

## London 2021 – Financial Strategy (Project)

### Situation

- The London budget is £35,000.
  - This includes a £1,000 budget for a director for 12
  - It also includes £1,000 to hire a Head of Build.
  - Note that it DOESN'T include any spend on having and running a bar.
- We are getting £25,000 from Canary Wharf.
- That means we have a further £10,000 to raise.
- Of this, we should commit £7,000 from our reserves (but I'm hesitant to go higher).
- Part of the deal with Canary Wharf has meant no direct ticket sales. However, they have said we can charge a nominal fee for our tickets (a couple of quid, max).
- Our projected attendance is 675 (50% capacity, 45 seats, 30 performances). So I think we can estimate bringing in £1,000 from ticket sales.
- That leaves us short £2,000 in total. So what is the plan for plugging that?

**Option 1:** If we bring in any money that would be intended to cover core-costs/salaries (that includes money from a bar, from consultancy, donations, friendship, or anything), the first £3,000 that we bring in in the next 6 months should be used to directly offset the project costs. The con of this, of course, is that we need everything we can get to cover core costs.

**Option 2:** We could go back to applying to grants for this shortfall. However, we haven't really had much luck with applying for grants in the first place, and it is very time consuming. I think that, in reality, grant applications for the next six months should be rarer, and should be focused on core costs, rather than using them to try and plug this gap.

**Option 3 (last resort):** We use the money in the account reserves to plug the gap, meaning we put in an investment of £9,000 in to the project from our reserves. I don't think this is a good idea, as it means we're spending a lot of our savings on the project. However, it may be our last resort if everything else doesn't go to plan.

In the meantime, we should try to skimp and save where we can – this will be especially relevant when it comes to buying build materials, and when selecting rehearsal spaces.

### Cash Flow

Just one thing to bear in mind with this – we will be running a sharp cash-flow deficit in this project, because Canary Wharf are wanting to pay us in instalments. We would expect to end August with a cashflow deficit of around £4,500. There is currently just under £13,000 in the bank account. With an investment of £7,000 from the reserves, if we then use the cash reserves to plug the deficit of £4,500, there will be only around £1,500 in the bank account. This is why it's risk for us to fund the remaining £2,000 of the project from our reserves – because we may get to August, and not have enough money to finish the project.

## London 2021 – Financial Strategy (Core Costs)

### Situation

Recently, we've shifted our strategy, so that we raise money (through grants and ticket sales) on a project-by-project basis, but that income generated (donations, consultancy, etc) will fund our salaries. However, based on the above, we're having to blur that line a little bit. What's more, if the Bedford project doesn't go ahead, we may have to make some decisions about how we use any income that was intended for salary (i.e., do we save it for when the venue is next open?).

One thing to note though is that it is very unlikely we will raise enough money to pay salary in time for the London project. It's the chicken and egg situation – as we are volunteers, we don't have a lot of time, so the time we do have, we should be dedicating to making the project as good as it can be. That means we don't really have time for fundraising – which I think is fair enough. However, we do need to be thinking about ways of raising core costs, and working in Canary Wharf presents us with a very exciting opportunity to secure income that otherwise may have been out of our reach.

Below, I set out what I think the key ways of bringing in income from the London project are, and how we can leverage them. The purpose of this document isn't to outline how we spend the money and allocate the salary. I would say that we should shoot to bring in between £30,000 and £50,000 by the end of 2021 to cover salaries, and anything above that can go in to the savings pot for a rainy day. But that's a discussion for later.

### Sponsorship (corporate)

This has brought in some money for us before! It basically involves asking companies to sponsor the project – in this case, we'll be asking them to sponsor specific parts of the building (the box-office, the dressing room, the auditorium – and possibly a couple of other things too). We'll be going out to market with this in mid-April, in a process much like the one we've used before (i.e., creating a brochure and circulating it to businesses who might be interested). A key difference, however, is that we have a direct in with the Canary Wharf community – and we've been asked to communicate with that community first. Whilst this may slow progress down, it's also exciting because we're starting from a fairly positive position, with a captive market that is likely to say yes!

