



Policy and Resources Committee

Date: THURSDAY, 7 JULY 2016
Time: 1.45 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

ITEM NO. 16

MUSEUM OF LONDON PROPOSED RELOCATION

John Barradell
Town Clerk and Chief Executive

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Agenda Item 16

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| Committee(s): | Date: |
| Policy and Resources Committee – For Decision Markets Committee – For Information Property Investment Board – For Information | 07 July 2016 20 July 2016 20 July 2016 |
| Subject: Museum of London Proposed Relocation – Approval in Principle | Public |
| Report of: Town Clerk | For Decision |
| Report authors: Matthew Pitt | |

Summary

This report seeks Members' approval in principle for the City of London Corporation to work with the Greater London Authority (GLA) to support the Museum of London's proposed move to Smithfield General Market and Annexe (West Smithfield).

Previous reports to this committee on 23 June 2015 and September 2015 (urgency) and the statement given by the Chairman to the Court of Common Council on 15 October 2015 advised Members that officers have been working with the Museum of London and GLA to investigate the Museum of London Board's preferred option for the siting of a new museum at West Smithfield.

This report updates Members on progress made to date on the Museum of London's proposed move to Smithfield General Market, Annexe and Poultry Market Basement. It outlines that more officer time and possibly financial commitment will be needed before a final decision can be made later this year but asks Members to provide their support in principle for the Museum's move. Such an agreement would make the City of London Corporation's intention clear and allow key stakeholders to express a view on the proposals to bring these historic market buildings back into public use. The report also notes the importance of stakeholder engagement and that the move would free up the Museum's existing London Wall site for a potential Centre for Music, significantly boosting the City's aspirations for a cultural hub.

It is important to note that whilst signaling the City of London Corporation's in principle support for the proposed move, there will be a number of practical considerations such as project governance, funding arrangements and due diligence which will need to be addressed ahead of any final commitment. The overall cost of the project is currently estimated to be £200-300m funded by the City, GLA and Museum.

Recommendations

That Policy and Resources Committee: -

1. Approve in principle the City of London Corporation supporting the Museum of London's proposed move, working with the GLA to bring new life and purpose to the underused buildings at Smithfield General Market, Annex and Poultry Market basement;
2. note that any move by the Museum will require the approval of multiple committees and the Court of Common Council;
3. note that full approval would have to be subject to satisfactory terms having been agreed between the City, GLA and Museum of London; satisfactory financial arrangements including cost envelope, affordability, capital and revenue funding shares; and satisfactory completion of due diligence including legal powers and governance proposals; and
4. note that a decision in principle at this stage would not predetermine a final decision later in the year which will be taken once the above considerations have been addressed.

Main Report

Background

1. In July 2015 the Court of Common Council approved the City's purchase of TH Real Estate's Leasehold interests in Smithfield General Market and Annexe. The purchase was completed in December 2015, allowing the City and Museum of London to explore the Museum's preferred option to relocate to West Smithfield or for the site to be used for another purpose. While the possible Museum of London relocation was an important incentive for the purchase, it was acknowledged that the purchase stood on its own merit even if the relocation did not proceed due to the importance of the site and its key location. Members were advised at the time that an alternative option for the site could be a stand-alone retail development.
2. In his statement to Members at the 25 October 2015 meeting of the Court of Common Council, the Chairman of your committee set out the context to this purchase, including how the proposed move is linked with a possible new Centre for Music at the Museum's current site: -

"As Members will be aware, the Museum of London has the ambition to create a new Museum at West Smithfield. This is not a "nice to have" project. The present building is wholly unsatisfactory and if the Museum remains there will require expensive repair and renovation work at a cost that could well exceed that of moving to a new building. At the same time the Treasury and the Mayor of London provided funding to the Barbican and the LSO for a feasibility study for a new Centre for Music in London. This study has now been completed and has concluded that it is indeed feasible for such a centre to be located on the present Museum of London site at London Wall. These two developments, occurring together, provide a unique opportunity that should be pursued.

The proposed new Museum of London at West Smithfield, located as it will be next to a new Crossrail and Thameslink station, would be a state-of-the-art institution to meet the needs of Londoners and visitors to the capital. Set in the complex of buildings at West Smithfield, including the iconic General Market and Red House, it would not only be a new landmark destination but also a space in which a 21st century museum can bring heritage and history to life for new generations. The new museum will create an unrivalled experience and contribute to the regeneration of

this vibrant and historic part of London. The new museum at West Smithfield would welcome over two million people each year, connect with all parts of London, work with even more schools and display more of the museum's collection, much of which is currently in storage. It will be a more financially sustainable organisation that brings the latest academic thinking to the fore.

