



Policy and Resources Committee

Date: THURSDAY, 22 FEBRUARY 2018
Time: 1.45 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

ITEM NO. 6 - CULTURE MILE REVENUE BUDGET

For Decision
(Pages 1 - 14)

John Barradell
Town Clerk and Chief Executive

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Agenda Item 6

TO: **POLICY AND RESOURCES COMMITTEE**

22nd February 2018

FROM: **CULTURE MILE WORKING PARTY**

7th February 2018

CULTURE MILE REVENUE BUDGET

The Working Party received a joint report of the Chamberlain and Assistant Town Clerk/Culture Mile Director in respect of Culture Mile Revenue Budget, which would also be presented to the Policy and Resources Committee, for decision, on 22 February 2018.

During the discussion and debate, the following points were noted:

- Members were reminded of the current governance arrangements surrounding the Culture Mile Working Party; i.e. it has no decision-making powers and therefore cannot act under delegated authority from the Policy and Resources Committee, so this meeting of the working party was merely being asked for its views.
- Culture Mile represented a major initiative for the City, involving access and community engagement as well as “high culture” and spatial regeneration.
- Long term governance needed to be reviewed, and how long a working party would remain the appropriate mechanism.
- The Assistant Town Clerk/Culture Mile Director explained how underspends had been used to fund the Culture Mile to date. However, it was increasingly difficult to co-ordinate all the different workstreams associated with Culture Mile using this ad-hoc funding, which hampered forward planning and recruitment of staff. The funding sought was for a core level of support and activity. The bid was based on a model of minimising cost and achieving resilience by placing staff within departments, which already had experience in the different workstream areas, rather than setting up a centralised team.
- The proposal in the report, for £1.43m over two years, would be in addition to a capital sum of £5m allocated for implementation of the ‘Look and Feel’ Strategy. The Chamberlain advised that the funding requirement might reduce as more partners and community groups came on board. The former Chairman of the Culture, Heritage and Libraries Committee quoted the success of ‘Sculpture in the City’ as an example of a successful partnership.
- In response to a suggestion that it would be better to re-define the £5m, the Director of the Built Environment clarified that, given the scale of ambitions already expressed for the public realm in the Culture Mile Look and Feel Strategy (which had just finished public consultation), including improved signage, this sum would be required. The Director of the Built Environment advised that other built environment projects within Culture Mile, such as the scheme to support the Museum project, would also have considerable impact on this budget.

- The balance between staff costs and activity was questioned. The Assistant Town Clerk/Culture Mile Director said that this had been reviewed by the Officer Programme Board and sought to strike a balance between the increased need to co-ordinate the burgeoning activity of partners in support of Culture Mile and ensuring that there was capacity to deliver activity, such as marketing and events on behalf of Culture Mile. The Chamberlain advised that the figures had been fully scrutinised and, as the remainder of the £5m would be required in the future, the proposal within the report would need to change from utilisation of the £5m, to an additional £1.4m resource request for 2018/19 and 2019/20.
- The Chamberlain advised that an adjustment to the 2018/19 Draft Budget and Medium Term Financial Plan would be required to reflect the proposals and undertook to seek the necessary approvals.

In concluding, the Chairman welcomed this productive debate and the working party had clearly shown a consensus of support for the bid. However, it had also been recognised that, as Culture Mile is an exciting and new concept for the future of the City of London Corporation, future consideration would need to be given to governance and budgetary controls. The Chairman asked for a detailed note of this debate to be reported to the Policy and Resources Committee, when the report is presented to them for decision on 22 February 2018.

