

# A hidden economy: a critical review of Meanwhile Use

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## Introduction:

The struggle to find affordable, appropriate creative space has meant that artists have always made use of buildings on interim arrangements, striking up deals of varying tenure and taking on spaces that have become redundant. Artistic communities have developed a resourcefulness and opportunism around making use of spaces, usually out of economic necessity. Art squats have provided creative spaces and facilities where buildings are going unused and to waste.

Until quite recently, many landowners have generally declined to enter into more formal agreements, at best tolerating the activity for a short time period. However, over the last 5 years, temporary use agreements, often termed 'meanwhile use', have slowly become more mainstream practice leading to new types of opportunities and collaborations between artists, landlords and developers and creating new models for cultural infrastructure and production.

Government guidance and developers are increasingly identifying interim uses as a solution to economic stagnation and the changing nature of urban development and land use. Artists, whether they like it or not, are adopting more overt roles as preventers of decline and agents of regeneration – filling a gap until demand, increased land values and development may or may not return.

But where the benefits have been demonstrated, there needs to be a critical examination of the processes involved and how associated economies work. In this way, we can ensure that some degree of best practice can be maintained. Most importantly, social objectives need to be enshrined. This emerging economy can offer significant commercial benefits for the property sector and, because of this a better deal for artists and other temporary users is being lost through the property sector's desire to maximise profit or minimise loss.

This article looks at the opportunities and risks of temporary use for the arts through:

1. analysing the new culture and economy around temporary use;
2. highlighting new opportunities of the temporary use economy and the need for new processes and approaches, particularly from Local Authorities and developers;
3. pushing for better practice.

## **1. Analysing the new culture and economy around temporary use**

The main participants:

- land and property owners, who are commonly removed from the day-to-day operations and maintenance aspects of their complex property portfolios.

- Developers often need to ensure their properties remain in use and arts occupancy provides cheap 'soft marketing' of their assets;
- commercial agents who will provide lease or licence agreements on use, market the property, and represent the interests of the owner. They often have prescriptive protocol on their management role, and will charge the owner if required to do additional works outside their normal brief. This leads to an unresponsiveness to any request for temporary use and steel-plated reinforcement of the status quo;
  - Local Authorities (LAs) who, as landlords, can make cost savings through keeping buildings in use via interim arrangements and can also meet social, cultural and regeneration agendas by making buildings available;
  - brokers, who can be commercial or arts not-for-profits, or who work together to identify possible sites, facilitate an agreement on rate relief due to the charitable aims of its intended use, and introduce the artist to the site, levying a charge commonly identified from savings achieved through the rate relief;
  - the artist or arts agency, who sign the temporary license which offers rent-free or rent at a non-commercial level whilst providing the sweat-equity in making the venue habitable and fit for purpose. Artists are increasingly taking on property management roles and utilising spaces to bring in income.

Hidden aspects of this economy that needs some interrogation are:

**a) LAs and their financial support of the arts through discretionary business rate relief**

While registered charities are granted 80% mandatory relief across the country, LAs have the power to award discretionary rate relief (DDR) in accordance with rules determined by the authority. There is a cost to LAs of offering DDR, with 25% of any relief awarded having to be paid to Central Government. DDR policy varies widely across different authorities and this has a strong impact on the economic feasibility of artists using empty spaces.

In the case of Bristol, organisations supporting the arts have, for many years, been eligible for up to 100% DDR (subject to some criteria related to income and turnover of the ratepayer). This positive support of the arts has helped to sustain a growing array of formal and more informal arts spaces around the city to create a thriving scene of creative temporary arts spaces and DIY artist activism. This policy also supported the Council Arts Team temporary use scheme, 'Capacity Bristol', which brought into use many empty council-owned and privately-owned buildings for creative purposes until funding for this post was cut in 2012.

The requirement of Central Government payback of 25% of whatever discretionary relief is awarded has, in effect, indirectly constituted a strand of public funding for the arts (which in Bristol, the arts community has been largely unaware of). With the huge rise in temporary use of buildings by artists in Bristol, costs to the council have risen concurrently through a massive rise in rates relief applications. Between 2009/10 and 2011/12, council spend increased by nearly £100,000. Particularly expensive have been projects taking place in spaces with very high rateable values such as large city centre shop units and large-scale projects in extensive buildings such as ex schools and colleges.

This financial support has come with no funding criteria or service delivery plans/contracts but has underpinned a huge amount of arts development and culture in the city. With more clarity over this financial arrangement, this offers opportunities

for artists and arts organisations to use this hidden financial support as match funding.

However, the financial environment of DDR is changing with large implications for artists and temporary use. A need to make budget savings means that, throughout the UK, LAs are now starting to review and change DDR policy. Additionally, the Government's introduction of the business rates retention scheme in April 2013 is further acting as a disincentive for maintaining DDR. The retention scheme will mean that LAs keep 50% business rates income including growth. Costs of awarding DDR will therefore rise from 25% payback to Central Government to 50% lost revenue. Bristol is currently reviewing its DDR policy and it is very likely that discretionary relief for the arts will reduce considerably. The probable impacts of this will be:

- 1) reduction in projects and arts activity in the city, particularly by small scale arts groups;
- 2) growing trend for arts organisations to have to develop charitable arms in order to gain mandatory 80% relief;
- 3) growing trend of artists to undertake projects via intermediaries with charitable status.

