under the SLA. As a consequence of the decision, the case is now focused on the loan repayment to the Council and the settlement discussions outlined in Para. 3.16.
- 4.2. The legal cost incurred by the Council to date is approximately £130,000. If the decision is made to proceed, further costs of £50,000 will be incurred making a total cost of £180,000. The legal costs of Rich Mix have also been assessed and total approximately £160,000 to date. However, the projected costs of Rich Mix are limited to approximately £215,000. As the Court has discretion to order the losing party to pay litigation costs of the other party, a proportion of the Councils costs should be recoverable at this stage.
- 4.3. The extent to which the legal cost is fully or partially recovered is dependent on the decision made by the Mayor in cabinet and the outcome. There is currently no budget provision to meet these litigation costs in the budget, any potential residual costs will need to be met from existing resources identified in the first instance. Approval may be required for the use of contingencies if this cannot be achieved.

## **5. LEGAL COMMENTS**

- 5.1. Legal implications are largely contained in the body of the report.
- 5.2. Paragraph 2.2 of the report contains a settlement option which involves the payment of section 106 monies to Rich Mix. The decision to allocate section 106 monies held by the Council is an executive function of the Council by virtue of section 9D(2) of the Local Government Act 2000.
- 5.3. Should the payment of section 106 monies be constituted as a grant, then approval would be required from the commissioners appointed by the Secretary of State. The power of the commissioners to make decisions in relation to grants arises from directions made by the Secretary of State on 17 December 2014 pursuant to powers under sections 15(5) and 15(6) of the Local Government Act 1999 (the Directions). Paragraph 4(ii) and Annex B of the Directions together provide that, until 31 March 2017, the Council's functions in relation to grants will be exercised by appointed Commissioners, acting jointly or severally. This is subject to an exception in relation to grants made under section 24 of the Housing Grants, Construction and Regeneration Act 1996, for the purposes of section 23 of that Act (disabled facilities grant).
- 5.4. When considering whether or not to make funds available for the purposes specified, the Council should consider whether or not this will be consistent with its best value arrangements. The Council is obliged as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness" (the best value duty).

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 The Rich Mix Centre is a regional arts, cultural and educational facility, which may deliver benefits consistent with the Council's Community Plan objectives. It provides culturally related performance and exhibition space and accommodation for the cultural industries and also includes a cinema space. Whilst being a regional facility it has also developed a locally specific engagement agenda as part of its work.
- 6.2 Consideration should be given to whether continuing with the litigation will be consistent with both the Culturally specific Community Plan themes and the cross-cutting theme in the Community Plan of efficiency, which is concerned with delivering value for money services.
- 6.3 When considering its approach to the dispute with Rich Mix, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). An equality checklist has

completed and is appended to this report which provides information relevant to these considerations.

- 6.4 The decisions about proceeding with litigation and the approach to be taken to settlement have no direct impact on people with protected characteristics. However, there may be some concern about the financial viability of Rich Mix in the event of an adverse judgment and some potential should that occur for indirect impacts on persons who share protected characteristics. That potential is difficult to quantify at this point in time, particularly as there are intervening steps which each carry their own uncertainty, including: the Council obtaining a favourable judgment; the failure of settlement discussions; and a positive decision by the Council to enforce any judgment. Given the uncertainties it is difficult to identify a likely impact and the potential for an equality impact should be kept under review.

## **7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 7.1 The recommendation in this report will not impact or contribute to a sustainable environment.

## **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1 The costs in the case will total just under £400,000 to the conclusion of the trial in July 2015. If it is unsuccessful, the Council will likely bear a significant portion of these costs. If the Council succeeds, it is uncertain as to whether it will be able to recover either the loan monies or any of the costs due to it from Rich Mix. It appears to be the position of Rich Mix that it may not be able to pay, but the Council has not verified this assertion. It would always be open for the Council to continue to try to find alternative ways to obtain value from further investment in Rich Mix, as it has continued to do through settlement discussions in order to ensure its continued viability.
- 8.2 Counsel's view is that the Council's prospects of success in relation to the loan claim are strong and in the order of 70%. There are, however, no guarantees in relation to litigation.
- 8.3 There has been a range of media comment regarding the dispute between the Council and Rich Mix. It is possible that continuing media comment could lead to a reputational risk for the Council.
- 8.4 Consideration needs to be given to the risks of providing further funding to Rich Mix who have recently stated in the press that their financial position may be threatened by the need to repay the loan. Rich Mix has already received substantial amounts of public funding both in capital and revenue terms but their revenue position, which has never been strong, has been weakened by a reduction in Arts Council Funding from the start of the austerity period. The extent to which the Council is in a position to provide more funding to Rich Mix without securing additional value needs careful consideration during a period of austerity. There is a counter argument that pursuing the court case might endanger the future of the organization and

therefore put at risk the considerable amount of public investment already provided to this organization, although the colocation solution under discussion goes some way to reducing this risk. These are not technical considerations but both arguments will need to be considered in reaching a balanced decision.

## **9. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 9.1 The recommendations of this report will not impact on the reduction of crime and disorder.

## **10. BEST VALUE IMPLICATIONS**

- 10.1 The costs and benefits of proceeding with the litigation or achieving a settlement of the dispute need to be considered as set out in the report. The settlement option which involves payment of section 106 monies to Rich Mix raises issues of best value as addressed in paragraph 2.2 of the report.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 There are no safeguarding implications arising from the report

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE.

### **Appendices**

- Appendix 1 – Letter to the Council from Latham & Watkins, 30 September 2014
- Appendix 2 – Letter to the Council from Latham & Watkins, 27 March 2015
- Appendix 3 – Letter to Rich Mix from key funders, 17 March 2015

### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- NONE.

### **Officer contact details for documents:**

N/A

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LATHAM & WATKINS

30 September 2014

**BY EMAIL AND POST**

London Borough of Tower Hamlets  
 Chief Executive's Directorate  
 Legal Services  
 6<sup>th</sup> Floor  
 Mulberry Place  
 5 Clove Crescent  
 London E14 2BG

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Our ref. 503435-0000  
 Your ref. L/C/DG/31632

Dear Sirs

**London Borough of Tower Hamlets ("LBTH") v Rich Mix Cultural Foundation ("Rich Mix"): Claim No. HQ12X02558**

LBTH and Rich Mix have spent a considerable amount of time, money and effort in relation to the dispute described above. Rich Mix continues to believe that settlement of the outstanding issues is the most reasonable and commercial way to proceed, particularly given the nature of the stakeholders in Rich Mix and LBTH. Bearing that in mind, Rich Mix sets out below a settlement offer on an open basis which is designed to resolve, fully and finally, the High Court proceedings in a fair and amicable fashion.

Rich Mix seeks LBTH's response to this settlement offer within 30 days of the date of this letter.

### **Section 106 Monies**

Before setting out the terms of the settlement offer, it is important to have clarity regarding the status of the £2,093,978 paid under paragraph 2(e) of Schedule 8 to the section 106 agreement between Bishopsgate Apartments LLP and LBTH dated 21 May 2008 (the "Section 106 Monies"). The decision of the Strategic Development Committee of 2 August 2010 (the "SDC Decision") resolved as follows:

1. *"That option 3 as detailed in paragraphs 8.7-8.10 of the report (SDC003/011) be adopted;*
2. *That the Corporate Director of Development and Renewal be authorised to progress option 4 and to negotiate with the Rich Mix based on the performance areas specified in Section 2 of Appendix 2 of the report (SDC003/011) for inclusion in a SLA; and*

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3. *That the Corporate Director of Development and Renewal be authorised to administer the draw down of S.106 monies by Rich Mix against the negotiated performance framework set out in the SLA referred to above."*

The payments comprised within 'Option 3' have been made, so will not be discussed in this letter. 'Option 4' is defined in paragraphs 8.11 – 8.13 of report SDC003/011 as follows:

*"8.11 Option 4.*

*8.12 Members have the option of extending the support beyond that set out in Options 2 and 3 above to include further payments as set out below.*

*8.13 The remaining three instalments of £523,494 each (or any part thereof) subject to being paid by the developer are nine months apart and will be made available in the financial year that they are paid for Rich Mix to draw down subject to performance against further targets to be agreed with the Council for each tranche focusing on those key performance areas set out in Appendix 2 (Section 2)."*

The SDC Decision is a binding resolution. As such, LBTH currently has no power to apply the Section 106 Monies to any use other than those specified in the SDC Decision. Please confirm that you agree and, if not, please clarify the basis of your disagreement.

#### **Open Settlement Offer**

The proceedings between LBTH and Rich Mix have now been ongoing for well over two years, and the most expensive stages of the case – the preparation of evidence and the trial of the substantive issues in dispute – still lie ahead. Rather than waste further taxpayers' money and charitable resources in continuing with these proceedings (particularly given the risk of non-satisfaction of any judgment debt should LBTH be successful), the time has now come to settle the dispute once and for all.

LBTH is claiming the payment of £850,000 which it says is due from Rich Mix under a forward funding agreement dated 13 September 2004 (the "**Forward Funding Agreement**") in respect of sums advanced to Cityside Regeneration Limited ("**Cityside**") on dates prior to the purported execution of the Forward Funding Agreement. For the various reasons that have been discussed between the parties, and those contained in Rich Mix's Amended Defence & Counterclaim, Rich Mix denies any legal liability to pay £850,000. However, Rich Mix does acknowledge, and will always be grateful for, the financial support provided by LBTH to the Rich Mix project via Cityside. In recognition of such support, Rich Mix makes the following offer for the settlement of the instant proceedings.

Despite no binding legal obligation to do so, Rich Mix is prepared to pay £850,000 in full satisfaction of LBTH's claim, subject to the following.

Under current management, which has been in place in since January 2010, Rich Mix has consistently exceeded its demanding annual financial performance targets. We understand that the Rich Mix project has received no financial support from LBTH council tax payers since March 2009, and at the time of writing anticipates no future need for further generosity on the part of LBTH council tax payers. Rich Mix does, however, provide a valuable cultural facility to the LBTH local authority area. As stated by the GLA in its letter of 21 January

LATHAM & WATKINS LLP

2014, *“the centre is healthy financially and [Rich Mix’s] business plan is proving successful”*, and *“Rich Mix is reaching both the local community in the borough as well as wider London audiences and visitors”*.

The Section 106 Monies are derived entirely from a private sector source. They do not consist in any part of funds provided by council tax payers. The payment due to Rich Mix represented only a portion of Bishopsgate Apartments LLP’s section 106 obligations, the remainder of which funded social housing and local environmental improvements. As LBTH is aware, Rich Mix does not presently have sufficient funds to make the payment of £850,000 noted above. In order to do so, Rich Mix requires access to the remaining Section 106 Monies. For the reasons noted above, LBTH is unable to apply such monies to any purpose other than that specified in the SDC Decision; we also understand that the Section 106 Monies are currently not available for unrestricted General Fund expenditure. By disbursing the remaining Section 106 Monies to Rich Mix, £850,000 of which would immediately be paid to LBTH, the proposed settlement would provide three key benefits:

1. LBTH’s ability to spend on general services would immediately be increased on a net basis by the full amount of £850,000, without any litigation risk;
2. the future of the Rich Mix centre, which has received funds from a number of public and quasi-public sources since the inception of the Rich Mix project, and which provides such a valuable cultural facility to the LBTH local authority area, would be safeguarded; and
3. LBTH would avoid any further legal expenditure in pursuing its claim to trial.

We look forward to hearing from you.

Yours faithfully



LATHAM & WATKINS

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## LATHAM & WATKINS

27 March 2015

Our ref. 503435-0000  
 Your ref. L/C/DG/31632

### BY EMAIL AND POST

London Borough of Tower Hamlets  
 Chief Executive's Directorate  
 Legal Services  
 6<sup>th</sup> Floor  
 Mulberry Place  
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 London E14 2BG  
 Dear Sirs

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### London Borough of Tower Hamlets ("LBTH") v Rich Mix Cultural Foundation ("Rich Mix"): Claim No. HQ12X02558

As you know, a date has now been set for trial. In just under 4 months, the dispute between the parties will be ventilated, publicly, and at great expense. It is extremely disappointing that the trial is still on foot and that the parties have not been able to resolve their issues (a point the Court has echoed, twice). We, and Rich Mix, remain firmly of the view that a trial has no benefit for either LBTH or Rich Mix and, as set out below, are convinced that any judgment in favour of LBTH would be resoundingly negative for both parties.

There is a small window of opportunity available to the parties to settle this dispute so that they can move forward, together, for the benefit of Rich Mix, all of Rich Mix's stakeholders, and LBTH itself. We set out below the parameters of Rich Mix's revised settlement offer – which is being made, as with previous offers, on an open basis – and urge LBTH to give this offer serious consideration in order to bring an end to the current situation.

#### Revised Settlement Offer

Rich Mix has already made several offers to settle this matter. However, it would be prepared to make the following improved offer in order to settle all claims between LBTH and Rich Mix.

Without accepting any liability to LBTH, and on condition that LBTH transfers to Rich Mix the outstanding balance of the funds allocated to Rich Mix under the decision of LBTH's Strategic Development Committee dated 2 August 2010 (the "2010 SDC Decision"), Rich Mix is prepared to pay to LBTH:

1. £850,000 in full and final settlement of LBTH's claims; and
2. up to £50,000 in respect of LBTH's demonstrable external legal costs reasonably

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incurred to the date of settlement.

### **Consequences of Rejecting Settlement Offer**

For the reasons stated in Rich Mix's Re-Amended Defence and our second letter of today's date, there are serious doubts about the merits of LBTH's claim. In almost three years of litigation, LBTH has been unable to produce any signed document containing any obligation for Rich Mix to pay any money to LBTH. There are strong reasons to believe that no such obligation ever existed and that, even if such an obligation ever did exist, events occurring in the meantime have either waived such obligation or rendered it unenforceable. If LBTH were to lose at trial, it would have to bear its own estimated costs of £179,316 in addition to a significant proportion of Rich Mix's estimated costs of £216,243, i.e. the taxpayer would be exposed to a litigation costs liability of almost £400,000 in total.

Further, and as previously stated in correspondence, Rich Mix considers that the 2010 SDC Decision is still binding upon LBTH. It has not been varied or revoked by any body with competence to do so. As such, Rich Mix considers that LBTH currently has no power to apply the balance of the monies due under Schedule 8 of the 21 May 2008 Section 106 agreement with Bishopsgate Apartments LLP – currently understood to be over £1.5 million – to any use other than payment to Rich Mix, regardless of the outcome of the current proceedings.

Even if LBTH were to succeed in its claim, as stated over 18 months ago, Rich Mix simply would not have the funds to satisfy the judgment or any claim for LBTH's litigation costs. In order to recover the amounts claimed, LBTH would likely have to institute insolvency proceedings against Rich Mix which may then trigger rights for a number of other funders under the Deed of Priority. Given the multiple claims on the building, a successful action by LBTH would be unlikely to result in the building being offered or made available to LBTH. It is also unclear whether, at the end of lengthy, expensive insolvency proceedings, LBTH would recover either the £850,000 plus interest and legal costs claimed, or the significant amounts invested by LBTH in the Rich Mix project since its conception.

### **LBTH's Decision**

If LBTH rejects the above offer, the taxpayer faces potential litigation costs exposure of up to £400,000 if LBTH loses its claim. Even if LBTH were to 'win', it may not recover the claimed sum or its litigation costs, and the benefit of the Rich Mix centre would be lost to the community.

If LBTH accepts the above offer, approximately up to £900,000 would immediately become available for LBTH to spend on general services, without any litigation risk or further litigation costs, and a valuable cultural facility serving the LBTH local authority area would be preserved.

We look forward to hearing from you.

Yours faithfully



LATHAM & WATKINS

Professor Michael Keith  
Chair of Board of the Rich Mix Cultural Foundation  
35-47 Bethnal Green Road  
London E1 6LA

17th March 2015

Dear Sir/Madam

**Rich Mix Arts Centre "For the Avoidance of Doubt"**

This is to confirm that the undersigned organisations are in full support of the Rich Mix Centre charity and social enterprise based on 35-47 Bethnal Green Road, E1 6LA in the London Borough of Tower Hamlets.

As the main original capital funders of the Rich Mix Centre, together with LBTH, the Arts Council England, Greater London Authority and Big Lottery Fund, we are key stakeholders and are resolutely supportive of the continuation of the centre which is delivering arts, education and community programmes in the aforementioned building.

We fully endorse and are supportive of the current artistic programme and have no intention or desire for Rich Mix to vacate the building or cease their activities. The centre delivers an excellent programme for both Tower Hamlets and London-wide audiences and despite some difficult times in the past, it is now a stable organisation with a strong leadership.

The Greater London Authority owns the freehold of part the Rich Mix building, and as a key stakeholder wants to see the Rich Mix retained and succeed for cultural, educational and community use.

We are happy for this letter to be used as a public statement of our position, and continue to be willing to meet with any of the interested parties in this matter.

Yours truly,



Munira Mirza  
Deputy Mayor - Education and Culture  
Mayor of London



Joyce Wilson  
Arts Council  
London Area Director



Joanne Saunders  
Funding Manager  
Big Lottery Fund

Cc: Lutfur Rahman, Mayor of London Borough of Tower Hamlets  
Cc: Sir Ken Knight and Max Caller, Commissioners  
Cc: Stephen Halsey, Corporate Director London Borough of Tower Hamlets

# Appendix 2

## Rich Mix Business Plan 2015-18

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1. Executive summary

Rich Mix enters the period of 2015-18 with Arts Council England (ACE) support in an optimistic frame of mind, based on a strong track record. The last three years have seen growth in the range and extent of the artistic programme; increased audience sizes without reducing the range and diversity of our audiences; a developing cadre of artists; and an increasingly successful business model, where almost 90% of our turnover is earned income.

Our mission remains to be a place where the communities of the world who live in east London can come together to make and experience art and feel that it's a place where they belong. And our strategic objectives, which help us to make our choices and guide our actions remain the same; excellent art, delivered in a way, which is financially sustainable, to increasing and increasingly diverse audiences.

Our ambition for the next period is to develop our artistic reach and vision further to enable us to offer high quality arts for our audiences and unique opportunities for the support of artists from a range of diverse and BAME backgrounds.

We are committed to growing our audiences and to testing ways of making Rich Mix – both the building and our programme- even more accessible and welcoming to the diverse communities who live around us.

With the major strengths we enjoy – excellent partnerships with artists and arts organisations; a sustainable business model which is not over reliant on public funding; a talented and committed staff and board team; and growing and loyal audiences, we are optimistic about the next period

There are also considerable challenges. The major risk to the organisation relates to the current litigation instigated by the London Borough of Tower Hamlets. The risk is being mitigated, not least by the generous pro bono legal support we have received, and by our continued attempts to find a way to settle the litigation without the further distraction of complex court activity.