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|---|--------------------------------------|
| Committee(s) | Dated: |
| Culture Mile Working Party Policy and Resources Committee | 07 February 2018 22 February 2018 |
| Subject: Culture Mile Revenue Budget | Public |
| Report of: Joint report of the Chamberlain & the Assistant Town Clerk & Culture Mile Director | For Decision |
| Report author: Matthew Pitt, Town Clerk's Department | |

Summary

Culture Mile has been developed up to launch by sustained co-operative work between the core partners with a budget developed from corporate underspend. Since the success of the launch in July, raising the profile of the scheme significantly, it has become clear that dedicated resource is required to oversee and co-ordinate the work streams of Culture Mile. There is also a need to put the initiative on a sustainable financial footing, moving away from successive bids for corporate underspend.

This paper provides an overview of the distributed structure for Culture Mile and proposes an annual revenue budget for the next two financial years.

Recommendation(s)

Members are asked to:

- Approve allocation of an annual revenue budget of £1.43m per annum for the financial years 2018/19 & 2019/20 to be included in the Medium Term Financial Plan; and
- Note that work will be undertaken to explore alternative business models.

Main Report

Background

1. Culture Mile is a major initiative by the City of London Corporation to transform the area between Farringdon and Moorgate into a vibrant and welcoming Cultural Destination for London. It represents a major opportunity to deliver against the City of London's new Cultural Strategy and act as a catalyst for change, not least in challenging perceptions of the Square Mile and the innovative use of public space.

2. The delivery of Culture Mile also aligns strongly with the draft London Plan recently unveiled by the Mayor of London. The plan recognises culture's importance in the success of London as a global city; highlighting that the sector is growing at a faster rate than any other. The creation of new cultural quarters and enhancement of existing ones with a mix of cafes, bars, restaurants and pop-ups is one of the key pillars of the new plan. Through Culture Mile the City of London Corporation can make a strong contribution to delivering its aims; enhancing London for Londoners and visitors alike.
3. Culture Mile's core activities have been funded to date by successive bids for corporate underspend and through sustained co-operative work between the core partners. Following the development of the brand strategy by Jane Wentworth Associates, Culture Mile successfully launched in July 2017 raising the profile and visibility of the ambitious initiative which has now moved into a new phase.
4. The launch and activities leading up to it were delivered by utilising existing staff resources as far as possible and with the funding of a Partnerships Manager, Communications Consultant and Marketing Consultant – all on short term contracts. There is currently only one post working full time on the project and it has become clear this is not sufficient to deliver across eight transformative work streams.
5. The work streams referenced are Community – exploring engagement with communities within and without the Square Mile, Communications – managing communications for the new destination , Learning – building upon one of Culture Mile's unique learning and educational offer, Marketing – building awareness of the new destination, Partnerships – exploring new partnerships with organisations based in and around Culture Mile, Programming – bringing the area to life with cultural programming, Property – exploring the development of property assets to support and enhance the new destination & Public Realm – to transform the public spaces between venues.
6. In November 2017, your Culture Mile Working Party endorsed proposals for a distributed model (see appendix 1) which would see each core partner take on different areas of responsibility and avoids duplication across the partners. The proposed distribution is as follows: -
 - Community – London Symphony Orchestra
 - Communications – Barbican
 - Marketing – Museum of London
 - Learning – Museum of London
 - Partnerships – Guildhall School
 - Programming - Barbican
 - Property – City of London
 - Public Realm – City of London
7. The above considers each organisations' areas of strength and would be co-ordinated by a new post of Culture Mile Manager based in the Town Clerk's Department working to the Assistant Town Clerk and Culture Mile Director.

8. This model avoids the potential for duplication and inefficiency through the creation of an isolated team based at Guildhall and instead builds on existing resources and expertise within the core partners thereby maximising the effectiveness of any proposed new resource.
9. Over recent months the core partners have worked together to develop a set of shared objectives and a consolidated funding bid that will enable the continued development and delivery of Culture Mile.