**Possible income - £30,000**

### Sponsorship (community)

Sarah's 'Sponsor The Greenhouse' scheme will help us actually get the venue built, and should run throughout May. It basically connects with potential community members and other individuals who might be interested in the work, and asks them to sponsor a very specific part of our building. This not only brings in some money for us, but also creates a sense of community, as they become even more deeply invested in the actual building itself. **We need to plan a route to market for this, and start executing by the beginning of May.**

**Possible income - £7,500**

### Consultancy and business engagement

On top of the corporate sponsorship scheme, we've also developed a consultancy and business engagement programme. I think this will be best delivered exclusively to businesses on the estate, however we can go to market from a wider perspective with it if we feel it would be really helpful/if we don't get much traction from Canary Wharf businesses. Either way, we should start with just Canary Wharf businesses. With this, we offer a series of products, from bespoke workshops to full days in the venue, or a programme of workshops running through July/August. They are all designed to help businesses think sustainably and build sustainable working cultures. **Again, we need to build a route to market for this, and start executing by the beginning of May.**

**Possible income: £30,000 (2x private shows, 1x Day in *The Greenhouse*)**

### Ticket sales

We're going to be operating tickets on a 'pay what you can' basis. That does mean, however, that the venue will have to be first-come-first-served, so we'll need to make people aware of that. We're still not 100% sure exactly how we will administer this – will we collect money after the shows, or will we ask people to pay when they enter? We'd like to do the latter, but it might make things tricky, and we don't want people to feel pressured to pay. Either way, we shouldn't expect to make a lot of money for this. We have an expected capacity (at 50%) of around 700. If we have a suggested ticket price of £2, that's only £1,400 (assuming that we hit £2 as an average). **We do really need to work out the details of how we'll do this/we need a ticketing strategy ASAP.**

**Possible income: £1,400**

### Donations (casual)

It is possible that, because we're taking ticket sales, casual donations might be a bad idea. In that we may be asking people for money too frequently. I feel like we definitely shouldn't ask them directly, but instead, as Sarah suggested, we can use some casual donation boxes that we make and that are fun to use. It would be a good way to collect loose change. Beyond that – actually asking people to donate – I think we're getting a little bit pushy. But, again, this is less about bringing in money, and more about building a community of people who support us and want to give us money. Also, every little helps!

**Possible income: £250**

### Friendship

On the flip side, this is something that we really should be asking people to do when we leave the venue. We've done a great job setting it up, and it will hopefully really come to life when we're in London this year. There are two ways for us to approach it – and I think we should do both. First, when people 'buy' their tickets, if they pay above a certain amount (possibly related to the actual prices of the membership scheme plus a pound or two), they should get upgraded to being a Friend. This is basically a way that we can upsell at F.O.H. Secondly, we should let people know after the shows that they can purchase a friendship ticket on the way out which

gives them access to lots of perks. **All of these pieces are in place, we just need to formalise them in to a strategy, and brief the F.O.H, so we have it all planned and know what we're doing.**

**Possible income: £1,400 (10% of attendees, at the lowest level (£20))**

### Donations (large)

We already have a great plan in place for this, in terms of our list of famous people who we want to contact and who might give us lots and lots of money. However, because I've insisted on using paper that we make ourselves, it has taken us a predictably long time to really get anywhere. So, this has kind of gone on hold. I think this is a great idea and really important, but I think ultimately that it's less time sensitive than the other ideas, and less specifically related to the project in London. I think that we should keep it on the back burner and ready to execute, and I will keep making paper. But, I think we should de-prioritise it in favour of the other, more pressing, and more specifically temporally relevant, ideas like sponsorship (both corporate and individual). **We know the plan for this, so the main thing to do now is just keep going forward with making paper!**

**Possible income: £2,500**

### Bar

Okay so they've kind of said this one won't be possible – which is a shame. But we can maybe make it possible, because they've also said we might be able to get a business who currently works on the estate to provide a bar. In this instance, we could basically partner with a business, and work with them to take a cut of their profits – maybe 50/50, or 60/40 in their favour. Pippa suggested we get in touch with the bar across the road – 640 East. An alternative to that would be the Brew Dog in Canary Wharf (because BrewDog love the planet). To be honest though, if we're not running it ourselves, I'm not necessarily too excited about it. **If it's easy, we should do it, but if it's complicated, we can and should just leave it.**

**Possible income: £2,500**

**TOTAL POSSIBLE INCOME: £75,000**

**TOTAL LIKELY INCOME: £30,000**

- Corporate Sponsorship – 1x £5,000, 1x £10,000
- Community Sponsorship - £1,000 total
- Business Engagement – 1x Private show (£7,000), 2x Bespoke workshops (£1,500)
- Tickets - £1,500
- Donations - £500
- Friendship - £1,500
- Large Donations - £1,000
- Bar - £0