The freeing of the present Museum site makes possible the construction of a new Centre for Music on London Wall - a home for the London Symphony Orchestra, an inspiring place in which the LSO can flourish under the direction of Sir Simon Rattle, when he becomes their musical director in 2017. The Centre for Music would not only provide a space for superb performance, but would also promote learning, education and discovery for all."

3. Subsequently at the Policy and Resources Committee meeting on 19 November 2015, Members agreed in principle to support the development of a new Centre for Music on the Museum of London's current site subject to confirmation of funding partners, final agreement of capital costs and sustainable long-term revenue costs.
4. In July 2015 the Museum of London applied for and was granted a Certificate of Immunity from Listing by the Secretary of State for Culture, Media and Sport on its current London Wall site. The current certificate is valid until July 2020.

Current Position

5. In January this year, the Museum announced their architectural competition to design a new museum at Smithfield General Market and Annexe. The competition has since progressed with six shortlisted architects (announced 4 April 2016). Their initial design ideas have been on public display at the Museum of London since 10 June ahead of a decision on the winner due to be taken by the Museum's Board on 13 July. The Museum is currently engaging stakeholders.
6. Concurrently, the Museum, with funding provided by the City, has been developing its business case for the move and conducting a technical study to explore any enabling works that could be conducted sooner to accelerate the overall building programme.
7. To date, the ongoing costs of the project (excluding purchase of the West Smithfield Site) have been shared between the City, GLA and Museum. The City and the GLA have committed £417,000 each towards the costs of the project excluding funds for the purchase of the Smithfield site and the Museum has spent £300,000 on items including an options appraisal study. The City has also set aside £25,000 to cover its own legal and regulatory matters. It has been acknowledged that while these funds have been expended "at risk" in that the relocation may not proceed, it is nevertheless inevitable that some early preparatory and feasibility work has had to be undertaken in order to progress the project to its current stage. The overall cost for the project is yet to be determined but it is currently estimated that this will be £200-300m.
8. There remain a number of key issues which require more officer time in order to resolve ahead of a final decision. These issues include: -

- agreement between the City, GLA and Museum to Heads of Terms including in relation to funding shares for both the capital costs and subsequent revenue implications;
- The project timetable (particularly around the dependency of the proposed C4M on vacation of the Museum's current site)
- Funding agreement between the three parties
- Review of the business case
- Overall budget envelope;
- Affordability in the context of other corporate priorities and the City Corporation's financial position at the time a final decision is required; and
- Governance Structures.

9. It is expected that much of the above can be achieved through additional officer time alone but some additional financial resource may be required in order to reach a satisfactory position ahead of a final decision. Subject to resolving the above issues, the anticipated timeline of that report is set out in the table below:

| Committee | Date (2016) |
|-----------------------------------|---------------------------|
| Policy & Resources Committee | 08 September or 6 October |
| Property Investment Board | 14 September |
| Markets Committee | 21 September |
| Resource Allocation sub-Committee | 6 October |
| Court of Common Council | 13 October / 8 Dec |

10. The General Market Buildings and Annexe have been largely unused for market purposes since around 1997 (following the extensive modernisation and consolidation of the meat market facilities). Much of this area has since endured a difficult history, further complicated by requirements to carry out works to the railway tunnel beneath part of the site for which the City is responsible, and Crossrail's requirements to use parts of the site. The background includes two failed attempts by two successive development companies to redevelop the site into an office-led mixed use development culminating in the planning decisions being called in by the Secretary of State for Communities and Local Government. These redevelopment efforts were significantly opposed by local and national pressure groups including SAVE, and the planning applications were refused.
11. The Poultry Market basement has been unused for Market purposes for a longer period, having been leased, in conjunction with a section of the Annexe, to a cold storage company since the 1930s and more recently to a document storage company from 1982 to 2009. Thereafter it has remained vacant.
12. Given the difficult history of the site, the Museum have begun their own dialogue with key stakeholders. The Museum have advised that initial indications from groups such as the Smithfield Market Tenant's Association (SMTA), The Victorian Society and SAVE have been that they would support the preservation and conservation of the market buildings for a museum use. The positive indications from these organisations are significant given the level of previous opposition. If the buildings could be redeveloped for museum use

then it would be a significant boost for the Smithfield Conversation Area, bringing these heritage assets back into public use.