Our limited access to funds has made the challenge of maintaining and developing the building, and enhancing the significant public and private investment which went into the construction of the building a little tricky. Our plans reflect the need to find other sources of capital to ensure that the building continues to be of high quality, and to enable us to intensify the levels of usage still further and to open up new spaces for arts activities and revenue generation.

And our final risk is that the organisation still has very limited general reserves. Whilst the position is much better than in 2012, the overall reserve

level is not yet anywhere near the 3-6 months of operating costs, amounting to £700k at 31 March 2014, which is the ambition of our Board of trustees.

We remain committed to our mixed economy business model, which last year saw the building earn in excess of £1.1m, and to enhancing and developing new and innovative partnerships with other arts organisations, such as Serious Music, Tamasha Theatre and youth organisations such as FutureVersity and Sound Connections to ensure that we make maximum use of the investment made in us by ACE. We are committed to exploring other forms of closer working and partnerships with local arts organisations and those throughout England via the Future Arts Centres network to develop practices and models that have the capacity to benefit the sector more widely. And increasing audiences overall, whilst maintaining the unique diverse mix of our audiences remains at the heart of our mission and strategy.

We are planning further work to reduce our environmental impact and to ensure that we are good neighbours both locally and in our wider environmental impact.

Finally, we recognize that we can only do this work with a team of well-motivated and passionate people, both on the staff team and within the Board. We have been fortunate to have significant stability over the past few years but we anticipate that changes may occur in the leadership of the organisation, and we are preparing to be ready to face these changes.

2016 will give us an opportunity to mark the many successes of the last 10 years. We plan to use this milestone to celebrate the achievements to date of developing an excellent arts programme that reaches the widest possible range of our local and London communities, and as a way of generating emotional and financial support for the Rich Mix mission.

## 2. Rich Mix: Origins and Purpose

Rich Mix was conceived as an idea over 20 years ago. As a result of the efforts of a significant number of individuals, some of who are still actively involved with Rich Mix as Board members, funds were raised from a variety of public and private sources to remodel the building on Bethnal Green Road. The intent was to create an inclusive space and an opportunity for celebrating the richness of the diverse communities in East London through arts and heritage.

The building opened initially in 2006 with the first arts programme beginning in 2008.

During its life to date, Rich Mix has weathered a number of storms and has begun to live up to its vision and purpose which was most recently confirmed by the board as being:

“Our mission remains to be a place where the communities of the world who live in east London can come together to make and experience art and feel that it’s a place where they belong. And our strategic objectives, which help us to make our choices and guide our actions remain the same; excellent art, delivered in a way, which is financially sustainable, to increasing and increasingly diverse audiences.”

### 3. 2010 – 2015 : Background and Achievements

Over the past five years, the organisation has taken a number of steps to reinvent our business model and to position the arts offer in ways which reflect both the changing demographics of our local area and the increased amount of alternative provision in both the public and commercial sectors. We have significantly revised the way we operate, in light of reduced public funding and the general economic downturn. Whilst this has been challenging in many respects it has enabled the development of a resilient model, which is characterized by generosity to artists and to our audiences and which places access to excellent arts at the heart of everything we do.

During the past five years we have

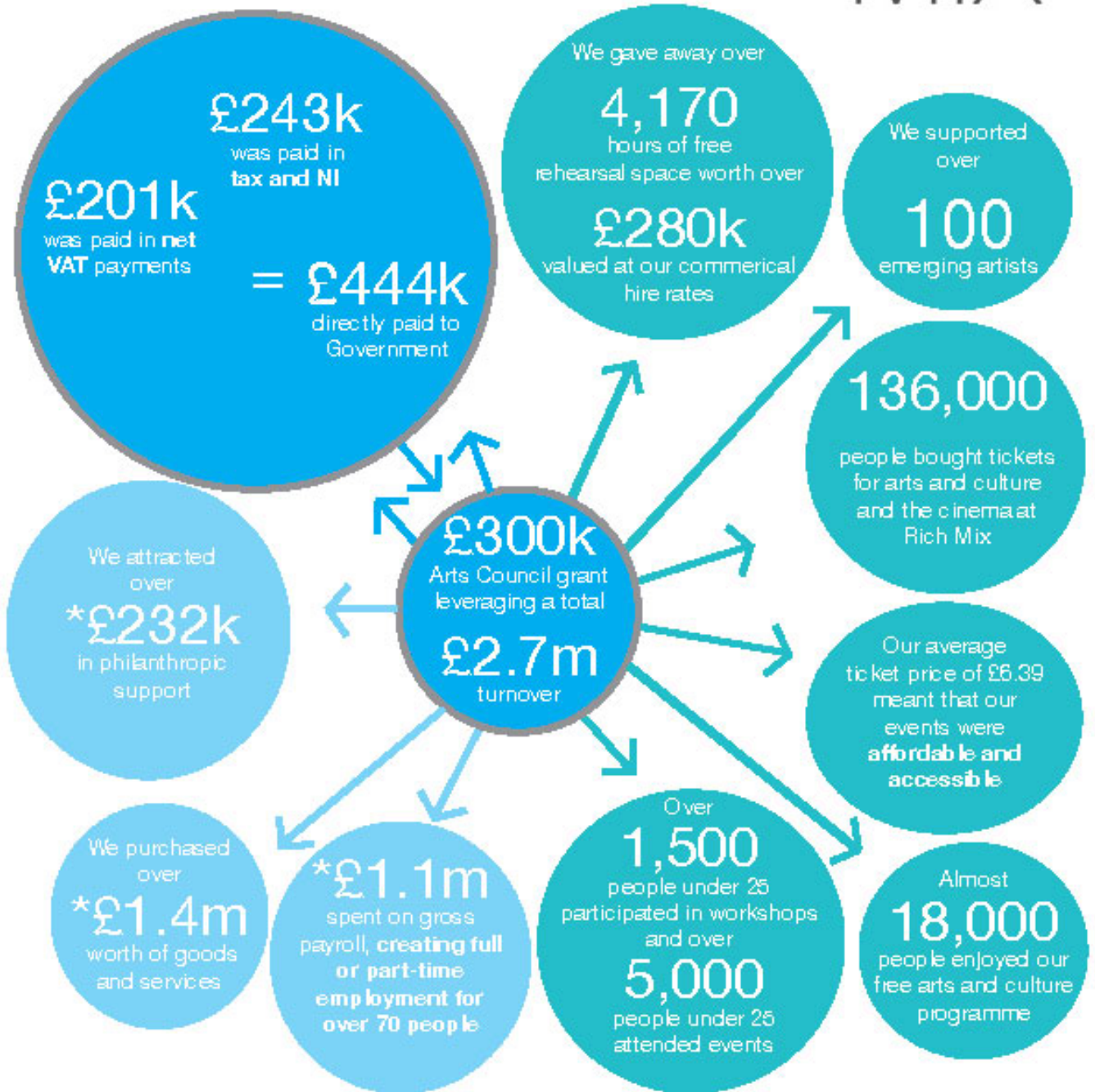
- operated, and been successful with, a lean and streamlined and staffing structure;
- revised our approach to marketing with a much greater emphasis on social media rather than print;
- worked hard to maximize the income generation potential of the building through our Enterprises business; and
- changed the way in which we work with and support our artists. This latter change has been the most fundamental as we have developed a partnership approach where we offer significant amounts of support to artists who are seeking to develop work but do not offer guaranteed fees. Our experience of this way of working is that it has enabled a new group of artists, particularly those from BAME backgrounds to have access to professional facilities and contacts and, through things such as our emerging theatre and dance programme, has enabled new work to be grown which would otherwise not have emerged.

A pictorial representation of the size and scope of our impact in 2013/14 is set out below

East London's independent cinema and arts venue

**THE IMPACT OF PUBLIC INVESTMENT 2013-14\***

Rich Mix is a charity & social enterprise. Public funding received from Arts Council England and charitable giving enhances the considerably bigger sums of income generated through ticket and bar sales and private hire of our spaces.



\*Subject to audit

**Economic Impact**

**£8 GENERATED FOR EVERY £1 OF PUBLIC FUNDING**

**Cultural Impact**

**BRINGING THE COMMUNITIES OF EAST LONDON TOGETHER TO MAKE AND EXPERIENCE ART**



Supported using public funding by  
**ARTS COUNCIL ENGLAND**

4. Our Current Context:

a) Artistic vision,

We offer our cross-arts programme encompassing music, theatre, dance, spoken word, comedy and the visual arts. The programme exists to showcase the cultural and creative diversity of East London, both in terms of the artists we programme and the audiences we reach. Our programme is delivered in partnership with fellow arts organisations, the rationale being that we offer our space and audience reach to partners with artistic expertise and capacity to deliver quality events that fulfill our mission. Our performing arts programme is predominantly focused on showcasing brand new work from local and BAME artists, which is developed with the support of free rehearsal spaces. We are increasingly branding this work as “Made at Rich Mix”

Our live music programme is promoted in partnership with music promoters. In total we have offered over 500 music events per year as part of our Arts and Culture programme. An intrinsic part of this work is our Creative Learning strand, which is designed to offer pathways into the mainstream programme for local young people, school pupils, families and community organisations.

Finally, at least one third of our programmes are offered as free to access, so as to make them as accessible as possible to as diverse an audience as possible. We brand this offer as Rich Mix Open in line with our values of openness, access and inclusivity and as part of our commitment to maintaining our diverse audience base

b) Audiences,

We attracted audiences of over 120,000 people in 2014/ 15 to our paid for ticketed events. Additionally, we estimate that our free programme, which is designed to attract people for whom disposable income is low, and who have little tradition of arts participation, brings in at least another 10,000 people per year.

We have a regular programme of audience analysis including work with the Audience Agency, an annual on line survey of our own audiences, and two periods each year of face to face interviewing when we ask our staff and our Board members to talk to people who are visiting the building to find out more about who they are, where they come from, why they visit Rich Mix and what else they would like to see us do and improve.

Our most recent audience data analysis tells us that

- almost 50% of our audiences come from LBTH and Hackney



- 40% are in the young liberal opinions category but the next 36% come from a range of less traditional arts attenders
- the bulk of our audiences are in the 24-45 age ranges; and we are trying new strategies to build up the 16 -25 audience groups with things such as our youth takeover programme, our Young producers, and our partnerships with organisations such as FutureVersity

c) competitors;

As part of our business plan for 2012 onwards, we undertook a significant competitor analysis for all aspects of our business, including cinemas; music venues; theatres; dance venues; and tenanted workspaces. We have updated this annually to reflect the fact that East London is changing on a daily basis, and the growth of new operators is developing rapidly. The updated competitor analysis is attached at **Appendix A** and reflects the fact that whilst competition in both the geographical and cultural area continues to grow, our more secure position and enhanced reputation means that we do not see any fatal threats from the competition. In some instances, we have begun to make collaborative relationships with, for example some of the other places that are offering venue hire, or more commercial music offerings, such as Village Underground, the Vortex and the Roundhouse.

d) opportunities and threats

The area in which Rich Mix is based is changing in a number of ways. The demographic make-up of our local communities, the increasing levels of financial security for some parts of our communities, whilst others remain in high levels of poverty are all influencing the way in which we look at the threats and opportunities which face us,

On the positive side, a further period of consistent support from ACE and our funders as a whole means that there are a number of opportunities open to us. One of the key opportunities is the chance to collaborate with other arts organisations, both locally and increasingly internationally to offer a wider range of programmes within our building. This also enables us to establish and build on existing partnerships such as our shared Head of Finance role with the Albany and our joint Catalyst bid, and to explore how to establish financial and operational synergies with other partners. Our activity as a founder member of the National Arts Centre partnership and our profile in things such as the Clore Leadership programme gives us a good base from which to extend our reach.

The changing demographic of our immediate area offers some opportunities, although we also recognise the challenge it poses to ensure that we maintain the diversity of our current audience These

challenges will continue to grow as potential developments such as the Bishopsgate Goodsyrd continues to alter the character of the locality.

There are a number of threats to our successful operation. Whilst ACE funding for the next three years is a significant achievement, because it is flat lined at the same level as it has been since 2012, we need to continue to find innovative ways of supporting enhanced programmes both in terms of ambition, quality and quantity. The challenge is to be able to do this within a very tight staffing structure and to be able to meet the needs of developing our very talented group of relatively young staff who are likely to need to move to other organisations for the career development to which many of them should aspire. This means that the staff development aspect of our work will need to be carefully resourced. However it also represents opportunities as our former staff become advocates for Rich Mix in other arts organisations and help us to build links with nationally renowned venues.

We are also conscious of the risk of yet more austerity programmes post the 2015 General Election. To mitigate this, we will continue to plan on a cautious basis to ensure that we do not over commit ourselves in the event of further reductions in public support via ACE.

The second major threat is linked to the continuing litigation instigated by the London Borough of Tower Hamlets. Whilst the financial risk caused by the cost of legal advice has been mitigated by the generous pro bono support from Latham and Watkins, the outcome of the litigation is not yet certain. There is also a knock on impact on the capacity of the staff team to manage our input to the litigation and to support the legal team, which means that other aspects of work may need to be delayed.

One potential way of resolving this litigation is through a deal to establish an Ideas store in Rich Mix. Whilst this might resolve some aspects of the continuing legal action, it would require a significant amount of change to the way in which the building operates and the development of new relationships in order to make the new Ideas store work successfully. It would also require movement of tenants and the Rich Mix offices into other spaces which may mean losing some tenants which we currently house. However, it may also represent an opportunity to bring new people in to the building and to enhance some areas of our work. We are continuing to explore what this would mean for Rich Mix and have involved our other principal stakeholders who have a continuing interest in the building (ACE, Greater London Authority and Big Lottery) and are grateful for their advice and support.

The third threat concerns the need to generate charitable and other funding sources to enhance the arts programme and to provide capital investment to keep the building operating at full capacity and indeed to

bring new spaces into operation for arts and revenue generation purposes. We have had some success in this area of work and are confident of generating future support in line with the assumptions in our financial plan.

Finally, we know that we need to develop and enhance a number of our systems to make best use on the potential benefits of Digital working. To do this will require investment in things as diverse as our box office system and website, as well as new ways of collecting and distributing information about our programme and enabling our audiences to experience artists in ways other than when they perform at Rich Mix. This is likely to require significant investment over the next three years, and at this stage no funding is secured.

The key strategic risks are set out in our risk register at **Appendix B**

e) The business model;

In order to make the business model work, and in line with the original concept for the building and its sustainability, we will need to continue to earn in excess of £1.1 million each year. This sum comes from our tenanted workspaces and from the profits from our trading subsidiary, Rich Mix enterprises, all of which are covenanted back to the charity.

The tenanted workspaces are fully let at present and it will be important to ensure that this remains the case, so that if current tenants move out we have no gaps in revenue before spaces are taken up again. We budget on the basis of 95% occupancy in order to provide a contingency against short term vacancies. We remain committed to having a transparent rental charge policy with one level for corporate businesses and a lower level for charities. However, we are likely to need to undertake a rent revision to reflect current market rental rates. Given the constraints on space, this is likely to be the only area of income growth in this part of the business and is unlikely to generate more than an additional £3k per annum.

Our cinema business is a key driver of footfall and a potential gateway to our arts programme. Our aim is to continue to grow our audiences and work towards total ticket sales of 110,000 tickets per year from our current level of around 100,000. This will require us to meet average capacities of 27.2%, which is at the high end of industry performance for a three-screen cinema. In terms of audience diversity we want to work toward more of our cinema audiences experiencing the range of other art forms on offer at Rich Mix, using initiatives such as live opera and theatre delivered cinematically as a way of increasing access to arts forms which may be seen as elite or unaffordable by some of our existing audiences.

Our hires and events business is an important revenue generator for Rich Mix. The hires and events team have access to Venues 1 and 2 from Mondays to Thursdays with the space being used for arts activities for the other three days. We will continue to keep the split and the timings of use under review to ensure that we can generate the funds needed to support the charitable part of the business. Our ambition is to continue to grow the portfolio of higher value events, and also to find other hires that cross over the commercial and arts boundaries.

Our bar and café business is an important ancillary to our arts activities. The café is now let out on a fixed rental for the next five years, albeit with some potential additional revenues from alcohol sales in the cafe. This enabled us to make significant partnership investment in the café space to improve the offer to our customers and to increase the contribution from the space by almost 50%.

Our bars also make a contribution to the overall finances, but we are mindful of the need to offer alcohol free spaces or dry bars for some events depending on the content and the age range of participants. We have therefore taken a cautious approach to the growth projection of bar profits, as this is not the key driver for our business

5. Our relationship with ACE

ACE is our only public funder and they contribute approximately 11% of our turnover. All their funding is spent on the arts programme; none of it is used for the core costs of the building, all of which are met from our earned income.

As part of our funding relationship with ACE to ensure that they can demonstrate value for money and transparency there are a number of key outputs to which we are happy to commit.

These are referenced elsewhere in this plan but for the sake of ease of reference they are also set out here:

ACE goal	activity	Timescale/monitoring
Goal 1 Excellent art	Deliver 320 arts events each year, of which a third will be free to access, subject to funding support	By 31 March- progress measured on a quarterly basis by Board reports
	Support at least 100 artist per year with at least 3000 hours of free space to develop work	Monthly reports on progress – final count on 31 March 2016 and thereafter
	Ensure that at least 50% of these artists are from BAME	Regular monitoring and board reports on a 6 monthly basis

	backgrounds	
	Undertake at least one external monitoring exercise annually using students to evaluate impact of the support on the artist development	Review in January 2016 and annually thereafter- report to March Board meeting
	Develop the work on analysis of artists to identify up to 20 to whom we want to offer particular support.	Short list of artists for support to be presented to June 2015 Board meeting and reviewed at six monthly intervals thereafter
Goal 2	Maintain audience mix of at least 30% of audiences from nontraditional arts backgrounds	Measure by annual Audience Agency analysis, supplemented by Rich Mix online survey in October each year and face to face interview of audience in June and January- reported to the March Board
	Aim to grow audience by 5000 over the three year period, at the same time as maintaining the traditional / non traditional split	Review audience sizes at monthly costs and sales meeting with 6 monthly reports to board. Overall measures through annual Audience Agency research
	Consider ways to capture further audience feedback about quality and depth of engagement (subject to capacity and funding being available)	Review progress at March 2016 Board
	Undertake one annual sharing of data and practice with Future Arts Centre Network partners	Review progress in 2016
	Run three sharing events per year for local arts organisations and our artists.	<b>Promoters</b> –13th Jan 2015 <b>Tower Hamlets Arts Organisations</b> – 17th Feb 2015 <b>Artists</b> – Wed 18st March 2015 <b>Promoters</b> –19th May 2015 <b>Tower Hamlets Arts Organisations</b> - 17th June 2015 <b>Artists</b> - 21th July 2015 <b>Promoters</b> 22st September 2015 <b>Tower Hamlets Arts Organisations</b> 20th October

		2015 <b>Artists</b> 17th November 2015
Goal 3	Deliver a business model where no more than 12% of turnover comes from ACE funds	Annual financial results, monitored monthly by Finance subcommittee/ Board
Goal 5	Work with AND and FutureVersity to develop Rich Mix as a hub for young people and to act as an advocate with 2 LBTH schools to begin to develop Arts mark work	Timescales dependent on negotiations with THAMES music hub
Environment	Continue our environmental strategy work on reducing energy usage, maintaining environmentally friendly travel and reducing wastes and increasing recycling	Measured by continued participation in Julies Bicycle work and annual Board reports in June
Diversity	As set out in our strategy since 2010, continue to focus our work on building a diverse audience base, and in particular to offer development support to at least 50% artists from a BAME background and continue to work towards supporting local artists from Tower Hamlets and Hackney	Measured by quarterly updates to the Board and a regular annual review in June each year

#### 6. Ambitions and Plans for 2015-2018:

This section sets out the highlights of our plans for the next three-year period. Further details can be found in the activity tables at appendix B.