Current Position

10. The following objectives have been identified through Culture Mile CEO Sessions and by drawing on existing work including the Brand Strategy, Culture Mile Learning and strategies for the public realm: -
 - i. Contribute to changing perceptions of the City to ensure it is recognised as a global leader in culture as well as commerce
 - ii. Develop Culture Mile as a vibrant and welcoming cultural & learning destination for all - residents, workers and visitors
11. These strategic objectives align closely with existing and emerging corporate strategy but will require an annual budgetary commitment, rather than underspend bids, to provide a framework for successful delivery.
12. A funding bid of £1.43m has been developed through careful costing of each area, maximising the use of existing resources and backfilling some staff time to enable key individuals to work on Culture Mile without adversely affecting existing business. This has allowed a majority of funding to be focussed on delivering activity. For example, programming initiatives, partnership development and marketing delivery.
13. It is important to note that parts of the City of London and the core partners have been, and will continue to, contribute a considerable level of staff time to the project from existing budgets. This staff time has been quantified at £340,000 by the Chamberlain. Whilst the existing funding is not insubstantial and adds up to over 140 hours of staff time per week, it would not be possible to take forward Culture Mile with its current scale and ambition only utilising a team who are fulfilling Culture Mile functions in addition to their wider roles.
14. A summary of the budget and objectives for each of the workstreams has been included at Appendix 3.

Benchmarking

15. Benchmarking against other global cultural districts has taken place using research being undertaken by the Global Cultural Districts Network (the City of London Corporation is a member). The two most comparable cultural

destinations in terms of size and visitor numbers within the study are Quartier des Spectacles, Montreal and Museum Quartier, Vienna.

16. Both districts have total operating budgets of £5-6m per annum (exchange rate 11/12/17). A majority of funding for Montreal comes from the City and State Governments whilst in Vienna the amount of public funding is just 25%. Regardless of their current operating models, both districts were founded with significant public investment.
17. The City of London Corporation's investment in Culture Mile at this early stage in its development is crucial to the transformation of the area and demonstrating to third parties the art of the possible. As a significant land owners and public authority many of the building blocks for change are within this organisations gift. It is clear however that that there are different operating models for cultural districts across the world and there is no one size fits all. One of the main challenges for Culture Mile to address over these first years will be to explore alternative business models and the capacity and desire for commercial partnership/investment which could supplement or reduce the City of London Corporation's annual commitment.

Marketing and Programming

18. Marketing and Programming make up a large portion of the proposed operating budget for Culture Mile. This reflects where Culture Mile is in its development with a need to build awareness of the area as an emerging destination, increase recognition of the Culture Mile brand and bring the spaces between the venues to life. This in turn has the power to attract greater numbers of visitors, encourage businesses to locate in the area and attract potential partners.
19. Programming of activity in the spaces in-between venues is major contributor to the transforming an area from somewhere which has a concentration of cultural venues into a vibrant and welcoming destination for people who want to work, visit and live in the area. Whilst there is much programming that takes place within the walls of partner venues, the funding within this proposal will leverage two Culture Mile led events per year when within a mixed funding model.
20. A public art programme within Culture Mile, led by City Public Realm and launched as Culture Mile Pop-ups in 2017, receives capital funding from the £5m allocated for implementation of the Look and Feel Strategy and is not included within this funding proposal. Over time, it is expected that this could be run on a similar sponsorship model to Sculpture in the City

Proposals

21. It is proposed that Members approve an annual revenue budget of £1.43m for the delivery of Culture Mile for the financial years 2018/19 and 2019/20 as forecast in the medium term financial plan.
22. Members are also asked to note that work will be undertaken to explore alternative business models for Culture Mile and look at how the City of

London Corporation's investment can be supplemented or reduced following this initial period.

Financial Implications

23. 1.43m per annum will be included by the Chamberlain in the Medium Term Financial Plan for 2018/19 & 2019/20 for these purposes. Members should note that this funding is in addition to the £5m capital provision for implementation of the Look and Feel Strategy which will be retained for those purposes.

Corporate & Strategic Implications

24. Culture Mile's strategic objectives, *to Contribute to changing perceptions of the City to ensure it is recognised as a global leader in culture as well as commerce* and *to Develop Culture Mile as a vibrant and welcoming cultural & learning destination for all - residents, workers and visitors*, align closely with the Corporate Plan and the organisations new Cultural Strategy (adopted in Dec 2017).