**Images:** *The College* project – a 2 year temporary use of an ex vocational college in Bristol agreed between Home and Communities Agency (owners) and Artspace Lifespace (users) and *The Island* – a temporary use of a Bristol city centre site awaiting development between Urban Splash (owners) and Artspace Lifespace (<http://artspacelifespace.com/>) (users). Both spaces have operated as multi-use arts and community resources incorporating studios, training spaces, events, urban agriculture, galleries and performance. Both spaces could not have operated without discretionary business rates relief - resulting in costs to Bristol City Council but bringing huge and multiple benefits to the city.



*The Island*, Bristol  
(credit: Spencer Dixey)



*The College, Bristol (credit: Joe Clarke)*

**b) Liability mitigation by the owner and flow of monies between broker and owner**

With the majority of empty properties, the owner will be required to pay business rates according to the property's rateable value per sq meter. The attraction of temporary use is to off-set the burden of rates liability through charitable/not-for-profit use, which can offer savings of between 50-100% of a rates bill. In addition to the percentage saving, owners also benefit from rates 'holiday' on void properties brought back into use, at an equivalent rate of 3 months on office premises and 6 months on industrial units.

The cash benefit to the owner is therefore not income made from rents from temporary use but from mitigation of their rate liabilities. From a recent project in the North West, the cost of rates on empty units in a building was a clear £180,000 per year, and a number of strategies, including temporary use by artists, were being considered to reduce this burden. Using this example, one void unit of 4010 sq ft. could command 80% rate relief and three months subsequent, offering a saving of approximately £4,000 if occupied for only 42 days by an arts charity.

Brokers who can stitch the commercial and not-for-profit partners together and make the case for rate relief, can also benefit financially directly, taking a percentage of the relief acquired. There is often a lack of transparency regarding the money trails, but it is certain that none of the cash finds its way back to the arts tenant and the end-user.

There have been some radical departures on this front that should be heralded and marked out as best practice. Working with MAAP, Isis Waterside Regeneration on its Warwick Bar site in Digbeth, Birmingham, and its commercial agents Colliers International, agreed to the temporary use of 5 void units for arts use and to retain this saving within an arts commissioning pot. This was then used to financially support artists with a fee and a production budget (see images at the end of the article: *Glutteridge*, a 12 hour live art work by Paul Newman & Cathy Wade commissioned through rates relief savings for the *Winterreise/Winter Journey* programme, Warwick Bar's *Winter Fest*, December 2012).

### **c) Cost of sweat equity for user and cost impact of property short-termism**

Taking over temporary spaces helps artists realise their ideas, respond to diverse 'real-life' contexts and reach audiences in complex and compelling ways.

Many days, if not weeks, of cleaning, painting, repairing, completing health & safety checks are required, often without basic amenities such as heating, to get the space up-to-scratch and ready for use. Favours are called in from artist colleagues to help with the set-up, and arts agencies for use of surplus chairs, tables, AV facilities, plinths, etc to fit the place out.

This is all accepted - as part of the deal for cheap rent is that the space is only short-term. For those artists and curators whose practice specifically looks to facilitate exchange with the social, this requirement to close-shop and move on can be seen as one of continuous experimentation and refinement. For the young graduate artist, temporary use allows rapid skills development in all areas of curatorial practice.

However, many arts organisations rely on stability and long-term use of property to grow audiences and invest in facilities. The bringing in of favours can only be done for so long and 'working for free' would seem to be playing directly into the hands of the capitalist developers. It can take several years for an art form to establish an audience and a regular income, therefore short-term leases hamper consistent long-term development.

## **2. Highlighting new opportunities of the temporary use economy and the need for new processes and approaches, particularly from LAs and developers.**

### **a) LAs – developing a corporate approach and turning temporary use into permanent strategy**

Temporary use flourishes better where local governance processes and gatekeepers are flexible, open-minded and proactive around supporting processes that often do not fit neatly into existing roles and policy. The legitimising and advocacy role of a LA cannot be underestimated in terms of raising the confidence of both artists and property owners to make projects happen. A corporate strategic approach ensures essential cross-departmental working, ensuring that the LA helps maximise opportunities for using vacant spaces.

**As Landlord-** the regular auditing and adding to of databases of empty council owned property and assessment in terms of potential for temporary use is vital. LAs, like private landlords, can pass on the costs of an empty building (business rates, services, in some cases security), if in temporary use by a charity or similar group.