Artistic – We do not intend to alter radically the overall approach to programming, though we recognise that we face challenges to maintain and improve on the quality of the work we offer whilst receiving no increase in support from ACE. On top of our continued partnership work and core programming, we are ambitious about developing two distinct strands of our programme, building on the learning we have gleaned from our organic growth over the past three years. We will continue to use our Creative Learning programme to encourage young people to become involved in our

main stream arts programme. We will continue to support existing initiatives, such as Arts Award, in conjunction with our artistic partners.

Firstly, as part of our mission to continue to support the development of new artistic talent from diverse backgrounds, we want to begin to offer commissioning support to artists, over and above our existing generous in-kind offer of free space. The second ambition is to increase the amount of overseas work we are able to programme, with a particular focus on new work generated in collaboration between East London and Bangladesh. To support these new areas of work, we would also look to appoint a producer and an outreach post. These new plans will only be achievable if additional funding is secured. We also plan to maintain our free programming offer, of over 100 events per year which are free to access as part of our audience development plans. This ambition is also subject to renewal of Esmee Fairbairn funding or sourcing new funds.

a) Artist development

We are committed to working with our artistic partners to enable them to develop, to develop the richness and quality of our programme by finding innovative ways of working with our artists. This approach will involve:

- continuation of support for free space in return for credit as Made at Rich Mix,
- no guaranteed fees but a generous split on box office and an approach that offers excellent support through marketing, advice etc.
- making a plan for up to 20 artists supported to identify how we can best provide additional support for their development and the development of our programme
- a plan for talent spotting for the next 5 years of artists
- Focus on support for locally based and those from BAME backgrounds.
- additional support on producing and helping them to share their work cross referenced in digital section below but all dependent on being able to find additional funding

Detailed plans are set out in **Appendix C**

b) Audience Development

Our ambition for our audience development work is twofold;

- 1) to maintain the current mix of diverse audiences in terms of income , location and ethnicity with an increasing number of people buying tickets and attending free events; and
- 2) to develop new audiences for our family programmes, including film and arts and culture programmes; and , if we can resource an outreach post , to further develop our audiences from the immediate locality, which will in turn increase the number of audiences from BAME heritages

We plan to do this by

- a regular programme of audience research using the audience finder programme for both the film cluster and the London performing arts cluster
- our own in house research to provide targeted marketing materials for the groups we are aiming at
- development of follow up contact to people attending events
- programme of offers for first time attenders to build loyalty
- re-launch of membership scheme to promote cross over attendances at more than one art form
- seeking external funding for an outreach post to develop our capacity to work in our most local communities, and enable us to use the learning we have to inform both marketing and programming
- undertake a data sharing exercise with the other partners in the National Arts Centre partnership to promote joint learning and benchmarking

Detailed plans are set out in **Appendix C**

c) customer service and the audience experience

As part of the feedback we receive from our regular schedule of audience research (referred to above) we want to continue to enhance the customer experience to promote loyalty to the venue, improve our profitability and make Rich Mix a top quality destination. As part of this ambition, we will continue to develop a scheme of training for our Front of house staff.

We plan to explore the use of volunteer hosts for busy evenings to supplement the work of our paid staff, and to help with collection of audience data. And our capital and maintenance plans are based on the need to keep the furniture and fabric of the building in good state to encourage repeat arts visits and hires and events bookings.

Detailed plans are set out in **Appendix C**

d) digital delivery

We are committed to exploring how best we should be using new forms of digital technologies to grow our audiences. We have a track record of doing this through initiatives such as NT live to offer access to new audiences, but we now want to focus on use of digital technologies to make what is going on in the building more visible from the outside, and to develop our approach to digital archiving, e-marketing, and enhanced website/video content. Some of this will be dependent on finding some additional resource especially if we are to maximise our efficiency by seeking a Box Office replacement system and website redevelopment to aid this part of our work;



Detailed plans are set out in **Appendix C**

e) financial viability

The aim over the period is to achieve small in-year budget surpluses allowing for a modest contingency.

Due to the freeze in ACE NPO funding and the limited scope for significant improvement in earned income total revenues will remain in the region of £1.6m per year. We will continue to seek to grow our commercial income from things such as our cinemas, as long as it does not impede our charitable mission. We recognize the risks of fluctuating cinema income across the wider industry because of the reliance on the quality of the film product, but we believe that the assumptions in the plan are reasonable. This allows for a reduced fundraising target in recognition of the end of ACE Catalyst programme which contributed £40k pa over the past 3 years. In order to achieve even a small in-year budget the financial plan requires a reduction in the net direct cost of the Arts & Culture programme from £96.5k in 2015/16 and to £55k by 2017/18. Delivery of additional programming and work with young people and families will require additional fundraising.

The plan assumes that the current level of staffing is maintained with annual 2% pay awards and takes into account the legal requirement to provide a Workplace Pension scheme from August 2015.

Given the continued uncertainty surrounding the recoverability of the outstanding s106 monies the planned operating surplus will not be sufficient to make significant progress towards achieving our General Fund reserves policy and there is no prospect of establishing a sinking fund to meet future capital investment needs in plant, building and equipment. Any exceptional maintenance and repair costs will need to be met through in-year revenue budgets. Plans for achieving 3<sup>rd</sup> party funding for capital spending is are set out in para h below.

Detailed plans are set out in **Appendix C** and the financial tables at **Appendix D**.

f) Staff development

To enable us to deliver on all these objectives we need committed well trained staff with good leadership from the senior team and from the Board. We are working towards an annual training plan for the whole organisation, and to building on our ability to offer paid internships with support from the Creative Employment Programme. We will also be looking at succession planning for some senior leadership roles over the next year.

Detailed plans are set out in **Appendix C**.

g) Equalities and diversity

We have a longstanding equality and diversity strategy rooted in the origins of Rich Mix. The current policy, and most recent progress report is attached at **Appendix E**. We plan to continue this approach and to set annual goals for the artists we work with, our employment approaches, and our use of our purchasing resources to support, as far as we can, the economic wellbeing of our local area. Detailed plans are set out in **Appendix C**.

h) Environmental sustainability

We have a longstanding environmental strategy and are signed up to the reporting tools. The current policy, and most recent progress report is attached at **Appendix F**. We plan to continue this approach and to set annual goals focusing on energy, waste and transport. Detailed plans are set out in **Appendix C**.

i) 5 year capital funding plan

We plan to deliver significant improvements to our performance, rehearsal and communal spaces and equipment, to enhance the audience experience and to increase our capacity to support artists.

The key strands of this capital project are rooted in improving our equipment and furniture to support the increasing needs of artists who are using the space, and to enable us to use more spaces simultaneously. We have prioritised improvements that will benefit our growing audiences. And we have assessed which of the items on our desirable list will best support our ambitions for financial and environmental sustainability. This includes buying equipment to avoid hire charges, and of upgrading equipment which is beginning to cost money in terms of repairs.

Specific proposals are set out below:

a) Improve access and quality for artists - through initiatives such as enhancement to the lighting and sound equipment in our Main Space and in venues 1 and 2, and through new dance floors to increase our capacity to offer rehearsal and performance space, as well as developing our gallery spaces on the mezzanine and in the lower cafe. We are also looking to improve our dressing room facilities on the fourth floor which are currently very rudimentary, and to improve our sound separation curtains between the mezzanine gallery and the Main Space to make it possible to run a broader range of spoken word events in the main performance area.

b) Improve the audience experience with improved seating, improved till systems, refurbished toilets, and with enhancements to our signage externally.

c) Things which improve our energy efficiency, including lighting enhancements and more effective air conditioning, and which also have a net positive benefit to our overall financial sustainability, either by saving money through reduced maintenance costs on things such as our equipment, reduced energy bills, or those things which enable us to earn more money. We have also included some enhancements to security in the building to reduce the need for direct staffing in some areas by enhancing our remote monitoring systems. This will also improve our audience experience.

All these works enhance capital projects we have already undertaken with support from other organisations and from our own funds in the last 12 months; they all flow from our own strategic objectives; and they all form part of the five year plan referred to below.

We believe that this will enable us to benefit the 100 plus artists we support each year with rehearsal space and the 200,000 people who visit the building each year for our paid for and Open programmes across the range of artistic genres. The signage improvements should also help to increase our visibility in the area and to encourage new audiences to visit us and sample the range of arts work we offer. If successful, we hope to increase the number of artists supported by 20% over a five year period, and to grow our diverse audiences.

j) Risk register

We have developed a new risk register this year, which is attached at **Appendix B**

We have based this on the model suggested by the Charity Commission and tailored it to the specific risks facing Rich Mix, in a format which should enable the Board and the Finance Sub Committee to undertake regular monitoring in addition to that undertaken by the senior team.

And finally here are the strategic KPIs we'll monitor our activity against.

Strategic objective/	Excellent art	Financial sustainability	Increased and diverse audiences
Targets	320 arts events, of which 40% are free to access	Enterprise surplus of £665k	50% tickets sold to TH and Hackney residents
	At least 2400 hours of free space to support at least 80 artists	Tenancy income of £400k and 30% of local/ BAME employees with a	750k visits to the website and 25k social media contacts

		total of over 300 jobs in the building	
	At least 2 international quality events	£170k fund raising income achieved	35% cinema attenders experience at least one A and C event
	20,000 tickets sold and 20,000 visitors to free events	A further 3% savings on overhead contract costs (£13k)	30% non-traditional arts attenders

**Evaluation and Internal Review Processes**

We remain committed to a comprehensive process of evaluation and review. Specifically this includes the following:

- Seeking feedback from every artists who performs about their experience of Rich Mix, their audience feedback, and any areas in which we can improve our working practices.
- Regular meeting with our range of partners to learn from their collective experience and to shape our approach to programming.
- Numerical analysis of audiences, costs and income at our monthly costs and sales meeting.
- A regular annual programme of audience research.
- Quarterly reports to the board on artistic programme, audience development and creative learning.
- A 6 month review of progress against business plan activity.

We will continue to also work with other arts venues to encourage the sharing of learning and to identify those areas where we can improve our performance.

**Appendix A: Updated Competitor Analysis**

## Who are our competitors?

The original list of our competitors as recorded in previous plans is set out below. The principal changes which have happened in relation to the analysis over the past year are as follows:

1. In respect of the cinemas, the relationship with the London Film Festival has increased our standing in the industry. Our main local competitor was Hackney Picturehouse, as an independent cinema. Since they have been taken over by Cineworld, they have even greater access to investment in marketing and thus may become a more serious competitor than in the past. The Barbican has also now opened up their new cinemas in the City, and we use them as benchmark comparators. Genesis, on Whitechapel Road has also seen significant investment.
2. Audience figures and ticket sales, together with the growth of membership for 2014/15 suggests that our cinemas are developing a loyal customer base, but we will continue to monitor competition.
3. Arts competitor venues continue to come and go. Our strategy is to attempt to work in partnership with as many of the well-known local names in order to add value to their offer and to cement Rich Mix as a place of artistic excellence. Work with organisations such as the Roundhouse, the Barbican, London Jazz Festival, Serious Music, and Spitalfields Music Festival all seem to be helping to develop our reputation as good artistic partners, as well as enabling us to learn from them. Ticket sales for the arts and culture programme in the past year have continued to grow, suggesting that we are at least holding our own in the arts genres- music, dance, theatre, spoken word and comedy- in which we programme. We will continue to monitor our levels of ticket sales as well as looking at and learning from the programme in other competitor arts organisations in the vicinity.
4. Competitors for rental income from tenants appear to be growing in the local area, although our spaces are currently 100% full. Our rental rates increased in January 2013 following a market test by an independent valuer, who reviewed local market conditions and rent levels for similar spaces. We have not seen any loss of tenants as a result of more competitive rates offered nearby, but we will continue to monitor the levels of demand and the risks associated with the possible loss of tenants. They are central to our business model because of their financial contribution, as well as to the vibrancy of the building and the programme. The value of their contribution through jobs and purchasing power to the local economy is also significant and we need to ensure that we retain a good mix of tenants and phase end of lease dates to spread the risk and impact a sudden loss of tenants might have.

**Appendix A – Updated Competitor Analysis**

<b>Key Local and Regional Competitors for Arts and Culture and Education Events</b>	
<b>Music events</b>	Hackney Picturehouse, Jazz Café, Cargo, Passing Clouds, Last Days of Decadence, Village Underground, Vibe Bar, 93 Feet East, Café 1001, The Albany, King's Place, Café Oto
<b>Visual Arts</b>	Gas Works Artist in Residence Program, ICA Talks Program, Iniva, Jerwood Visual Arts
<b>Theatre</b>	The Arcola, The Albany, Half Moon, Oxford House, Broadway Barking, Stratford Circus
<b>Dance</b>	The Place, Laban, Stratford Circus, Chisenhale Dance, Greenwich Dance, The Albany
<b>Comedy/ Spoken word</b>	Hackney Picturehouse, Betsy Trotwood, The Albany, City Arts and Music Place (CAMP)
<b>Bar Events</b>	Hackney Picturehouse, Stratford Circus, Cargo, 93 Feet east, Vibe Bar, Passing Clouds
<b>Children &amp; Family Workshops</b>	V&A Museum of Childhood, Whitechapel Gallery, Spitalfields Music, Idea Store Whitechapel, Museum of London Docklands, Chisenhale Gallery, St Hilda's East Community Centre
<b>Children &amp; Family Theatre</b>	Half Moon Theatre, The Albany, Stratford Circus, Hackney Empire
<b>Young People Workshops</b>	Stratford Circus, Whitechapel Gallery, Half Moon Theatre, Oxford House, Chisenhale Dance Space, The Albany, Brady Arts and Community Centre, St Hilda's East Community Centre, Four Corners, Green Candle Dance Company, A Team Arts (LBTH Arts & Events)
<b>Schools &amp; Colleges Workshops</b>	BFI Southbank, Chisenhale Dance Space, Rio Cinema, Green Candle Dance Company, Half Moon Theatre
<b>Schools &amp; Colleges Theatre</b>	Half Moon Theatre
<b>Workspaces</b>	Bow Arts Trust, Gas Works
<b>Hires and Events</b>	Barbican, Whitechapel Gallery, The Troxy, Blackhall Studios, Wilton's Music Hall, Shoreditch Town Hall, Concrete at the Tea Building, Truman Brewery, The Cube, King's Place, Wellcome Collection Conference Centre, Battersea Arts Centre, Southbank Centre, Roundhouse, Institute of Contemporary Arts, Aubin Cinema, Hackney Picturehouse

<b>Key Competitors for Commercial and Independent Cinema</b>			
<b>Cinema</b>	<b>Independent</b>	<b>Commercial</b>	<b>Response</b>
<b>Barbican</b>	*	*	Barbican has a three screen cinema  The partnership we currently have to allow their members to use their membership cards at RM gives us an advantage to encourage those that visit our cinema to join our Individual Supporters Scheme.
<b>BFI</b>	*	*	
<b>Cineworld West India Quay</b>		*	Improved access to Rich Mix from Shoreditch High Street Station. May need to be better marketed.
<b>Genesis Cinema</b>	*	*	Competition mainly commercial but they do host some festivals.
<b>Cineworld Enfield</b>		*	It has been viewed by some Bollywood film distributors as being a direct competitor and it has made it difficult for us to get first run Bollywood films.
<b>The Aubin Cinema</b>		*	3D films and films that we programme in Screen 3.
<b>Rio Cinema</b>	*	*	
<b>Stratford Picturehouse</b>	*	*	
<b>Hackney Picturehouse</b>	*	*	Opened in Autumn 2011.

Appendix B – Risk Register

Risk Area	Likelihood	Impact	Overall Risk	Control Procedure	Retained Risk	Monitoring Process	Responsibility	Further Action Required	Review Date
<b>Governance Risks</b>									
Loss of key staff/Board members	2	4	12	<ul style="list-style-type: none"> <li>- Succession planning</li> <li>- Document systems, plans &amp; projects</li> <li>- Training programmes</li> <li>- Agree notice periods &amp; handovers</li> <li>- Review &amp; agree recruitment process</li> </ul>	9	Further regular appraisals and a Board effectiveness review to identify skills gaps	JE/Board	None	Annual review at June Board meeting
<b>Operational Risks</b>									
Service provision - customer satisfaction	2	4	12	<ul style="list-style-type: none"> <li>- Agreed quality control procedures</li> <li>- Implement complaints procedures</li> <li>- Benchmark services</li> <li>- Obtain feedback</li> </ul>	6	Sample complaints and review for any significant changes in practice	LK/NC	Dependent on any new significant service failures	Report to September Board



				from audience & artists - Implement appropriate staff training					
Building & equipment	3	3	12	- Agreed building & plant inspection programme - Agreed maintenance & repair programme - Agreed capital expenditure budgets - Undertake efficiency review - Implement adequate reserves policy - Review insurance cover - Use pro bono external support to advise on contractors	9	Review of 5 year capital plan and review regular maintenance schedule.	NC DL	Continue to look at other sources of capital funding	May FABS
<b>Financial Risks</b>									

LBTH litigation	2	5	<b>15</b>	<ul style="list-style-type: none"> <li>- Implement adequate reserves policy</li> <li>- Communicate with supporters &amp; users (audience, artists, etc)</li> <li>- Ensure effective reporting of the charity's activities &amp; financial situation</li> <li>- Implement public relations training &amp; procedure</li> <li>- Take appropriate professional advice</li> <li>- Build relationships with LBTH commissioners</li> </ul>	15	Continuing dialogue with pro bono lawyers and Board representatives and other funders. To continue to work towards an out of court settlement	JE	Prayer	Monthly FABS
Reserves policies	3	3	<b>12</b>	<ul style="list-style-type: none"> <li>- Link reserves policy to business plans, activities &amp; identified financial &amp; operating risk</li> <li>- Regularly review reserves policy &amp; levels</li> </ul>	12	Annual business plan review and statutory account preparation	DL	Successful LBTH case outcome	August FABS, September Board

<b>External/Environmental Risks</b>									
Decrease in audience numbers/audience mix	2	4	<b>12</b>	<ul style="list-style-type: none"> <li>- Ensure continued communication with public and press</li> <li>- Obtain feedback from audience &amp; artists</li> <li>- Continue to update marketing strategy</li> <li>- Ensure Programming relevant to organisational goals</li> <li>- Continue the Box Office split business model</li> </ul>	8	Annual audience analysis and monthly costs and sales process 6 monthly reports to the Board	LJ	Ongoing monitoring and flexing the program if early signs of audiences drop off	March Board
<b>Compliance Risks</b>									
Loss of Licensing	1	5	<b>10</b>	<ul style="list-style-type: none"> <li>- Review &amp; agree compliance procedures &amp; allocation of staff responsibilities</li> <li>- Take appropriate professional advice</li> </ul>	10	Ensure we operate within our licensing limits	NC	Work towards lifting of breach of notice for noise levels	As we apply for particular changes to our license

**Appendix C – Activity Tables**

<b>Arts and Culture</b>	Overall Aim: develop quality and reach of the arts programme in line with the artistic vision for Rich mix.				
Three Key Objectives	Outcome	Strategic Objective	Date	Cost	Who?