Conclusion

25. Culture Mile is well positioned to deliver on a number of key objectives for the City of London Corporation, including from its emerging Corporate Plan and the new Cultural Strategy 2018-22. It's aims and objectives also align firmly with the pan-London agenda of the Mayor of London – helping to maintain London's pre-eminent position, not just in the culture and creative industries but its position as a first tier global city. To date, the initiative has been funded from corporate underspend on an ad-hoc basis and through the valuable contribution of existing staff across the core partners but following its successful launch additional resource is now required to enable its further development. This resource will facilitate the deployment of a distributed model and allow Culture Mile to be developed over an initial two-year period, including exploration of alternative business models. This model avoids the inefficiency and potential for duplication that would otherwise arise from the creation of a new team based entirely at Guildhall by embedding work streams within existing teams across the partners. It is therefore recommended that Members approve the recommendations set out in this report.

Appendices

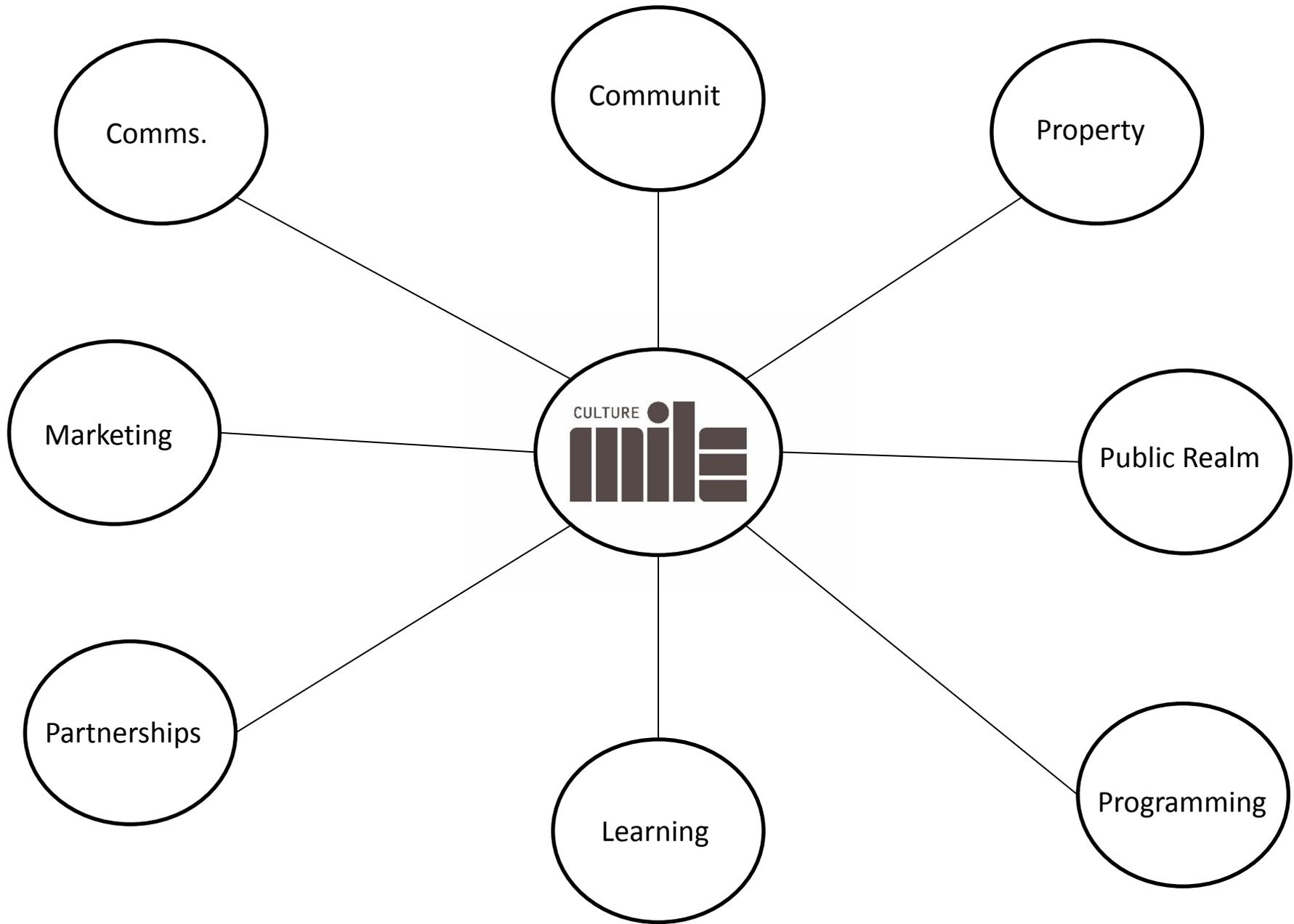
- Appendix 1 – Culture Mile Distributed Model
- Appendix 2 – GCDN Research extracts (Montreal and Vienna)
- Appendix 3 – Culture Mile Objectives Overview