**As Planning Authority-** as they are often the first point of contact for developers, planners can identify and assess opportunities for interim uses on development sites early on and highlight opportunities to developers and potential users. Planners can play a key advocacy and brokering role between landowners, developers and potential space users. The planning department can also implement Local Development Orders for Temporary Uses for plots of land, buildings or zones to give advance planning consent for temporary uses which do not fit into existing land use orders. This can incentivise activity and remove the barrier of complex and long planning permission processes. In 2012, Bristol adopted its first 'Temporary Planning Order for Temporary Use': <http://www.bristol.gov.uk/page/planning-and-building-regulations/temple-quarter-enterprise-zone-simplified-planning>

**As Facilitator-** the role of the facilitator is critical in being able to address issues that demand the collaborative action of the public, private and third sectors whilst engaging with local grassroots organisations and artists. Issues surrounding temporary use processes cross-cut local government departments and having one lead point of contact can help perform a key role in helping artists navigate often confusing and inaccessible bureaucracies.

**As Public Art Commissioner-** there is considerable opportunity for public art officers and producers to negotiate creative usage and occupation of development sites using existing and temporary structures and buildings. Also section 106 contributions could provide some often critical funding to get projects up and running and provide a pot for programming, commissions and residencies. While increasing attention is being given to temporary site-specific activity prior to and during development works by public art officers and agencies, this is often still in a top-down commissioned process providing artist-led fleeting and one-off events and experiences and rarely leading to occupation. The curated/commissioned approach of public art does not sit comfortably with the people-led, occupation and make use approach meanwhile. The 'programme' is far less controllable and 'quality' needs to be interpreted much more openly.

**b) Development companies using temporary use at pre-development stage as part of integrated design process**

Retaining critical aspects of innovation and experimentation wrought through temporary use of property and land and building them into the design for long-term development must be the way forward. Developers excited by the possibilities of new types of cultural usage for their under-utilised sites and void spaces allow alternative uses through temporary use licenses. Taking some risk by allowing uses such as urban growing and artists studios, galleries spaces, shops and cafes to flourish, the developer starts to scope the potential of the site, learn more about its culture and economy, and meet its future residents and publics. This is particularly important at a time when town centres are changing and traditional land use zoning is losing relevance.

Why waste all the energy, entrepreneurial enthusiasm and local knowledge that pop-up activity engenders when temporary space use is undertaken?

A good example of how temporary use can be threaded into scheme designs is shown on the Brentford Lock West development, west London where the social enterprise organisation, Cultivate London, were offered a 10 year 'nomadic' license to develop their urban growing concept. Their impact on the site and popularity have been captured in design plans for a mix-use residential scheme incorporating green roofs, allotments and space for the Cultivate London.

**- Pushing for better practice**

Providing temporary approaches does not undermine more permanent cultural infrastructure - temporary use provides opportunities for wider access to spaces for artists and a wider role and presence of the arts and creativity in our towns and cities. Better practice to achieve this is suggested through:

-recognising that through this practice artists are increasingly performing a more overt role in regenerating neighbourhoods and town centres and increasing land values. In particular, artists have often been accused of shooting themselves in their



collective feet – they are so used to providing their labour for free that it has become an accepted aspect of commercial discourse;

-more clarity over the new economy emerging around this practice. The lack of transparency around facilitator's or broker's charges and/or skills can lead to a situation where, once again, the artist is marginalised and the only professionalism being rewarded is that which deals directly with legal and financial;

-LAs maximising opportunities for temporary use of empty property and being proactive, flexible and pragmatic in supporting the practice on a wider strategic level. Additionally, when setting their business rates policy, LAs should be clear about the far-ranging socio-economic and cultural value of temporary use;

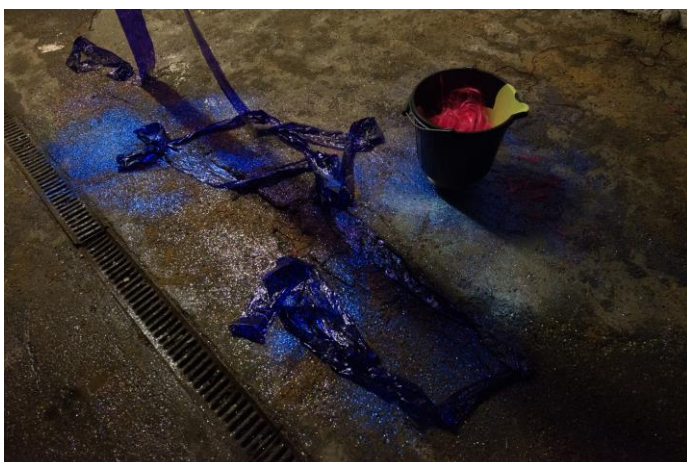
-Recognising the role that commercial agents could play to facilitate properties that would be otherwise empty. The current situation is not a healthy one as it does not allow for flexible evolution of use;

-Giving recognition to developers who demonstrate a commitment to best practice and a greater role for temporary use in planning and section 106 negotiations and agreements.



Images: Paul Newman & Cathy Wade, *Glutteridge*, a 12-hour live art work, as part of Warwick Bar *Winter Fest*, commissioned by MAAP.

Photographer: Nathan Spencer; Image Courtesy of Ikon.



The Warwick Bar development in Digbeth, Birmingham owned by Isis Waterside Regeneration working with managing agents Colliers International and cultural producer MAAP provides an example of the use of rate relief, triggered by temporary use license, brought forward as a commissioning pot for new artist's work.