1. Create programme for 2016, Rich Mix's Ten Year anniversary.	A world class arts programme that works with Rich Mix's archive materials and key strategic objectives to celebrate 10 years of since the building opened.	1, 3	<p>Programme to launch in January 2016. Exhibition to launch in April 2016.</p> <p>Planning in earnest and fundraising to start spring 2015 latest.</p>	Up to £50,000. Dependent on art-forms offered and percentage of new work and international work. Costs could be significantly reduced if we "umbrella" existing programming.	Head of Programming with support from CEO, Head of Marketing. Wider staff team, artists, and trustees.
2. Offer commissions to coincide with Rich Mix Ten Year anniversary.	Ten new commissions offered, culminating in the creation of ten new pieces of work across the artforms that Rich Mix programmes.	1	January – December 2016, with fundraising and planning to commence spring 2015 latest (see note above).	Anywhere between £10,000 and £100,000, dependent on level of financial support offered.	Head of Programming plus support from CEO in terms of fundraising.
3. Develop outreach work to support incoming work from Bangladesh & the Bangladeshi diaspora.	A new post with a remit for working in the local area with the result that local young people engage with our arts and culture programme, especially work	3	New post in place May 2015 to work on Rich Mix Youth Takeover.	£5,000 - £25,000 dependent on projects and staff contracts/rate of pay.	Head of Programming plus support from CEO in terms of fundraising.

	from Bangladesh.				
<b>Film / Cinema</b>	<u>Overall Aim:</u> achieve the financial objectives and audience reach set out in the Enterprises business plan assumptions, and contributes to overall artistic offer for Rich mix.				
Three Key Objectives	Outcome	Strategic Objective	Date	Cost	Who?
1. Building the family audiences. 2015 is a big year for family films and unless we tap into this market we will continue to perform under our competitors.	Increase our market share.	2, 3	We need to have a marketing strategy by June 2015	Marketing cost	Film Officer and Marketing Manager.
2. Build audience of 45+  2014 we struggled with some of the films and live event that were suitable for 45+, Mr. Turner, Billy Elliot (the highest grossing Live Event) and War Horse (second highest grossing live event)	Increase our market share	2, 3	We need to have a marketing strategy by Sept 2015	Marketing cost,	Film Officer and Marketing Manager.
3. Reduce Projection Cost. To be in line with other venues in	Cost reduction by going automation with standard	2	End of 2015	Estimate around £4,000 savings	Arts Alliance, Management Team, Projection Manager and Film Officer

reducing on going wages.	shows.				
<b>Hires and Events</b>	Overall Aim: : achieve the financial objectives set out in the Enterprises business plan assumptions, and contribute to overall offer for Rich mix.				
Three Key Objectives	Outcome	Strategic Objective	Date	Cost	Who?
1. Continue to form new relationships with new corporate clients whilst nurturing existing relationships to secure repeat bookings.	Balancing the need for high value, one-off bookings and discounted, guaranteed income from multiple date bookings and repeat clients	2	March 2016		Events Manager
2. Maximise opportunities to promote venue and screen hire packages.	Focus on blockbuster film releases in 2015 to both and new and existing clients and agencies.  Greater emphasis and training on promoting venue hire via social media and GoogleAdwords.	2	Ongoing throughout the year	within events marketing budget.	Events Manager Head of Marketing
3. Collate and analyse data on space usage	Review data of space usage and	2	On quarterly basis		Events Manager

within current allocated days	work with Programming Team to identify where there may be opportunities to increase or better utilise space availability, which would help increase conversion rate.				
<b>Marketing</b>	<u>Overall Aim:</u>				
Three Key Objectives	Outcome	Strategic Objective	Date	Cost	Who?
1. Increase brand awareness	Recognition of RM as a venue to see excellent film, music, theatre, dance, spoken word and comedy. <u>Deliverable:</u> strengthened print and online communication to improve public understanding of wHo we are & what we offer.	3	May 2015	£5k	Head of Marketing
2. Reach new audiences	Strengthen our reach to music	3	March 2015	£5k	Head of Marketing



	audiences, local people and families. <u>Deliverable:</u> Build & develop press, listings, blog contacts, strengthen print & distribution networks targeting these groups				
3. Better understand audiences	Survey our existing audiences to find out who they are, how we communicate with them, what they like about us, what they don't like, how we can better communicate with them. <u>Deliverable:</u> Combination of online and face to face surveys. Implement an action plan reflecting how to best use information once captured.	3	June 2015	£5k	Head of Marketing

<b>Finance</b>	<u>Overall Aim:</u>				
Three Key Objectives	Outcome	Strategic Objective	Date	Cost	Who?
1. Introduce workplace pension scheme	Scheme in operation at staging date of 1 August 2015		1 August 2015	1% gross pay of eligible employees	Head of Finance
2. Review finance procedures & documentation & refresh staff familiarity	To ensure procedures are adequate and implemented		30 Sep 2015	None	Head of Finance
2. Deliver savings of a further £10k per year on overhead costs	Review of office costs  Review of energy contracts  Review of maintenance costs and contracts	2	March 2016	£10k cost savings	Head of Finance/Head of Enterprise
<b>Operations</b>	<u>Overall Aim:</u>				
Three Key Objectives	Outcome	Strategic Objective	Date	Cost	Who?
1. To improve Customer Service standards by introducing a rolling	Introduce an initial new starter training programme followed by	2	April 2015 – on going	Training costs approx. £2K p.a. Communication costs to be	Head of Enterprise/FOH Manager/Duty Managers

<p>Customer Service Training Programme. To introduce further meetings/action groups to look at all areas of service delivery [Cinema, Bar, Theatre &amp; Events]</p>	<p>refresher courses every 6 months to ensure consistency of service. Empower staff and encourage them to join Action Groups for each areas of delivery. The primary purpose of the groups being to improve service standard and to continue to look at ways to generate extra income.</p>			<p>incorporated into existing FOH/DM annual budget</p>	
<p>2. Review the staffing costs associated with the delivery of the all RM Programme with a view to become more cost effective without diminishing service standards. To introduce a volunteering programme to help support the delivery of the A&amp;C Programme</p>	<p>Introduce a more empowered and efficient workforce. Reduce the setting up and clearing up times of events by working closer with Artists and companies. Training staff to multi-task to cover more areas and reduce costs. Introduce a regular</p>	<p>2</p>	<p>April 2015 – on going throughout the year</p>	<p>Cost reduction – as yet unknown</p>	<p>Head of Enterprise/FOH Manager/Box Office Manager</p>

	team of volunteers to help out during busy activity days.				
3. Review the organisations Fire Policy & Procedures and First Aid requirements. Review the existing service contracts to ensure we are receiving value for money	Ensure all staff, tenants and users of the building are fully trained in the companys' Fire Policy & Procedures. Introduce a regular 1 <sup>st</sup> Aid training programme for all RM staff, and introduce a sub-committee as part of the H&S committee with a regular quarterly feedback. Review the existing contracts for Fire, CCTV, Access control & Intruder alarm	2	April 2015 – June 2015 – then on going	£2.2K for the year on 1 <sup>st</sup> Aid Training. Cost negated by reduction in service contracts	Head of Enterprise
<b>Technical</b>	<b>Overall Aim:</b>				
Three Key Objectives	Outcome	Strategic Objective	Date	Cost	Who?
	This would ease the		April 2015		Technical Manager

1. With More work happening in all spaces the need to get more staff with the right skill set has now become paramount to the smooth running of the technical team and requirements for all events	pressure on regular technical staff on events in venue two and gallery hangings				
2. With the load of events within Rich Mix the need to improve on information gathering from clients and in coming groups	This will help with correct information for the FOH and technical teams		Ongoing	No additional cost	Technical Manager
3. To improve and upgrade the technical equipment for venue two.	To achieve a better feel for all event in venue two		June 2015	£2,500	Technical Manager
<b>Capital Spending</b>	<u>Overall Aim:</u> to deliver an improved reliability for the building by implementing the agreed five-year Capital programme				
Three Key Objectives	Outcome	Strategic Objective	Date	Cost	Who?

1. Complete the improvements funded by the Biffa award	Improved toilets on the ground and fourth floor	2	By end April 2015	£40,000	Head of Enterprise
2. Replace and renew technical equipment	Improved reliability of equipment in main Space and V 1 and 2	1	Dependent on results of Arts Council bid	As set out in five year program and bid to ACE	Head of Enterprise/Technical manager
3. Beginning process of seeking planning permission to use rear entrance from Redchurch Street	Better footfall and visibility to communities to the rear of Rich Mix, and improved footfall and profitability for café.	2	Initial feasibility completed by end April Board consideration in June Submit to LBTH by October	Dependent on finding pro bono planning support from British land or similar	Head of Enterprise/ CEO
<b>HR / Staff Development</b>	Overall Aim: build on the quality and strength of our staff team for now and for the future				
Three Key Objectives	Outcome	Strategic Objective	Date	Cost	Who?
1. Use annual staff appraisal process to recognise achievements and agree targets for next year	All staff have agreed targets and development plans for the forthcoming year	2	All appraisals to be completed and written up by end May	Staff time	Senior leadership team/ line managers, supported by Executive Assistant
2. develop a training plan for the whole organisation	Every member of staff to have one specific	2	Initial draft produced for June board meeting	Staff time and some limited training budget.	CEO/ Executive Assistant

	development opportunity over the course of the next year		consideration Review in December 2015		
3. review process of recruiting to ensure that we recruit locally and that we build on our record of a diverse workforce.	35% of new appointments to come from tower hamlets residents and 35% to come from BAME backgrounds	2	Dependent on vacancies arising, and times before recruitments for paid interns.	Staff time	CEO and Line Managers
<b>Environmental Sustainability</b>	Overall Aim: meet the objectives set out in our annually reviewed environmental strategy				
Three Key Objectives	Outcome	Strategic Objective	Date	Cost	Who?
1. develop use of reporting tools for Julies Bicycle and ensure data reviewed to see where we can improve		2	Quarterly	Staff Time	Executive Assistant
2. quarterly reporting to tenants on energy use	Aim to Energy use at current levels and if possible reduce by 3% per annum	2	Quarterly	Staff Time	Executive Assistant and Head of Enterprises
3. review waste collection Service	Aim for improved service and increased recycling	2	Contract date anniversary is May 2015	Staff Time	Executive Assistant and Head of Enterprises

	to save costs				
<b>Fundraising</b>	<b>Overall Aim:</b> meet the fundraising target assumptions set out in the business plan and develop strategy for 2016 anniversary				
Three Key Objectives	Outcome	Strategic Objective	Date	Cost	Who?
1. deliver a balanced budget for court costs and additional programming	Raise £180,000	1, 2	By end March 2016, with monthly review by FABS/ Board	Staff Time	CEO supported by Head of Finance and Head of Programming
2. develop and implement plan for 2016 anniversary using Rich Mix matters #	Aim to raise £10,000 for new commissions and to attract at least 100 expressions of support on the website by end of year	1, 2	Develop plan for board approval by June 2015  Fund raise for commissions from individuals starting September 2015	Staff Time	CEO supported by Box Office Manager and external secondee
3. build new foundation supporters	Generate one new three year funding source	Financial sustainability and excellent arts	March 2016	Staff Time	CEO supported by Box Office Manager and external secondee



<b>Appendix D – Rich Mix Financial Table</b>						
<b>2015/16 - 17/18 Financial Plan</b>						
	notes	2013/14 Actual	Budget 2014/15 £	2015/16 £	2016/17 £	2017/18 £
<b>Income</b>						
ACE NPO funding	1.	300,519	301,700	301,700	301,700	301,700
Other funding & donations	2.	163,082	205,000	170,000	175,000	180,000
Arts, Culture and Creative Learning	3.	140,023	150,000	150,000	155,000	160,000
Leases and Service Charges	4.	433,130	400,000	405,000	410,000	415,000
RM Enterprise Ltd contribution	5.	698,013	565,000	575,000	587,500	600,000
Other revenue income		6,006	4,000	4,000	4,000	4,000
		<b>1,740,773</b>	<b>1,625,700</b>	<b>1,605,700</b>	<b>1,633,200</b>	<b>1,660,700</b>
<b>Expenditure</b>						
Arts, Culture and Cr. Learning Costs	6.	218,786	246,500	215,000	215,000	215,000
Staff costs	7.	763,479	788,700	804,400	821,800	840,100
Professional Fees & licences	8.	23,138	27,300	27,500	27,500	27,500
Property costs	9.	391,684	390,000	390,000	400,000	400,000
Office costs	10.	101,911	92,300	95,000	97,500	100,000
Fundraising costs		661	500	500	500	500
Marketing	11.	43,009	45,000	50,000	50,000	50,000
		<b>1,542,668</b>	<b>1,590,300</b>	<b>1,582,400</b>	<b>1,612,300</b>	<b>1,633,100</b>
<b>Surplus for Year</b>		<b>£ 198,105</b>	<b>£ 35,400</b>	<b>£ 23,300</b>	<b>£ 20,900</b>	<b>£ 27,600</b>
<b>General reserves</b>						
<b>(excluding outstanding LBTH funds)</b>						
Brought forward 1 April		(164,773)	33,332	68,732	92,032	112,932
Carried forward 31 March		<b>£ 33,332</b>	<b>£ 68,732</b>	<b>£ 92,032</b>	<b>£ 112,932</b>	<b>£ 140,532</b>

## **Appendix E – Progress Report on Diversity & Race Equality Strategies**

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### **Purpose and Summary**

To report on the actions taken to deliver on our strategy and the progress made over the past year.

### **Background**

In June 2010, the Board adopted the strategy for the approach Rich Mix will take to ensure that we live up to our values of celebrating diversity. The adopted strategy is set out below, together with comments marked as to the progress we have made over the past year 2013-2014.

### **Race Equality Strategy**

#### **Statement of Intent**

Rich Mix is London's up and coming arts centre. It will programme, commission, work in partnership with, and employ those who are excellent in their chosen field regardless of their race, religious belief/s, gender (including transgender status, if applicable), age, disability and / or sexual orientation.

#### **Aims**

In its work and all areas of the organisation, Rich Mix aims are:

- To celebrate London's cultural diversity and establish a new landmark in world culture.
- To showcase work from Black and Minority ethnic communities, and marginalised communities.
- To encourage, nurture, grow and explore the cultural and creative talent of all people through a vibrant, dynamic celebration of entrepreneurship, utilising the creative industries and artistic expression as its foundations.

#### **Strategy**

Rich Mix is a thriving arts venue based in the diverse borough of Tower Hamlets, and on the fringes of Hackney and the City of London. We seek to reflect the local communities around us by providing a programme of work that appeals to and reflects their experience.

We recognise that we can promote equality through a number of ways that will fulfil our aims.

#### **Celebrating London's cultural diversity and establish a new landmark in world culture**

##### **Programming.**

We will programme diverse work from across London and the world, ensuring a mix between art forms and those who produce the work. We will seek feedback from audiences, the local community, stakeholders and funders to enable us to monitor whether our offer is sufficiently diverse whilst not compromising the quality. We will strive to give equal access to all members of our diverse audience.

### **Progress**

Over the past year we have undertaken another formal analysis of our audiences using the Mosaic data analysis. This renewed data has shown that we continue to attract more people from lower income households than our competitor organisations. We have also conducted face to face surveys with members of the public visiting Rich Mix. These exercises, coupled with improved data garnered from online bookings, have significantly helped us to better target our marketing and understand our audiences.

As a founder participator in the newly established Arts Centre Network, we have had some comparison of our audience mix with three other London venues and five others across England, in Birmingham, Stockton, Cambridge, Lincoln, and Keswick. The research showed our audiences to be larger than all of the others with the exception of MAC in Birmingham, but proportionately better at reaching lower income groups and non-traditional arts attenders. Our Esmee Fairbairn funding to support the free programming we run should help us to continue to reach new audiences.

### **Free events**

We will apply the same high standards required of our programmed work, to those who perform in our free events. We will ensure that free events offer a rich and innovative schedule which covers all age ranges and cultural backgrounds. These free events will provide the local community with opportunities to sample a wide range of arts to which they might not otherwise have access.

### **Progress**

Our free programme, supported by Esmee Fairbairn, has seen audiences of over 26,000 people come to experience music, theatre, spoken word and visual arts over the course of the year at around 210 events. This represents roughly a third of our total programme and is an important part of reaching people who are not traditional arts attenders. Over 50% of our audience come from Tower Hamlets and Hackney, a figure which has not changed even though the overall audience has grown.

## **2. Showcase work from BAME and marginalised communities**

### **Artists**

We will focus on working with artists and showcasing excellent work which may have difficulty finding a platform in other venues. We will find this work through our local networks, by offering opportunities through targeted media (eg: Red Hot Curry for South Asian artists), by offering artist development opportunities and partnering with arts organisations who work with BAME or marginalised communities.

### **Progress**

During 2013/14, 60% of our Artistic Programme was BAME led.

### **Working collaboratively**

We will seek to find ways of working collaboratively with artists, and where possible, focus on local artists or those from marginalised communities.

### **Progress**

In the past year we have been able to support over 100 artists with free space to develop their work. In total we have provided over 4,170 hours of free space to the value of over £280,000. 58% of these artists were from BAME communities.

**3. Encourage, nurture, grow and explore the cultural and creative talent of all people through a vibrant, dynamic celebration of entrepreneurship, utilising the creative industries and artistic expression as its foundations.**

### **Staffing**

We will underline our commitment to equality and diversity throughout our policies and procedures. This will include a clear statement on all recruitment materials emphasising that Rich Mix considers applications from all sections of the community. At application and interview stage applicants will be asked about their commitment to equality and diversity.