13. The City of London Corporation has also, as a courtesy, written to bodies with previous interests in the site (SAVE, the Victorian Society and SMTA) about this report advising that any comments should be provided within 14 days for inclusion in the report. The Victorian Society's response is attached at Appendix 1. No comments have been received in response to that letter from SAVE or SMTA. A letter was however received on behalf of the SMTA in September 2015 and a copy of the letter is attached in a non-public appendix. While planning policy is to support the continued presence of Smithfield Market, the expansion of the market facility is not adopted policy, and would not realise the fullest potential and intensification opportunities offered by the new key Crossrail transport interchange at Farringdon.

Proposal

14. It is proposed that Members give their in principle approval to supporting the Museum of London's proposed move and to working with the GLA in supporting the Museum of London's ambition to bring new life and purpose to the underused buildings at Smithfield General Market, Annex and Poultry Market basement.
15. It should be noted that the proposal within this report does not predetermine the final decision which Members will be asked to consider before the proposed relocation could take place. This decision will need to be informed by a report which addresses many of the practical considerations surrounding the project such as the Heads of Terms, project governance, overall capital cost, funding agreements, due diligence and analysis of the Museum's long-term business model.

Strategic Implications

16. The proposal for the Museum of London to move to West Smithfield would be a significant step towards revitalising this corner of the Square Mile. The disused market buildings form a key part of the Smithfield Conservation Area; bringing them back to public use is likely to be welcomed by a range of stakeholders. In addition, the arrival of Crossrail (Elizabeth Line) will provide a further boost bringing an estimated 1.5m passengers within a 45min journey of the City. When it opens in December 2018, Farringdon will become one of the most accessible transport hubs in London with direct links to three of London's international airports. The London Borough of Islington are also proposing a Farringdon and Clerkenwell BID just north of the City border where a vibrant community of design focused SMEs are based.
17. The Museum's proposed move would free up its current London Wall site for the potential Centre for Music. Collectively these two landmark projects could make a significant contribution to the promotion of excellence, collaboration and inclusivity in the City's cultural offer, enhance London's arts, heritage and cultural experience, help increase the attractiveness of the City as a place to be, and increase the outreach and impact of the City's cultural, heritage and leisure contribution to the life of London and the nation.

18. These aspirations reflect the policies and priorities which have been adopted by the City in a range of strategy documents including the Corporate Plan 2015-19 (e.g. Key Policy Priority 5), the Cultural Strategy 2012 – 2017 (eg page 5), the Core Strategy (e.g. CS 11) and the Smithfield Conservation Area SPD 2012.

Conclusion

19. Following the purchase of the leasehold interests at Smithfield General Market and Annexe, work by the Museum to pursue their proposed move, jointly funded by the GLA and City of London Corporation, has accelerated. Policy and Resources Committee is asked to consider the recommendations in this report given the momentum of the project, in order to provide a steer in advance of further resources being committed to the initiative. This report sets out progress to date and paves the way for detailed funding and governance arrangements to be progressed in the coming months. The final decision on whether the project will go ahead will be subject to report expected later this year and is not predetermined by any in principle decision taken at this stage. It is therefore recommended that Members approve the recommendations set out in this report.

Appendices

- Appendix 1 – Response from The Victorian Society
- Appendix 2 – Letter to City of London Corporation from Kidd Rapinet LLP on behalf of SMTA (non-public)

Background Papers

- Cultural Strategy 2012-2017
- Corporate Plan 2015 – 2019
- Core strategy (adopted 2015)
- Smithfield Conservation Area SPD (adopted 2012)

Matthew Pitt

Town Clerk's Department

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Pitt, Matthew

From: Christopher Costelloe (The Victorian Society)
Sent: 29 June 2016 18:03
To: Pitt, Matthew
Subject: RE: Museum of London proposed move to West Smithfield

Dear Mr Pitt,

Many thanks for your letter. The Victorian Society is supportive in principle of the Museum of London's proposed move to the Smithfield General Market site. While the design process is still at an early stage, the initial shortlisted concept designs demonstrate that it should be possible to accommodate the Museum without damaging the historic and architectural interest of the buildings and the Smithfield Conservation Area.

I would like to take this opportunity to compliment the City of London on its response to the outcome of the public inquiry over the previous scheme on this site; it has been constructive, pragmatic and strategic, in the best traditions of the City.

Kind regards,

Christopher Costelloe

Director

The Victorian Society

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London W4 1TT

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From: Pitt, Matthew
Sent: 15 June 2016 13:03
To: Christopher Costelloe (The Victorian Society)
Cc: Richard Seedhouse (The Victorian Society)
Subject: Museum of London proposed move to West Smithfield
Importance: High

Dear Mr Costelloe,

Please find attached a covering letter seeking the views of you and your organisation, The Victorian Society, on the attached draft report. The report will be considered by the City of London Corporation's Policy and Resources Committee on 7 July 2016.

Kind regards,

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