Our performance review procedures will include equality and diversity objectives as both developmental and organisational objectives. We will monitor staff recruitment, retention and progression to check for discrimination.

Our policies will include clear anti bullying and harassment procedures including zero tolerance to discrimination and exclusionary behaviour.

We will provide training on equality and diversity for all staff and trustees to ensure that everyone is aware of the standards to which we hold ourselves.

### **Progress**

We have had no complaints of harassment and /or bullying over the course of the year.

We have undertaken some FOH training this year looking at all aspects of customer service and of working together as a team.

The demographic makeup of our Staff and Board is set out below:

### **Ethnicity of Rich Mix Staff**

	Specialist staff - Men	Specialist staff - Women	Managers - Men	Managers - Women	Other staff - Men	Other staff - Women	Total
White	3	3	2	1	17	12	38
Asian or British Asian					6	6	12
Black or British Black		1			8	2	11
Chinese							
Mixed or Dual Heritage					2	2	4
Any other ethnic group							
Not known / Prefer not to say							
<b>Total</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>33</b>	<b>22</b>	<b>65</b>

### Ethnicity of Rich Mix Board

	Men	Women	Total
White	3	2	5
Asian or British Asian	3	4	7
Black or British Black	2		2
Chinese			
Mixed or Dual Heritage			
Any other ethnic group			
Not known / Prefer not to say			
<b>Total</b>	<b>8</b>	<b>6</b>	<b>14</b>

### Suppliers/Partners

#### Strategy dissemination to suppliers/partners

A copy of this strategy will be made available to all suppliers and partners with whom we work regularly. We will ensure that our commitment to race equality and diversity is highlighted in order to promote our values to those who work with us.

### **Hires**

We will seek to make Rich Mix a place where people have access to the space. We will investigate how to encourage the local community to hire the space and ensure that prices reflect our need to be sustainable whilst at the same time offering some discounts for charities where we can do so fairly.

We will target some marketing to the local community so that they are aware of the facilities, and encourage them into the building to see what is available, including by making the building available for use as a surgery venue for local councillors. We will ensure that religious and cultural needs have been considered within our space so that those from all backgrounds find the building welcoming.

### **Progress**

We have continued to balance the need to generate income with our desire to support local groups by the provision of free space for groups such as Ladies Who Learn, The Daneford Trust, Sound Connections, East Shoreditch Neighbourhood Planning Forum, OPEN Shoreditch, Beyond Boundary Project and Somewhere\_to. We have continued our partnership with THAMES to allow them to rent the main space at a discounted rate, increasing our reach to local schools and young people.

Discussions between programming and events & hires staff have resulted in a more structured division of venues and times in the building, thus making it simpler to roll out the offer of free and discounted space to local projects.

### **Tenants**

Our tenants contribute to the cultural and artistic feeling of our building. To enable us to engage with diverse and wide ranging tenants we will ensure we have clear channels of communication and we will assess their needs and responsibilities on a regular basis. We will attempt to maintain a balance of businesses and reflect those which are BAME led. We will seek to understand any barriers to tenancy including building accessibility and cost of space. When office space becomes available, it will be offered to the widest community and criteria for selection will also include commitment to our values of equality and diversity.

### **Progress**

Our occupancy rates and the mix of tenants within the building has continued with 23.9% of the jobs being occupied by people who identify themselves as being from BAME communities. We will continue to monitor this and to keep a balance of ethnicity and disability with the mix of our tenants.

### **Education**

We will work through our education activities to encourage children, schools and families from Tower Hamlets and beyond to be introduced to the range of arts activities which Rich Mix can offer, and will work with them to encourage local families to see Rich Mix as their place.

## **Progress**

During 2013-2014 our work with schools and families reached over 7000 young people. We know from the ethnicity data of the schools that we are reaching a high proportion of children and young people from the local area and from a diverse range of backgrounds.

Successful one off projects included Drama in the Mix, the first ever Rich Mix Youth Takeover, which attracted over 2000 young people, and supporting Bethnal Green Academy's Year 12 drama students with rehearsal and performance space for their AS Level.

Our work on the Somewhere to\_ project has grown and we have enabled over 50 young people to get involved with and produce their own events at Rich Mix, bringing in a total audience of more than 1000 people.

We continue to work with our Young Ambassadors; having developed a year-long scheme which sees them create and produce their own events as part of the Rich Mix programme. The Ambassadors are aged between 16 and 21 and meet with our Creative Learning Coordinator on a fortnightly basis to discuss and plan their events, as well as receive workshops with the Rich Mix team in marketing, event production and professional development. 50% of the Young Ambassadors are from the local community whilst 4 of the current 6 are from BAME communities. The scheme operated a rolling recruitment and numbers fluctuate between 6 and 12 young people.

## **Sourcing materials**

In addition to the artists and cultural activities, we will also seek to engage with suppliers who can offer produce that promote cultural diversity and equality across the UK and beyond. Where practical we will seek to use fair-trade products and suppliers of goods that may not be available in mainstream cultural institutions but that reflect our communities.

## **Progress**

Over the past year we have worked to move more of our purchasing to companies in the local area. Many of our building maintenance supplies come from local firms, as does the bulk of our printing and design. We now also use more local designers in our attempt to ensure that the money we generate supports local businesses in our immediate area. We will continue to review our major contracts for value for money and to ensure that the people we spend money with have policies which reflect our ethical stance and commitment to diversity. We have changed the sourcing of some building maintenance work to use a local social enterprise and one of their employees, and are continuing to look at other contracts to use local firms

As part of the retendering exercise for the café we discussed the use of Fair Trade products and are meeting the local Tower Hamlets Fair Trade group to identify other things we can do to support the movement.

## **Trustees**

Our trustees are committed to ensuring equality and diversity throughout the organisation. They are recruited from a wide range of backgrounds and reflect the local community where we are based. Equality and diversity will continue to be

monitored at Board meetings on an annual basis. The basis upon which they monitor equality and diversity will vary but may include: statistical information on employees, artists, events; recruitment and retention information; anecdotal evidence; and quantitative and qualitative data.

The trustees and senior managers will be responsible for monitoring the success of the strategy which will be reviewed and updated on a yearly basis.

### **Progress**

This is the third annual review of our strategy, which has been tweaked in the previous two reviews.

Board recruitment continues to be an open process through public competitive adverts. The Board continues to reflect a good balance of experience, skills, artistic interests and ethnicity and are recognised by the Arts Council England definitions as making Rich Mix a Black led organisation.

The Board consider regular reports on things such as audience data and tenant make up. Our approach to who we programme and for what audiences are also under continuous scrutiny by the Board and through informal interchanges with members of the Board on an individual basis.

### **Recommended**

That the progress be noted and any areas for additional work be identified.



Rich Mix aims to be a good neighbour locally and globally by engaging staff, tenants and visitors in the most effective behaviours to minimize our carbon footprint, reduce waste, and promote environmental, social and financial sustainability. We endeavour to become a leader and a resource in sustainability within our local community and among London's cultural institutions.

Our approach to sustainability is threefold, involving commitments to behavioural change, engagement, and investment. It is our goal to make the most effective use of our resources by eliminating waste through smart behaviours first, and complementing behavioural change with responsible investments in energy efficient technologies. We will increase our impact by educating staff, tenants and visitors, and regularly reporting our progress to stakeholders within the organization and in our community at large.

Our sustainability programme will be in line with our overall mission and objectives, which are:

- To deliver a world-class artistic programme that reflects, and is accessible to, the diverse communities who live in East London.
- To strengthen our financial position by maximising usage of and income from the spaces in the building and by reducing costs wherever possible.
- To build our audience numbers and our reach to target groups - especially our local communities - which includes improving our marketing and customer service.

Our sustainability goals in the coming years are:

- **To understand** our current carbon footprint, and develop a program for consistent monitoring and annual improvement;
- **To comply** with all relevant legal standards and requirements for environmental practices set by our funders and stakeholders;
- **To reduce annual electricity consumption** by at least 5% by eliminating unintentional wasteful behaviours among staff and tenants;
- **To reduce waste to landfill** by engaging staff, tenants and visitors in recycling and reduction of materials whenever possible;
- **To reduce air emissions** by encouraging staff, tenants and visitors to cycle, walk or take transit to our facility whenever possible and providing them with the information necessary to do so;
- **To investigate** opportunities to reduce the carbon footprint of our building through repairs, maintenance, and operation;
- **To invest** in energy upgrades which provide the greatest value for money when investments are feasible;
- **To engage** the community in a conversation about sustainability through environmentally and socially responsible management of our on-site events; and
- **To communicate** and set a positive example by reporting regularly to our stakeholders, including staff, tenants, venue hire clients, funders and the community

This sustainability policy will be made available to all interested parties, and reviewed annually.

	2013 – 2014 <i>What we have done</i>	Next 2-4 years <i>What we will do</i>
Behaviours	<ul style="list-style-type: none"> <li>Continued to conduct twice daily checks of lights and heaters throughout the facility.</li> <li>Continued to encourage use of new recycling stations which has previously saved us up to £8k in trade waste costs.</li> <li>Reduced our gas usage by 14% on the previous year.</li> <li>Reduced our electricity usage by 5% on the previous year.</li> <li>Recorded our hourly energy usage data.</li> <li>Continued to create incentives for staff &amp; visitors to cycle or walk.</li> <li>Sought proposals for voltage management equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Establish a collection or pick-up for food waste in conjunction with Indi.go at Rich Mix.</li> <li>Collaborate with tenants to commit to green behaviors when initiating or renewing their lease.</li> <li>Generate awareness about passive cooling.</li> <li>Reconsider a sustainable purchasing/sourcing policy.</li> <li>Look to re contract the maintenance of our Building Management System.</li> </ul>
Communications	<ul style="list-style-type: none"> <li>Led a sustainability leadership committee with tenants.</li> <li>Published our sustainability policy on website and newsletter.</li> <li>Staged an exhibition centred on the theme of discarded objects. 'Trash' in the Lower Café Gallery shone a light on the abundance of waste and material goods and the impact it has on our societies.</li> <li>Reported all environmental info to Julie's Bicycle NPO scheme.</li> <li>Instructed all office tenants to turn off computers and lights at night and during breaks/meetings.</li> </ul>	<ul style="list-style-type: none"> <li>Apply for recognition from the Council or similar.</li> <li>Produce 2-4 sustainability-themed cultural installations or events each year.</li> <li>Create an internal recognition programme.</li> <li>Pursue partnerships with other organisations in Tower Hamlets to drive awareness within the community.</li> </ul>
Investments	<ul style="list-style-type: none"> <li>Placed "Turn off lights" signage in bathrooms, hallways and kitchens.</li> <li>Tested and repaired faulty heating/cooling equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Install lighting timers in bathrooms, stairwells and hallways.</li> <li>Replacement of fluorescent lighting with LED in test areas. N.B. subject to finances. Grey Water system in part or all of the facility.</li> <li>Replacement of fluorescent lighting with LED throughout the facility.</li> <li>Upgrade to energy efficient cinema equipment.</li> </ul>

# RICHMIX

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15<sup>th</sup> July 2015

Dear Robin,

Thank you for your time in coming to see us, and to explain a little more about the queries which have been raised through the Overview and Scrutiny process.

I hope that the further copy of our business plan for the next three years we sent in advance of the meeting was helpful to you, in ensuring that there has been appropriate diligence in looking at our business model and financial plans. I recognise that the business plan contains our headline financial projections, and I have attached with this letter the underpinning figures for the 2015/16 financial plan, all of which was considered by our Board in December 2014.

The Business Plan demonstrates the ways in which we have over the past years continued to deliver services benefitting local people in a number of ways, and also sets out our commitment to continue to do so.

Attached is a draft report about our work with children and young people, which is going to our Board in September as part of their annual scrutiny and review of what we do.

We have no direct public funding within our Arts Council investment for work with schools, and so we have been reliant on funding this from monies we have raised from trusts and foundations and corporate supporters. We have been successful in raising approximately £50,000 per year for this work over the last three years, and we remain committed to doing so for the future. The balance of payments from the s. 106 contribution will make a time limited contribution to developing our fundraising capacity towards this work. And whilst we won't stop building on our success in generating additional private resources to support this important area of work within the Borough, this will enable us to commit to delivering additional programme with a deeper level of long term engagement.

Rich Mix Cultural Foundation  
Registered office: 35-47 Bethnal Green Road,  
London, E1 6LA.  
A company limited by guarantee  
Registered in England & Wales  
Registration no. 4293133.  
Charity no. 1089163.

You will also be aware that we support a large number of developing and emerging artists by offering them free rehearsal space and a place to perform as part of our programme. Since we began this approach three years ago, we have achieved year-on-year increases to the number supported and the value of space given to them. In our most recent financial year, we supported 143 artists with over 4,200 hours of space at a value of over £312,000. Approximately half of these artists came from BAME backgrounds and a similar proportion came from our local communities. We remain committed to this approach for future years and to developing and increasing the amount and nature of support we can offer.

We are also continuing to work with other arts organisations within the Borough to support and offer them space for performances, as well as providing a hub for networking and mutual support. It's our intention to continue to do this in future years.

I thought it might also be helpful to look at the proposed uses of the balance of the s.106 monies which will be made available to us if our proposed offer to settle the litigation is accepted by the Council.

Whilst we have continued to generate increased commercial income to support our charitable model, and have continued to support the business model with rental income from our tenanted workspaces, these spaces are now at full capacity on 3-5 year leases, and so will not generate significantly larger sums of money over the next three years.

We have controlled costs effectively in all areas, with the one exception of the need for urgent repairs to the building. Along with the dilapidations to fabric, plant and equipment that come with a building approaching 10 years of age, the fact that over 200,000 people visit our building each year means that there is significant wear and tear, and a number of immediate repairs have needed to be done from within our revenue budget. Since 2009/10 Rich Mix has reduced its annual management and administration costs by £178,000 but has seen its annual building and equipment costs increase by £93,000.

Given the lack of a Building & Equipment Maintenance Fund, a need identified in our Reserves Policy and Risk Register, and our desire to run a balanced budget, this has meant that we have had to use revenue money to fund repairs and capital items such as work to our boilers and our air handling systems has had an impact on our ability to spend further on our charitable and artistic programmes.

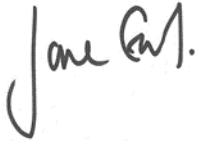
The attached Capital Plan identifies £200k of necessary expenditure to maintain existing assets over the next 3 years and a further £220k of investment in new facilities to increase our earnings capacity.

Our current level of General reserves, standing at £111k as at 31 March 2015, is considerably below that recommended by Charity Commission guidelines and in the view of our independent auditors and represents a significant risk against any future revenue fluctuations.

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I hope that this information will be helpful to you and remain happy to discuss further if we can be of assistance.

Yours sincerely

A handwritten signature in black ink that reads "Jane Earl." The signature is written in a cursive style with a large initial 'J' and a period at the end.

Jane Earl

Chief Executive, Rich Mix Cultural Foundation

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**RICH MIX CULTURAL FOUNDATION  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**Charity registration No. 1089163  
Company registration No. 4293133 (England and Wales)**

# RICH MIX CULTURAL FOUNDATION

## Report and Financial Statements for the year ended 31 March 2015

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Consolidated Balance Sheet	11
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### Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees. The trustees serving during the year and since the year end were as follows:

<b>Trustee</b>	<b>Notes</b>	<b>Attendance</b> (number of general meetings attended during the financial year out of a total of 5)
Shamim Azad		3
Shazia Ali-Weber	Maternity leave	1
Chila Burman		3
Mizanur Chaudhury	Resigned 15 December 2014	0
Steve Douglas		3
David Harris	Resigned 15 December 2014	2
Jim Hollington		3
Denise Jones		5
Niranjan Kamatakar		3
Michael Keith	Chair	4
Tandeep Minhas	Vice Chair	4
Joseph Ogbonna		4
John Pandit		2
Cllr. Rachael Saunders	Resigned 15 December 2014	1

None of the trustees have any beneficial interest in the company. All trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

### Legal and administrative details

Rich Mix Cultural Foundation, commonly known as Rich Mix, is a company limited by guarantee and a registered charity.

Chief Executive Jane Earl

Company Secretary David Lewis

Registered address 35-47 Bethnal Green Road, Shoreditch, London, E1 6LA  
This is also the principal operating address.

Company number 4293133

Charity number 1089163

Auditors Kingston Smith LLP, Devonshire House, 60 Goswell Road,  
London EC1M 7AD

Bankers National Westminster Bank PLC, 180 Shoreditch High Street,  
London E1 6HN

Solicitors Latham & Watkins (London) LLP, 99 Bishopsgate, London EC2M 3XF



# RICH MIX CULTURAL FOUNDATION

## Trustees' Report for the year ended 31 March 2015

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The Trustees present their report and accounts for the year ended 31 March 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

### Structure, governance and management

The charity, Rich Mix Cultural Foundation is a Company Limited by Guarantee and is governed by its Memorandum and Articles of Association, which were refreshed in 2010. The primary objects are:

- To advance education of the public in art and culture of all types: to work towards the elimination of racial discrimination;
- To promote equality of opportunity and good relations between people of different racial groups, particularly by promoting events and activities to foster intercultural diversity of migrant communities and their contribution to economic and cultural life particularly by establishing Rich Mix Centre as a home for exhibitions and by collecting, preserving and exhibiting items of educational value.

The Board of Trustees meet four times a year. All strategic decisions are made by the Board. Individual Board members also act as sounding boards to the executive team on various topics of their special skills and interests and act as advocates for the organisation. Over the last year this included support to members of the Rich Mix team in areas such in heritage and archive creation, marketing, communications, fundraising, training, arts and international contacts and strategic planning. The contacts provided by Board members have also been invaluable.

The Finance and Buildings Sub (FABS) Committee met 8 times during the year to provide continuity of oversight between the full Board meetings. It has responsibility for the oversight of the financial management of the organization. Any issues or concerns around the financial strategy for Rich Mix are considered at FABS and then taken as formal recommendations to the full Board of Trustees who consider and ratify decisions at the Board meetings.

During the year, the Board also met for a special session with the wider staff team to look at longer term strategy and to review the future mission and areas of priority work.

The Board delegates operational decisions to the executive team who are also responsible for implementing the Board's decisions, and for day-to-day management of the charity and the trading subsidiary.

### Trustee appointments

During the course of the year David Harris resigned from the Board and from FABS as a result of his transfer to work in New York.

The other two trustee changes during the year resulted from the right of LB Tower Hamlets to appoint two Directors to the Board. Councillors Rachael Saunders and Mizanur Chaudry had been the nominations to the Board for a number of years and both made a significant contribution to the work of the charity. In December 2014, the Council informed us that the nominations had been changed, and Ms Saunders and Mr Chaudry therefore resigned from the Board. Rich Mix is grateful to both of them.

The two new Council nominees Cllr Abjol Miah and Cllr Mahbub Alam have not yet provided the necessary details to enable them to be registered as Directors of the company, nor have they attended any meetings.

### Related parties

Rich Mix Cultural Enterprises Limited is a wholly owned subsidiary of Rich Mix Cultural Foundation.

# RICH MIX CULTURAL FOUNDATION

## Trustees' Report for the year ended 31 March 2015 (continued)

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### Risk management

A comprehensive business plan was drawn up outlining operating targets and objectives. Operational results continue to be reviewed by the team on an individual and a collective basis against these targets on a monthly and quarterly basis. The approach to risk management was also further developed as part of the process which produced the successful application to ACE for continued inclusion in their National Portfolio of funded organisations.

Monitoring and evaluation of the risk within the business plan has continued to be a key objective of FABS in partnership with the executive team.

The main procedures in place for identifying, evaluating and managing risk are:

- A comprehensive business plan that includes forecasts of volatile income, including sensitivity analysis
- A monthly process of evaluation of the costs and sales of the events we run and their fit against our strategic objectives
- Implementing decisions at organisational, departmental and managerial levels
- Management reports weekly to Executive team, monthly to FABS and quarterly to Board to monitor results against targets
- Regular visitor surveys to evaluate and improve customer service levels
- Contingency planning

### Objects, objectives and activities

The objects of Rich Mix Cultural Foundation are continuously reviewed to ensure that they remain relevant and appropriate to the constituent parts of the organisation. The most recent review resulted in the following mission statement being approved by the Board on 23 June 2010. There have been a number of reviews, the most recent of which lead to a re-confirmation by the Board when they met in January 2015 to review the detailed business plan for the next three years.

### Rich Mix Purpose and Vision

**Rich Mix exists to be a place where the communities of the world who are the citizens of East London and beyond can come together to experience and make world class art and feel that it's a place where they belong.**

**Our mission remains to be a place where the communities of the world who live in east London can come together to make and experience art and feel that it's a place where they belong. And our strategic objectives, which help us to make our choices and guide our actions remain the same; excellent art, delivered in a way, which is financially sustainable, to increasing and increasingly diverse audiences.**

We do this by using all the resources of the building, the skills of our staff, and those of our artistic partners and our tenants to create an integrated organisation which:

- supports creative and cultural industries through the use of our managed workspaces, and which generates a level of income which forms the bedrock of support for our charitable objectives
- offers a mixed arts programme which is both representative of our local Tower Hamlets communities, covers all art forms, including theatre, dance, music, film and visual arts, and is financially sustainable
- has a programme which reaches out to children, schools and families, from Tower Hamlets and beyond, to give them opportunities to see and participate in a wide range of art
- builds partnerships with BME artists and organisations in order to achieve our artistic aims, which include co-commissioning and providing a platform for established and emerging BME talent

## RICH MIX CULTURAL FOUNDATION

### Trustees' Report for the year ended 31 March 2015 (continued)

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- uses those parts of the building which are capable of generating income, such as the more commercial cinema programme, catering and spaces for hires and events to provide programmes that support Rich Mix's objectives and an addition appropriate income stream to support our charitable, cultural and community activities
- re-invests our surpluses in our cultural and charitable objectives

#### Achievements and Performance

Rich Mix has continued to make good progress in achieving our goal and mission as set out in our business plan for 2014/15, and in delivering on our charitable objectives.

As an organisation where art and diversity are at the heart of our mission, we have continued to run our building in a way which offers wide access to all groups within the community to be able to come and experience great art and to see themselves, their histories and cultures represented. Given our charitable status we have focused on developing a sustainable business model which reduces our reliance on public sector grant funding and, at the same time, ensures that the building is used to its maximum capacity to support artists and to develop new and innovative work.

We measure our success in a number of ways. Our reputation in the arts sector, with our local community and with our potential funders has continued to develop, and our continued inclusion in Arts Council England's National Portfolio for a further three years is a clear recognition of this growing reputation.

Our ticket sales over the past year have held up well, and have continued to grow, against the trend for many other arts organisations in these recessionary times. Our total ticket sales were 135,345, and we estimate that over 35,000 people have accessed our free events.

Our most recent Mosaic analysis of the address data for those buying tickets confirms that we continue to reach a diverse audience, many of whom are not traditional arts attenders. We are continuing to improve our methods for monitoring our impact through better data capture, an improved box office service, and new marketing approaches. All of this give us a positive expectation that these trends will continue into 2014/15.

Key metrics for 2014/15 include:

- Offered over 750 Arts & Culture, Educational and Film events, of which over 200 were free to access;
- Sold almost 39,000 tickets for paid Arts & Culture events;
- Ran events for children schools and families which reached 5,227 children, young people and adults;
- Sold 96,650 cinema tickets
- Continued and expanded our discounted cinema ticket scheme for local people with over 4,560 tickets sold as part of our Film for a fiver scheme in partnership with LBTH ideas stores
- Continued discounted pricing for our education and schools events for LBTH residents as part of our drive to build local audiences.
- Supported 143 different companies and artists by providing 4521 hours' worth of free rehearsal space with a value of £314,500 (at commercial hire rates). The majority of the work developed in our building during 2014/2015 was then seen as part of our Made@Rich Mix performing arts programme, including our flagship "Small Stories, Big City" season, of entirely new work focused on city life.
- Provided a home for 20 creative businesses with a turnover of over £23 million, and which support over 320 jobs. These businesses are mix of charities and commercial organisations all of whom make a contribution to the artistic life of the building as well as covering a significant amount of the fixed costs to run the building. 100% of the available space has been full for the past two years.

We have hosted a range of artistic highlights over the year. In June and July 2014, to coincide with the World Cup in Brazil, we programmed a free Brazilian Festival called Joga Bola, which reached over 10,000 people. The festival included 29 live events, headline shows from UK and Brazil based artists including Giles Peterson, Tulipa and Graveola, a street art exhibition from Sao Paulo based SHN Collective, theatre and

## RICH MIX CULTURAL FOUNDATION

### Trustees' Report for the year ended 31 March 2015 (continued)

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dance, and young people's workshops. This free festival of football, music, arts and culture allowed us to reach a diverse and new audience.

Our Arts Council funding has allowed us to develop strong relationships with leading music promoters including Serious and Soundcrash. As a result, 2014/2015 saw a significant step increase in the quality of our music programme, including 10 shows as part of the EFG London Jazz Festival in November 2014, shows by international artists including Ebo Taylor and Somi, and a sell-out show from Mercury Prize nominees Gogo Penguin.

The Rich Mix Youth Takeover was a free three week festival dedicated to local 16-25 year olds, which was made up of creative workshops, live music events, fashion shows, film screenings, panel discussions, industry advice and more. Throughout August 2014 there were more than 30 activities and over 2600 people took part in workshops or attended events, an increase of 25% on 2013's festival. 63% of attendees were BAME young people.

We are especially proud that as well as cementing our partnerships with NPOs such as Serious and Barbican and seeing an increase in the quality of work programmed at the venue, this has been matched by representation in our artistic programme from BAME artists, who in 2014/2015 comprised over 70% of the artists who featured at Rich Mix.

We have developed a positive reputation for our work in the fields of contemporary dance and emerging theatre with an accessible programme of work, which is seeing increasing audiences. And our work with groups such as the South Asian Womens' Creative Collective has offered a space and a platform for new and international work.

Our work with schools and young people has developed further, and we are proud to have built links with 39 schools this year, of which 21 are from LB Tower Hamlets. This have included world class arts projects with Brazilian and Bangladeshi artists. We have also supported students in curriculum based activities and mentoring. And, through the recruitment of our new cadre of Young Ambassadors, we have given a number of local young people the chance to develop their skills in curating, performing and producing.

All of our Arts and Culture work continues to be rooted in the objectives we first outlined in 2012. We are particularly proud that over 70% of our events were led by artists from Black and minority ethnic backgrounds, and that of our rehearsal space offer, 56% has also been offered to artists from similar backgrounds.

#### **Staff and Management changes over the year include:**

Our entrepreneurial business model, which only relies on 12 % of public funding via ACE continues to mean that the organisation operates with a tight management structure. We know from benchmarking work with other arts organisations that the Rich Mix staffing structure is extremely lean.

Over the past year we have continued with the existing management structure although, with grant support from the Creative Employment programme, we have been able to take on a small number of paid interns, offering development opportunities for a range of young people.

Our senior leadership team has continued in post with the only change being in our Head of Marketing role. The new appointment has proved to be a great addition to the team,

We have also supported and developed some of our front of house colleagues with additional training during the past year and have seen the benefits with improved levels of customer service. Internal promotions to our team of Duty Managers and supervisors has also helped to deliver good customer service and build capacity to help us with the increasing levels of activity within the building.

The whole team has performed strongly over the year, and the Board is grateful to all of them for their enthusiasm and collective effectiveness in delivering on the Rich Mix mission.

## RICH MIX CULTURAL FOUNDATION

### Trustees' Report for the year ended 31 March 2015 (continued)

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#### London Borough of Tower Hamlets

A key plank in our plans to secure the long-term financial sustainability of the Foundation was the decision of the Strategic Development Committee of London Borough of Tower Hamlets on 2 August 2010 to make the £2.1 million due from the cultural aspects of section 106 payments arising from a residential development on a neighbouring Bethnal Green Road site over to Rich Mix, subject to us meeting targets for performance. The first tranche of £500k was received in 2010/11 and the accounts for the year ended 2012/13 included a debtor of £1,046,990 for further tranches which Rich Mix considered due in 2011/12 and 2012/13. In spite of lengthy discussions LBTH have been unwilling to agree specific performance targets acceptable to both parties and no further payments have been received. Due to uncertainty surrounding the timing of receipt of these monies the accounts include an exceptional provision against the debtor, as set out in note 9 to the accounts. This debtor and the final balance of £546,988 originally due in 2013/14 is recorded as a contingent asset as set out at note 19 to the accounts. There is also a contingent liability as set out at note 20 to the accounts in regards to a potential repayment of monies to LBTH of up to £850,000, which the Trustees do not believe is repayable. Negotiations in regards to the settlement of these monies are ongoing and until such time as agreement is reached, there is an inherent uncertainty as to the quantum of the outcome and the timing of this.

The Trustees are committed to continuing to taking appropriate action to ensure receipt of the monies under the terms of the 2010 decision by LBTH's Strategic Development Committee, and are seeking to have that decision reconfirmed. The Trustees are satisfied that in the interim and until the negotiations are settled, the charity will have sufficient resources to meet its liabilities as they fall due and to continue in operational existence.

The Trustees are immensely grateful to the partners and staff of Latham and Watkins LLP and Seb Oram of Paper Buildings chambers for their generous pro bono work acting on behalf of the Charity in this matter.

#### Financial review

The work done in refocusing our arts and culture programme, cost control and improving our trading activities means that the General Fund surplus exceeded the budgeted target by £95,096. We achieved a General Fund surplus for the year of £175,349 (2013/14: £166,803 before exceptional item) and overall net outgoing resources of £114,295 (2013/14: £198,907 before exceptional item) and a net operating surplus of £271,503 excluding depreciation on fixed assets charged through Designated capital funds in the year. Total incoming resources for the year were £2,818,042 (2013/14: £2,738,080) and total expenditure was £2,932,337 (2013/14: £2,936,987 excluding exceptional item).

The group's results for the year were greatly helped by the financial performance of Rich Mix's wholly owned trading subsidiary, Rich Mix Cultural Enterprises Limited, which operates our mainstream cinema programme, commercial event hires and bar operations. Rich Mix Cultural Enterprises Limited's operating surplus for the year of £612,996 before management charges exceeded business plan by £47,996 (8.5%) on turnover of £1,576,176. We also saw a strong performance in income earned from the tenanted workspaces, which are currently at 100% of available capacity.

We are continuing to build relationships with trusts and corporate partners to support the developing programme and to seek pro bono support to reduce the costs to Rich Mix wherever possible. During the year individuals, corporate sponsors and key trusts and foundations contributed a total of £175,020 towards programme costs, an increase of 10% over 2013/14. The Board wishes to express its thanks to all our funders, donors and sponsors for their generous support:

# RICH MIX CULTURAL FOUNDATION

## Trustees' Report for the year ended 31 March 2015 (continued)

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### Key supporters:

Aldgate and Allhallows Barking  
Exhibition Foundation  
Arts Council England  
Ashurst LLP  
Baskin Family Foundation  
Bertha Foundation

Biffa Award The British Land  
Company PLC  
Canary Wharf Plc  
Creative & Cultural Industries Ltd  
Embassy of Brazil  
Esmee Fairbairn Foundation

Garfield Weston Foundation  
Helen Hamlyn Trust  
Latham & Watkins LLP  
Royal Bank of Scotland  
Red Bull  
Telford Homes Plc

### Plans for the future

We are continuing to work with departments and services of LBTH on initiatives which benefit the local community and which support the strategic objectives of the Council.

We are delighted to have been notified of continuing ACE funding at current levels under the National Portfolio Organisation funding programme for 2015-2018. ACE's performance assessment of the way we have used their investment is positive and we continue as a Board to be grateful to ACE for their continued support. The Board are confident that the Foundation's business model is robust enough to build on our success in achieving our aims and objectives.

Our strategic objectives for the period from 2015/16 are:

1. To deliver a world-class artistic programme that reflects, and is accessible to, the diverse communities who live in East London.
2. To strengthen our financial position by maximising usage of and income from the spaces in the building and by reducing costs wherever possible.
3. To build our audience numbers and our reach to target groups - especially our local communities - which includes improving our marketing and customer service.

Our plans to achieve these objectives for 2015/16 include:

- Further development of the arts and culture programme.
- Continued support to artists through the gift of space to enable them to develop new work.
- Partnerships with local organisations such as the Tower Hamlets Arts and Music Education Service to offer space for music performances and outreach to local schools.
- Continuing and developing discounted ticket schemes to encourage new and local audiences.
- Maintaining the relentless focus on reducing the costs of our overheads to enable us to increase the range and volume of our arts and cultural activities and the impact of our charitable activities.

### How our activities deliver public benefit

Directors of a charity have a duty to report in their Annual Report on their charity's public benefit. The Trustees of Rich Mix Cultural Foundation have considered the requirements which are explained on the Charity Commission website. The sections above set out Rich Mix Foundation's objectives and report on the activity and successes for the year to March 2014 as well as explaining the plans for the current financial year. To this end, the Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

### Reserves Policy

It is the policy of the charity that the aim should be that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure, approximately £700,000. As at 31 March 2015 these are £111,027. In addition, the Trustees' objective is to establish a Buildings & Equipment Maintenance Fund of a further £500,000 to ensure sufficient money is set aside to meet any major maintenance costs not likely to be met out of income if and when they arise. The payments of the LBTH S.106 monies are of significant importance in reaching the position we aim for. We

## **RICH MIX CULTURAL FOUNDATION**

### **Trustees' Report for the year ended 31 March 2015 (continued)**

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will continue to keep this policy under review in line with the operational guidance No.43 (Charity Income Reserves) issued by the Charity Commission.

#### **Disclosure of information to auditors**

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

#### **Auditors**

The auditors, Kingston Smith LLP, are deemed reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the board of trustees

Michael Keith

Trustee

Dated: 28 September 2015

#### **Statement of Trustees' Responsibilities**

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The trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **RICH MIX CULTURAL FOUNDATION**

## **Independent auditor's report to the members and trustees of Rich Mix Cultural Foundation**

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We have audited the financial statements of Rich Mix Cultural Foundation for the year ended 31st March 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement (set out on page 7) the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

**Independent auditor's report to the members and trustees of Rich Mix Cultural Foundation**  
**(continued)**

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## **RICH MIX CULTURAL FOUNDATION**

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

Sandra de Lord (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP, Statutory Auditor  
Devonshire House, 60 Goswell Road, London EC1M 7AD

Dated:

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

## RICH MIX CULTURAL FOUNDATION

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
<b>Incoming Resources</b>						
From generated funds:						
Voluntary income - grants & donations	2	425,835	108,987	90,923	625,754	499,383
Activities for generating funds:						
Commercial trading operations	3	1,576,176	-	-	1,576,176	1,659,380
Investment income	4	1,068	-	-	1,068	231
From charitable activities	5	615,053	-	-	615,053	579,086
<b>Total incoming resources</b>		<b>2,618,132</b>	<b>108,987</b>	<b>90,923</b>	<b>2,818,042</b>	<b>2,738,080</b>
<b>Resources Expended</b>						
Costs of generating funds:						
Fundraising costs of grants & donations	6	3,261	279	-	3,540	3,603
Commercial trading operations	3	963,268	-	-	963,268	961,525
		966,529	279	-	966,808	965,128
Charitable activities	6	1,460,135	384,681	103,756	1,948,572	1,955,394
Exceptional item	9	-	-	-	-	1,046,990
Governance costs	6	16,119	838	-	16,957	16,465
<b>Total resources expended</b>		<b>£ 2,442,783</b>	<b>£ 385,798</b>	<b>£ 130,756</b>	<b>£ 2,932,337</b>	<b>£ 3,983,977</b>
Net movement in funds		175,349	( 276,811)	(12,833)	(114,295)	(1,245,897)
<b>Reconciliation of funds</b>						
Total funds brought forward		33,332	15,127,093	27,833	15,188,258	16,434,155
Transfers between funds		(97,654)	97,654	-	-	-
<b>Total funds carried forward</b>	15-17	<b>£ 111,027</b>	<b>£14,947,936</b>	<b>£ 15,000</b>	<b>£15,073,963</b>	<b>£15,188,258</b>

All amounts relate to continuing activities.  
All recognised gains and losses are included above.

## RICH MIX CULTURAL FOUNDATION

	Notes	Group		Charity	
		2015 £	2014 £	2015 £	2014 £
<b>Fixed assets</b>					
Tangible assets	10	15,001,603	15,195,088	15,001,603	15,195,088
Investments	3	-	-	1	1
		15,001,603	15,195,088	15,001,604	15,195,089
<b>Current Assets</b>					
Stocks	11	16,421	14,114	-	-
Debtors	12	224,157	126,630	190,734	82,298
Cash at bank & in hand		268,285	343,499	171,765	157,976
		508,863	484,243	362,499	240,274
Creditors: amounts falling due within 1 year	13	(436,503)	(491,073)	(291,288)	(248,253)
<b>Net current assets/(liabilities)</b>		72,360	(6,830)	71,211	(7,979)
<b>Net assets</b>		£15,073,963	£15,188,258	£15,072,815	£15,187,110
<b>Funds</b>					
Restricted funds	15	15,000	27,833	15,000	27,833
Unrestricted funds:					
Designated funds	16	14,947,936	15,127,093	14,947,936	15,127,093
General funds	17	111,027	33,332	109,879	32,184
		£15,073,963	£15,188,258	£15,072,815	£15,187,110

The trustees have prepared group accounts in accordance with Schedule 2A of the Charities Act 1993. These accounts are prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board and authorised for issue on 28 September 2015 and signed on its behalf by:

Michael Keith  
Trustee

Registered Company No. 4293133  
Registered Charity No. 1089163

The notes on pages 13 to 19 form part of these financial statements.

# RICH MIX CULTURAL FOUNDATION

## 1 Accounting Policies

- (a) **Basis of Accounting:** The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006 which have been applied consistently throughout the year. They also follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005.

### Consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiary Rich Mix Cultural Enterprises Ltd on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, is not presented for the charity itself following the exemptions afforded by section 408 of Part 15 of the Companies Act 2006 relating to small companies and paragraph 397 of SORP 2005. The charity's gross income for the year was £1,854,774 (2013/14: £1,776,555) and gross expenditure was £1,969,069 (2013/14: £3,022,452).

### Exceptional item

The accounts include a provision against a debtor of £1,046,900 due from London Borough of Tower Hamlets in respect of a payment of section 106 monies, as detailed at note 9 to the accounts. This debtor, together with the remaining balance of £546,988, are now treated as a contingent asset as set out at note 19 to the accounts. There is also a contingent liability as set out at note 20 to the accounts in regards to a potential repayment of monies to London Borough of Tower Hamlets of up to £850,000. Negotiations in regards to the settlement of these monies due both to and from the Borough are ongoing and until such time as agreement is reached, there is an inherent uncertainty as to the quantum of the outcome and the timing of this.

### Going Concern

The Trustees are satisfied that in the interim and until negotiations with LBTH are settled, the charity will have sufficient resources to meet its liabilities as they fall due and to continue in operational existence. Having carefully considered these matters the trustees believe it is appropriate for the financial statements to be prepared on a going concern basis.

- (b) **Depreciation** is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates used are as follows:

Long leasehold property:	2% per annum on cost
Freehold property:	2% per annum on cost
Equipment, fixtures and fittings:	20% per annum on cost

Tangible fixed assets with a cost greater than £500 are capitalised at cost.

- (c) All **grants receivable** for the period are treated as income in the period and all the expenditure is written off in the period in which it is incurred. Expenditure on major capital projects is capitalised and any associated grants received are treated as income for the period and dealt with through the Statement of Financial Activities as restricted capital funds.
- (d) **Resources expended** directly in relation to an area of activity are allocated to that activity. Indirect, or support costs consist of central salaries, premises, depreciation and administration costs. These are allocated on a reasonable and consistent basis - influenced by the amount of staff time devoted to, and floor area occupied by, each such activity - as set out in Note 6.

Expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

- (e) **Fund Accounting:** Funds held by the charity are either:

- **Unrestricted general funds** - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees; or
- **Designated funds** - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects; or
- **Restricted funds** - these are funds that can only be used for particular restricted purposes within the objects of the Charity as specified by the donor.

## RICH MIX CULTURAL FOUNDATION

### 1 Accounting Policies (continued)

- (f) **Stocks** of bar and cinema consumables are included at the lower of cost and net realisable value.
- (g) **Rentals** payable under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the Statement of Financial Activities as incurred.
- (h) **Cash flow statement:** the charitable company is a small company and is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1.

2 Voluntary Income	2015 £	2014 £
<b>Unrestricted:</b>		
Arts Council England – NPO funding	301,738	300,519
Arts Council England – Catalyst funding	40,000	40,000
Garfield Weston Foundation	40,000	-
Sponsorships	38,900	17,636
Donations	5,197	6,132
	425,835	364,287
<b>Restricted: (note 14)</b>		
<b>Project income</b>		
Revenue Grants	90,923	135,096
Capital Grants	108,987	-
	199,910	135,096
	£ 625,745	£ 499,383

### 3 Commercial trading operations and investment in trading subsidiary

The wholly owned trading subsidiary, Rich Mix Cultural Enterprises Ltd, which is incorporated in the United Kingdom, pays all its taxable profits to the charity by Gift Aid. Rich Mix Cultural Enterprises Ltd operates the mainstream cinema programme, commercial event hires and bar operations carried on at Rich Mix. The charity owns the entire issued share capital of 1 share of £1. A summary of the trading results is shown below.

	2015 £	2014 £
<b>Summary Profit &amp; Loss account</b>		
Turnover	1,576,176	1,659,380
Cost of sales and administrative expenses	( 963,268)	( 961,525)
Management charges	( 175,000)	( 175,000)
Net Profit	437,908	522,855
Amount gifted to charity	( 437,996)	( 523,013)
Investment income	88	158
Retained in the subsidiary	£ -	£ -
	2015 £	2014 £
<b>Summary Balance Sheet</b>		
Current assets	208,073	276,804
Current liabilities	( 206,924)	( 275,655)
Capital and reserves	£ 1,149	£ 1,149

### Notes to the financial statements for the year ended 31 March 2015 (continued)

4 Investment income	2015	2014
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## RICH MIX CULTURAL FOUNDATION

	£	£
Bank interest receivable	<u>£ 1,068</u>	<u>£ 231</u>
<b>5 Incoming resources from charitable activities</b>	<b>2015</b>	<b>2014</b>
	£	£
Ticket sales and fees	131,100	140,303
Rental income & service charges	444,657	433,130
Other income	39,296	5,653
	<u><b>£615,053</b></u>	<u><b>£ 579,086</b></u>

### 6 Resources expended by natural classification

	Cost of generating funds	Charitable activities	Governance	Total 2015	Total 2014
	£	£	£	£	£
<b>Direct costs</b>					
Programming costs	-	136,881	-	136,881	189,379
Production & technical costs	-	35,858	-	35,858	32,969
Marketing	-	52,527	-	52,527	43,662
Staff costs	-	581,748	-	581,748	562,021
Door security	-	31,912	-	31,912	27,688
Licensing costs	-	7,677	-	7,677	16,925
Fundraising	126	-	-	126	661
Audit and accountancy	-	-	9,273	9,273	9,740
	<u>126</u>	<u>846,603</u>	<u>9,273</u>	<u>856,002</u>	<u>883,045</u>
<b>Support costs</b>					
Staff costs	1,747	192,335	3,520	197,602	195,557
Management and administration	201	25,826	646	26,673	33,239
Office and equipment expenses	884	80,205	1,768	82,857	86,818
Premises costs	283	391,202	852	392,337	375,261
Depreciation	299	412,401	898	413,598	401,542
	<u>3,414</u>	<u>1,101,969</u>	<u>7,684</u>	<u>1,113,067</u>	<u>1,092,417</u>
<b>Total 2015</b>	<u><b>£ 3,540</b></u>	<u><b>£1,948,572</b></u>	<u><b>£ 16,957</b></u>	<u><b>£1,969,069</b></u>	<u><b>1,975,462</b></u>
<b>Total 2014</b>	<u><b>£ 3,603</b></u>	<u><b>£1,955,394</b></u>	<u><b>£ 16,465</b></u>	<u><b>£1,975,462</b></u>	

Governance costs include auditor's remuneration of £8,200 relating to the audit (2014 - £8,450).

Support costs are allocated between activities on the following basis:

Management, administration and office costs - per capita

Premises costs and depreciation - estimated space usage

### Notes to the financial statements for the year ended 31 March 2015 (continued)

<b>7 Staff costs and trustee remuneration</b>	<b>Group</b>	<b>Charity</b>
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## RICH MIX CULTURAL FOUNDATION

	2015	2014	2015	2014
	£	£	£	£
Wages and salaries	1,024,161	974,256	723,502	702,360
Pension contributions	3,926	3,797	89	179
Social security costs	78,177	73,853	55,759	55,039
	<b>£1,106,264</b>	<b>£1,051,906</b>	<b>£ 779,350</b>	<b>£ 757,578</b>

No employees earned more than £60,000 per annum (2013 - £nil).

None of the trustees were paid or reimbursed for their expenses during the year or the previous year.

The average number of full time equivalent employees during the year was:

	2015	2014
Charity	30	29
Rich Mix Cultural Enterprises Ltd	15	13
	<u>45</u>	<u>42</u>

### 8 Taxation

The company is a registered charity and has no liability for corporation tax. It's wholly owned trading subsidiary, Rich Mix Cultural Enterprises Limited, passes profits on which tax would be payable to the charity under Gift Aid.

### 9 Exceptional item

On 2 August 2010 the London Borough of Tower Hamlets agreed to make over to Rich Mix £2,093,978 due to it under the cultural aspects of a section 106 payment arising from a nearby residential development, subject to the charity meeting certain performance targets. The first tranche of £500,000 was received in 2010/11 and the second and third annual tranches amounting to £1,046,990 was included as a debtor at 31 March 2013. Due to recovery of these monies being dependant on future negotiations to agree acceptable performance targets between the Charity and London Borough of Tower Hamlets a provision has been made against the opening debtor and a contingent asset comprising this and the remaining balance of £546,988 now exists as set out in note 19.

### 10 Tangible fixed assets - Group and charity

	Long Leasehold & Freehold Property £	Equipment, Fixtures and Fittings £	Total £
<b>Cost</b>			
At 1 April 2014	17,140,747	458,684	17,599,431
Additions	142,966	77,148	220,114
Disposals	-	(86,510)	(86,510)
At 31 March 2015	<u>17,283,173</u>	<u>449,321</u>	<u>17,819,545</u>
<b>Depreciation</b>			
At 1 April 2014	2,052,083	352,260	2,404,343
Charge for year	345,674	67,925	413,599
Eliminated on disposal	-	(86,510)	(86,510)
At 31 March 2015	<u>2,397,757</u>	<u>333,675</u>	<u>2,817,942</u>
<b>Net Book Value</b>			
At 31 March 2015	<u>£14,885,956</u>	<u>£ 115,646</u>	<u>£15,001,603</u>
At 31 March 2014	<u>£15,088,664</u>	<u>£ 106,424</u>	<u>£15,195,088</u>

The property has several debentures and legal charges secured upon it by the organisations that helped donate the money to acquire, refurbish and furnish it. These include The Millennium Commission, LDA, Arts Council England and the London Borough of Tower Hamlets.

### Notes to the financial statements for the year ended 31 March 2015 (continued)

### 11 Stock

Group

Charity

## RICH MIX CULTURAL FOUNDATION

	2015	2014	2015	2014
	£	£	£	£
Cinema and bar stock	£ 16,421	£ 14,114	£ -	£ -
<b>12 Debtors</b>	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	£	£	£	£
Trade debtors	105,757	62,989	81,536	56,000
Other debtors	83,987	23,374	85,649	3,721
Prepayments and accrued income	34,413	40,267	23,549	22,577
	£ 224,157	£ 126,630	£ 190,734	£ 82,298
<b>13 Creditors: amounts falling due within one year</b>	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	£	£	£	£
Trade creditors	114,563	73,349	81,760	39,457
Taxes and social security costs	74,568	84,777	15,357	9,246
Other creditors	62,816	71,513	18,616	23,801
Amounts owed to group undertakings	-	-	46,152	32,835
Accruals and deferred income	184,556	261,434	129,043	142,914
	£ 436,503	£ 491,073	£ 291,288	£ 248,253
<b>14 Operating leases</b>	At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:			
	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	£	£	£	£
Office Equipment:				
expiring in the first to second year	9,107	13,644	9,107	13,644
expiring in the second to fifth year	15,571	15,571	15,571	15,571
expiring after five years	-	-	-	-
	£ 24,678	£ 29,215	£ 24,678	£ 29,215

Notes to the financial statements for the year ended 31 March 2015 (continued)

15 Restricted funds - Group and charity



## RICH MIX CULTURAL FOUNDATION

	Brought forward £	Incoming resources £	Resources expended £	Transfers £	Carried forward £
<b><u>Income Funds</u></b>					
Aldgate & All Hallows Barking Exhibition Foundation	11,666	-	(11,666)	-	-
Baskin Family Foundation	15,000	-	(15,000)	-	15,000
Canary Wharf Group Plc	-	25,000	(25,000)	-	-
Creative & Cultural Industries Ltd	1,167	8,423	(9,590)	-	-
Esmee Fairbairn Foundation	-	35,000	(35,000)	-	-
Embassy of Brazil	-	3,500	(3,500)	-	-
Royal Bank of Scotland Community Grants	-	4,000	(4,000)	-	-
	<b>£ 27,833</b>	<b>£ 90,923</b>	<b>£ (103,756)</b>	<b>£ -</b>	<b>£ 15,000</b>
<b><u>Capital Funds</u></b>					
Arts Council England Small Capital Grants	-	31,489	(31,489)	-	-
Bertha Foundation	-	30,000	(30,000)	-	-
Biffa Award	-	47,498	(47,498)	-	-
	<b>£ -</b>	<b>£ 108,987</b>	<b>£ (108,987)</b>	<b>£ -</b>	<b>£ -</b>
	<b>£ 27,833</b>	<b>£ 199,910</b>	<b>£ (212,743)</b>	<b>£ -</b>	<b>£ 15,000</b>

### Aldgate and Allhallows Barking Exhibition Foundation

This grant is provided towards the costs of the schools programme in Tower Hamlets

### Baskin Family Foundation & Canary Wharf Group Plc

These grant are provided towards the costs of the Young People's and families programme.

### Creative & Cultural Industries Ltd

This grant is provided towards the costs of employing four apprentices through the Creative Employment Programme.

### Esmee Fairbairn Foundation

This grant is provided towards the costs of the Young People's and free events programmes.

### Embassy of Brazil & Royal Bank of Scotland Community Grants

These grants are in support of the *Joga Bola Festival*

### Arts Council England Small Capital Grants

This grant is provided to support investment in equipment, furniture and signage to improve our audience experience and enhance both our financial and environmental sustainability.

### Bertha Foundation

This grant is towards the cost of a new digital projector in Screen 3.

### Biffa Award

This grant is towards the cost of improvements to the Mezzanine Gallery and public toilets.

## 16 Designated funds - Group and charity

	Brought forward £	Incoming resources £	Resources expended £	Transfers £	Carried forward £
Funded Equipment Purchases	38,428	63,476	(40,123)	-	61,781
Building Fund	15,088,665	45,511	(345,675)	97,654	14,886,155
	<b>£15,127,093</b>	<b>£ 108,987</b>	<b>£ (385,798)</b>	<b>£ 97,654</b>	<b>£14,947,936</b>

### Funded Equipment Purchases

This fund represents the net book value of equipment funded by third parties.

### Building Fund

This fund represents the net book value of freehold land and buildings.

The transfer from the General Fund represents non-grant funded building improvements during the year.

## Notes to the financial statements for the year ended 31 March 2015 (continued)

## 17 Unrestricted funds - Group

## RICH MIX CULTURAL FOUNDATION

	Brought forward £	Incoming resources £	Resources expended £	Transfers £	Carried forward £
General Fund	33,332	2,618,132	(2,442,783)	(95,654)	111,027
	£ 33,332	£ 2,618,132	£(2,442,783)	£ (95,654)	£ 111,027

The transfer to the Designated Buildings Fund represents non-grant funded building improvements during the year.

### Free reserves

Free reserves are calculated as general unrestricted funds not represented by fixed assets and designated funds and stand at £57,360 at 31 March 2015 (2014: negative £34,663).

	2015 £	2014 £
General fund carried forward	111,027	33,332
Less: General Fund tangible fixed assets (note 18)	(53,667)	(67,995)
	£ 57,360	£ (34,663)

### 18 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	53,667	14,947,936	-	15,001,603
Cash at bank and in hand	253,285	-	15,000	268,285
Other net current assets	(195,925)	-	-	(195,925)
	£ 111,027	£14,947,936	£ 15,000	£15,073,963

### 19 Contingent assets

On 2 August 2010 the London Borough of Tower Hamlets agreed to make over to Rich Mix £2,093,978 due to it under the cultural aspects of a section 106 payment arising from a nearby residential development, subject to the charity meeting certain performance targets. The first tranche of £500,000 was received in 2010/11 and negotiations to enable the charity to draw down the remaining balance of £1,593,978 are ongoing. Until such point in time as these negotiations are concluded Rich Mix is unable to quantify the likely outcome of the dispute, hence this amount has not been provided for by the Charity at the balance sheet date.

### 20 Contingent liabilities

The London Borough of Tower Hamlets provided some funding towards the capital development at Rich Mix which took place between 2001 and 2006. Rich Mix and the London Borough of Tower Hamlets are currently in dispute arising from whether an element of this funding amounting to £850,000 was in the form of a grant or a loan. The Trustees believe that this amount was in the nature of a grant and not repayable and therefore no provision has been made at the balance sheet date. The matter is currently the subject of legal proceedings and unless resolved through negotiation in the interim a court hearing is expected to be scheduled in 2015. However at the date of approval of the financial statements Rich Mix is unable to determine the likely outcome of the dispute.

**Rich Mix Cultural Foundation  
2015/16 Revenue Budget Summary**

	<u>Notes</u>	<b>2013/14 Actual £</b>	<b>2014/15 Budget £</b>	<b>2014/15 Forecast £</b>	<b>2015/16 Budget £</b>	<b>change</b>	
<b>Income</b>							
ACE Funding	1	300,519	301,700	301,700	301,700	0.0%	Standstill funding. Y1 of 15-18 NPO agreement
Other funding & donations	3	161,998	205,000	220,666	170,000	-23.0%	
Arts, Culture and Creative Learning	4	140,023	150,000	129,500	140,000	8.1%	any changes offset by direct expenditure
Leases and Service Charges	5	433,130	400,000	419,300	410,000	-2.2%	Service charges increase by 20p/sq ft (2.9%)
Enterprise Contribution	6	698,013	565,000	571,400	575,000	0.6%	
Other Revenue Income		6,006	4,000	3,900	4,000	2.6%	
		<b>1,739,689</b>	<b>1,625,700</b>	<b>1,646,466</b>	<b>1,600,700</b>	<b>-2.8%</b>	
<b>Expenditure</b>							
Arts, Culture and Cr. Learning Costs	7	218,786	246,500	223,500	220,000	-1.6%	any changes offset by earned income/project funding
Staff costs	8	762,396	788,700	789,600	802,480	1.6%	2% pay award, paid interns, Workplace Pension scheme from Aug
Professional Fees & licences	9	23,138	27,300	22,000	24,700	12.3%	
Property Costs	10	391,684	390,000	388,800	382,000	-1.7%	Retendered cleaning, pest control contracts
Office Costs	11	101,911	92,300	89,850	89,100	-0.8%	
Fundraising Costs		661	500	150	500	233.3%	
Marketing	12	43,009	45,000	45,000	45,000	0.0%	
		<b>1,541,585</b>	<b>1,590,300</b>	<b>1,558,900</b>	<b>1,563,780</b>	<b>0.3%</b>	
Budget surplus before contingency		198,104	35,400	87,566	36,920		
Contingency - legal fees			(25,000)	-	(25,000)		LBTH
<b>Surplus for Year</b>		<b>£ 198,104</b>	<b>£ 10,400</b>	<b>£ 87,566</b>	<b>£ 11,920</b>		

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Rich Mix Capital Plan 2014-2019	Financial Year							Funding Source			
	TOTAL	Short Term	14/15	15/16	16/17	17/18	18/19	Short Term (Own Funds)	BIFFA	ACE Capital	Own Funds/ Future grants
<b>Toilets</b>											
* Toilet Flush Replacement [£200 per cubicle]	£ 23,188		£ 23,188						£ 23,188		
* Toilet motion sensor lighting (£250/unit)	£ 4,589		£ 4,589						£ 4,589		
* 4 <sup>th</sup> Floor Flooring	£ 8,500	£ 8,500						£ 8,500			
* 1st/2nd/3rd <sup>th</sup> Floor Flooring	£ 21,000		£ 21,000							£ 21,000	
* Cinema block flooring	£ 9,662		£ 9,662						£ 9,662		
<b>External Signage</b>	£ 30,000		£ 30,000							£ 30,000	
<b>Building Services</b>											
* Aircon [V1] Chiller Replacement	£ 4,800	£ 4,800						£ 4,800			
* Swipe Access Replacement - public area security	£ 15,000		£ 15,000							£ 15,000	
* Aircon Units [Café/Bar/V2] x 2	£ 9,600		£ 9,600							£ 9,600	
* Air Con - Air Handling Coils [x2]	£ 8,000		£ 8,000							£ 8,000	
* Air Con - BMS Sauter Controls [x 3]	£ 6,000		£ 6,000							£ 6,000	
* Water Booster Set Replacement [x 2]	£ 7,500		£ 7,500							£ 7,500	
* Toilet Sump Pump [West Block]	£ 4,500		£ 4,500							£ 4,500	
* Fire Alarm Upgrade	£ 4,750		£ 4,750							£ 4,750	
* 10xRadios	£ 4,000		£ 4,000							£ 4,000	
* Energy Efficient Lighting	£ 3,300		£ 3,300							£ 3,300	
<b>Cinema</b>											
* Projectors [x 3]	£ 120,000			£ 40,000	£ 40,000	£ 40,000					£ 120,000
* Seat Maintenance [p.a]	£ 4,000		£ 800	£ 800	£ 800	£ 800	£ 800				£ 4,000
* Aircon Unit Replacement [x 3]	£ 12,000		£ 4,000				£ 4,000				£ 12,000
* Carpet Replacement [Screens & Lobbies]	£ 6,000		£ 2,000	£ 2,000	£ 2,000						£ 6,000
* Concessions Equipment Replacement	£ 3,000		£ 1,000		£ 1,000		£ 1,000				£ 3,000
<b>Bars</b>											
* Bar Fridge Replacement	£ 6,000			£ 3,000			£ 3,000				£ 6,000
* Fridge/Ice Machine Replacement	£ 3,000		£ 1,500				£ 1,500				£ 3,000
<b>Technical Equipment</b>											
* 2x Projectors [Main Space & V1]	£ 22,000		£ 22,000							£ 22,000	
* Upgrade lighting [Main Space]	£ 24,786		£ 24,786							£ 24,786	
* AV Control System- Main Space	£ 1,300	£ 1,300						£ 1,300			
* Replace all Mezzanine Walls	£ 1,932		£ 1,932						£ 1,932		
* Upgrade Mezzanine Lighting	£ 8,841		£ 8,841						£ 8,841		
* Upgrade AV Connections [Main Space]	£ 3,700		£ 3,700							£ 3,700	
* Lighting Desk [Main Space]	£ 5,500		£ 5,500							£ 5,500	
* Lighting Desk [Venue 1]	£ 6,000		£ 6,000							£ 6,000	
* Sound Desk [Venue 1]	£ 6,500		£ 6,500							£ 6,500	
* Temporary dance flooring - rehearsals	£ 5,200		£ 5,200							£ 5,200	
* Venue 1 Dance Floor Replacement	£ 5,200		£ 5,200							£ 5,200	
* Venue 2 Track Lighting	£ 6,100		£ 6,100							£ 6,100	
<b>IT Investment</b>											
* Network [Servers moved to Cloud]	£ 8,825	£ 8,825						£ 8,825			
* MS Office upgrade -charity rate	£ 375	£ 375								£ 375	
* PC Replacement x2]	£ 1,200	£ 1,200						£ 1,200			
* General PC Replacements [2pa]	£ 13,500		£ 1,500	£ 1,500	£ 1,500	£ 1,500	£ 7,500				£ 13,500
* Copiers & Printers Replacement	£ 15,000						£ 15,000				£ 15,000
* Mac [marketing Dept]	£ 1,200		£ 1,200								£ 1,200
<b>Additional audience facilities</b>											
* storable seating & storage	£ 5,000		£ 5,000							£ 5,000	
* Motirise seating rake [V1]	£ 5,000		£ 5,000							£ 5,000	
<b>Creation of New Space</b>											
* Improve V1 backstage facilities (showers/dressing rms)	£ 5,000		£ 5,000							£ 5,000	
* Access from Redchurch St.	£ 20,000			£ 10,000	£ 10,000						£ 20,000
* 4 <sup>th</sup> Cinema Screen	£ 200,000				£ 200,000						£ 200,000
* Conversion of extra meeting rooms	£ 5,000		£ 5,000							£ 5,000	
* New lower gallery/rehearsal space	£ 20,000		£ 20,000							£ 20,000	
<b>Contingency @3.5%</b>	£ 24,170	£ -	£ 10,460	£ 2,006	£ 9,076	£ 1,638	£ 990		£ 1,688	£ 8,352	£ 14,130
	£ 739,718	£ 25,000	£ 309,308	£ 59,306	£ 268,376	£ 48,438	£ 29,290	£ 25,000	£ 49,900	£ 246,988	£ 417,830

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## **Draft Rich Mix Board Paper for September 2015 as @ July 2015**

### **Rich Mix Creative Learning**

#### **Creative Learning Programme: Vision and Aims**

We aim to use our creative learning programme to engage young people and families in the joy of the arts. We work in pre-school settings, with schools and organisations such as THAMES to support curriculum based learning and to give young people and their families the chance to experience a wide range of art forms, based in our mainstream programme.

From work we have done with our local communities, we know that barriers to participation in arts include lack of disposable income, unfamiliarity with the venue, and lack of suitable provision. We have sought to address all of these things through our free programme (over 30% of all our arts events are free to access; and discounted tickets for family activities such as our children's theatre strand); through some direct outreach work to bring families into the venue for specific events; and through working with partners who have run storytelling sessions based on Bangladeshi and Somali cultural traditions.

With schools, we have worked to support THAMES in their overarching provision, by providing venues and other support, and by making direct links with teachers in key schools to understand what they need to support learning and teaching in their schools with their students. This has led to support of projects with Mulberry, Morpeth and Bethnal Green which have offered access to leading artists for their pupils, as well as offering mentoring to their students as a contribution to their employability skills work.

Between April 2014 and March 2015 86 artists were employed to deliver work for, by and/or with children and young people

For families our focus in 2015/16, will see us continuing with our programme of 'Family Festival Sundays' which will see activity which is specifically for families in a welcoming environment, encouraging families to enjoy art together and to take in a free exhibition whilst they are visiting the venue.

For young people, our focus in 2015/16 is towards developing young people as performers and producers, developing our visual arts engagement offer, offering young people access to artists, continued work with schools and creating progression and networking routes for young creatives. We are developing our Rich Mix Young Ambassadors, a newly recruited team of eight 16-21 year olds who are curating, organising, and producing two events for the 2015 Youth Takeover. As well as their direct work in supporting the Takeover, the team have met various member of the Rich Mix staff gaining industry insights and advice on career progression.

The young Ambassadors team has gained a range of skills and knowledge in

event production at a professional venue and have bonded well as a group that support one another. They have enjoyed masterclasses about producing events and venue logistics.

### **Somewhereto\_**

Another key partnership is our work with Pitch to the Mix in partnership with somewhereto\_

Somewhereto\_ is a charity dedicated to giving young people the chance to access opportunities to develop arts and creative skills and employment. Our role as a strategic partner is set out below.

Once per season young people working with the somewhereto\_ team are invited to Pitch to the Mix; a session to pitch an event idea to Rich Mix for the chance to win free space for an event. Since 2011 we've enabled over 150 young people to get involved in delivering their own events as part of this project. Recent events added to the Rich Mix programme through *Pitch to the Mix* sessions include Strolling and Uncle and Mister; which attracted sell out audiences. Cecile Emke's Strolling has recently been featured by The Guardian.

Winners of previous seasons have been invited back to perform as part of the main arts and culture programme. During 2015 our main programme has showcased Acting Up and Merging Inks, curated by artists who initially won Pitch to the Mix and had the first showcases here the venue.

### **Rich Mix Youth Takeover**

We are about to run our third edition of our successful Youth Takeover programme, which began on August 2013.

The event in August 2014 attracted over 2600 young people. The diversity of young people attending was improved with some short term funding for a post dedicated to reaching out to local youth and groups.

Our third year has attracted partners such as Barbican, Arts Depot, Battersea Art, Hackney Empire, Graeae and more. The programme is dedicated to local 16-25 year olds for 22 days and, with external sponsorship, is continuing to be free to access in order to make it as accessible as possible for local young people from low income families. This year we are delighted to be working with Mile End Community Project to collaborate on an outreach programme designed to reach local Bangladeshi and Somali young people.

The Takeover consists of 56 events curated and performed by 44 different partners. A link to the programme can be found at [http://www.richmix.org.uk/downloads/festivals/Rich\\_Mix\\_Youth\\_Takeover\\_Flyer\\_2015.pdf](http://www.richmix.org.uk/downloads/festivals/Rich_Mix_Youth_Takeover_Flyer_2015.pdf)

The festival will host 3 Pitch to the Mix winners, 2 Young Ambassadors' nights, masterclasses, meetings with industry professionals, technology and production workshops, live industry showcases, theatre, concerts and much



more. During the day there will be workshops and opportunities to meet sector professionals. The evening will host scratch nights and live events showcasing the very best in spoken word, music, comedy, dance and theatre

**Summary of activity with schools between January 1<sup>st</sup> 2015 and 30<sup>th</sup> June 2015.**

Since the beginning of the year, as at 30 June, 39 schools in total have visited Rich Mix. We have worked directly on projects with 17 schools, both primary and secondary, and 3232 young people have participated in events at Rich Mix. As part of this total, we have welcomed the following 20 LBTH schools:

- London Enterprise Academy*
- Cambridge Heath Sixth Form*
- Bow School*
- George Green's*
- William Davies*
- St Pauls Trust*
- Bethnal Green Academy*
- Oaklands*
- Morpeth*
- Tower Hamlets College*
- English Martyrs*
- St. Anne's Primary*
- Columbia Primary*
- Swanlea*
- Stepney Green*
- Bow Boys*
- Sir John Cass*
- Mulberry School for Girls*
- Thomas Buxton*
- Stewart Hedlum*

Following the Youth Takeover which will take place at the end of the Academic Year, we will provide a final figure of young people who have engaged with Rich Mix during the academic year 2014/2015.

**Schools Highlights**

The following table outlines the major projects that we have undertaken with local schools during the last Academic Year.

School	Engagement 2014/2015
Bethnal Green Academy	<ul style="list-style-type: none"> <li>· Provided rehearsal space in kind for Year 12 exam rehearsals</li> <li>· Provided performance space in kind for Year 12 exam performance</li> <li>· Attended Alchemy dance project in collaboration with Southbank Centre</li> </ul>

Morpeth	<ul style="list-style-type: none"> <li>· Took part in Drik photography project in March/April 2014 as part of our Bangladeshi Freedom Week festival</li> <li>· Exhibited work from a year-long project with Drik from October 2014 to July 2015. Drik is a photography company based in Bangladesh and photographer Shahidul Alam led the project. Each student assisted with the organisation and creation of art work for an exhibition hosted at Rich Mix in July 2015. <a href="http://richmixlondon.tumblr.com/post/122941828603">http://richmixlondon.tumblr.com/post/122941828603</a></li> </ul>
William Davies	<ul style="list-style-type: none"> <li>· Attended a family festival Sunday with Mwalimu Express, the school met the artists and other children in the local community.</li> <li>· Created a piece of work with resident musical partners Grand Union. The workshop was led by tabla and percussion expert Yousuf Ali Khan with the support of 2 other musicians from Grand Union.</li> </ul>
Tower Hamlets College	<ul style="list-style-type: none"> <li>· Attended participatory performance of William Davies work. The work introduced young people to a variety of songs and music from Bangladesh and India mixed with other world music traditions.</li> </ul>
Columbia Primary	<ul style="list-style-type: none"> <li>· Attended participatory performance of William Davies work as above.</li> </ul>
English Martyrs	<ul style="list-style-type: none"> <li>· Attended participatory performance of William Davies work as above.</li> </ul>
St. Anne's Primary	<ul style="list-style-type: none"> <li>· Attended participatory performance of William Davies work as above.</li> </ul>
St Paul's Way	<ul style="list-style-type: none"> <li>· Took part in a Graphic Novels workshop in collaboration with the Southbank Centre</li> </ul>
Lister school	<ul style="list-style-type: none"> <li>· Took part in a Graphic Novels workshop in collaboration with the Southbank</li> </ul>
George Green school	<ul style="list-style-type: none"> <li>· Organised and produced an exhibition of photography, entitled Island Girl, which was displayed our gallery.</li> </ul>

### **Drama in the Mix March 2015**

In addition to our regular projects, our flagship radio drama project with schools - Drama in the Mix - continued with work in partnership with Roundhouse, Half Moon Theatre and East London Radio. With support from British Land, now confirmed for three years, this work has established a regular slot in our local schools curriculum planning to enable their young people to learn new skills and perform in a new medium, enabling able and less able students alike to build their self-confidence. Drama in the Mix showcase took place in March 2015 and will continue in 2015-16, with a showcase in March 2016. Our focus continues to be on schools in Tower Hamlets and Hackney.

In Academic year 2014/15, the following TH schools participated ;

*London Enterprise Academy  
Cambridge Heath Sixth Form  
Bow School  
George Green's*

### **Summary of activity 2013/2014**

In Academic Year 2013/14 we worked directly on projects with 10 LBTH schools, both primary and secondary, and 7533 young people participated in events at Rich Mix. Over 40 schools visited Rich Mix during this calendar year.

### **Schools Work**

The following table summarises our activity with local schools.

School	Engagement
Bethnal Green Academy	<ul style="list-style-type: none"> <li>· Worked with Grand Union Orchestra to create a performance for Bangladesh Independence week in March 2014; performed at RM to an audience of LBTH primary school children</li> <li>· Provided rehearsal space in kind for Year 12 exam rehearsals</li> <li>· Provided performance space in kind for Year 12 exam performance</li> <li>· Attended <i>Glow</i> by Manjinder Virk and took part in a Q&amp;A session with Manjinder Virk and cast members</li> </ul>
Morpeth	<ul style="list-style-type: none"> <li>· Took part in music workshop with RM resident artists Trans-Siberian March band in March 2014. Performed on stage with the band at their gig</li> </ul>
St Paul's Way	<ul style="list-style-type: none"> <li>· Took part in <i>Schoolwrights</i> theatre project in Summer 2014</li> <li>· Took part in LBTH schools Art completion hosted by RM in partnership with THAMES in Summer 2014</li> <li>· Took part in a Graphic Novels workshop in November 2014 at Rich Mix. The workshop was part of a bigger exhibition delivered in partnership with the British Council in Bangladesh.</li> </ul>
Central Foundation	<ul style="list-style-type: none"> <li>· Took part in Brazil Street art workshops at Rich Mix as part of the Brazil World Cup 2014 <i>Joga Bola!</i></li> </ul>

	<ul style="list-style-type: none"> <li>· Took part in in LBTH joint schools exhibition hosted at RM in Summer 2014.</li> </ul>
Langdon Park (Secondary)	<ul style="list-style-type: none"> <li>· Took part in a series of visual art workshops with Max Kandhola in March 2014 as part of <i>Aura of Boxing</i> project, which was hosted in our main gallery</li> <li>· Took part in in LBTH joint schools exhibition hosted at RM in Summer 2014</li> </ul>
Mulberry School for Girls	<ul style="list-style-type: none"> <li>· Took part in <i>Drama in the Mix 2014</i></li> <li>· Host school for <i>Schoolwrights</i> project</li> <li>· Took part in in LBTH joint schools exhibition hosted at RM in Summer 2014</li> </ul>
William Davis	<ul style="list-style-type: none"> <li>· Took part in the music and literacy project <i>Re-Beats</i> delivered in school</li> </ul>
Columbia	<ul style="list-style-type: none"> <li>· Attended the BGA / Grand Union performance in March 2014</li> </ul>
Olga	<ul style="list-style-type: none"> <li>· Took part in <i>New Orleans</i> dance project in school</li> <li>· Attended <i>Pick a Flick</i> schools screenings at Rich Mix</li> </ul>
Thomas Buxton	<ul style="list-style-type: none"> <li>· Regulars at <i>Pick a Flick</i> schools screenings at Rich Mix</li> </ul>
Virginia	<ul style="list-style-type: none"> <li>· Attended the BGA / Grand Union performance in March 2014</li> <li>· Regulars at <i>StoryCraft</i> storytelling sessions</li> </ul>

### Other highlights from 2013/2014:

#### Families

For families we developed a programme of Family Sundays with activity aimed specifically for families to take place every Sunday. It offered free or low cost family specific activities with theatre shows once per season such as 'Me and My Cat' by A Thousand Cranes, free family art workshops and regulars such as Mwalimu Express.

#### Rich Mix Young Ambassadors

The team of ten 16-21 year olds, curated, organised, produced and marketed two hugely successful events in 2014. *Life's Short*; a short film night featuring films made by young Londoners had to increase capacity due to demand on tickets and *Up to Scratch*, which featured in the Youth Takeover had to do the same. The team also took up shadowing opportunities with our Front of House team to gain work experience.

#### Pitch to the Mix in partnership with somewhereto\_

Once per season young people working with the somewhereto\_ team are invited to Pitch to the Mix; a session to pitch an event idea to Rich Mix for the

chance to win free space for an event. Since 2011 we've enabled over 150 young people to get involved in delivering their own events as part of this project. Events added to the Rich Mix programme through Pitch to the Mix sessions are Her Story; which attracted an audience of over 100, Soul Lounge; and Live and Direct which both attracted an audience of 250.

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