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Appendix 2

GCDN Research extracts (Montreal and Vienna)

The Quartier des Spectacles Partnership – Montreal, Canada

The Quartier des Spectacles is a one square kilometer neighborhood boasting eight public spaces, over 80 cultural venues including 30 theatres and concert halls, along with commercial businesses, restaurants, and residences. The Quartier welcomes 1.7 million spectators to its indoor venues and the 40 festivals that take place in public spaces attract [specific #?] millions.

In 2003, the City of Montreal created the Quartier des Spectacles Partnership as the official steward of the District, with the primary mandate to create a collective vision for the development of the area, including a programming strategy for nonfestival times. The Partnership operates on a budget of roughly CAD\$7 million, most of which comes from the City of Montreal and some from the Provincial government of Quebec.

The Partnership has several mandates:

- 1) To manage the public spaces of the Quartier as programmable outdoor venues;
- 2) To illuminate the Quartier through a unique branding strategy using light. This include a shared lighting signature in front of cultural venues in the Quartier; architectural lighting; and video projections on nine permanent projection sites;
- 3) To animate the Quartier's public spaces, to compliment the various festivals and events happening throughout the year.

Museumsquartier Wien: Vienna, Austria

The initial initiative for building the Museumsquartier Wien as an inner-city cultural district was first put forward by the federal government of Austria and therefore “was based financially on a central-local state partnership and legally on a division among urban zoning and national heritage competences.”³⁵

The MuseumsQuartier Wien (MQ)³⁶, boasts itself as “one of the ten largest cultural complexes in the world,” covering a nearly 60,000m² area. It features nearly 70 cultural facilities³⁷, including a variety of cultural institutions along with restaurants, and cafés. It also features venues for performing arts, music, fashion, dance, and design; alongside literature, children's culture, new media, game culture, and theater. In addition to the larger cultural institutions, the Quartier also houses smaller cultural initiatives, cultural offices, shops and restaurants. Events and festivals take place in the open public spaces and winter events are held in interior covered courtyards. The MuseumsQuartier attracts nearly 3 million visitors per year³⁸.

The MuseumsQuartier Developing and Operating Company was founded under a special Federal Law in 1990. Owners and shareholders are the Republic of Austria and the City of Vienna (75% / 25%), whose original investment to build the complex was around 200 million euros. The MQ is an agglomeration of institutions with cultural and cultural-commercial activities. The different institutions are economically and programmatically independent and they are tenants of MQ D+O. The operating and

programming budget of all cultural institutions within the MQ complex total approximately €35 million per year³⁹.

The MQ D+O Company is responsible for Facility Management, the economic use of the area (permanent and temporary lease and rental contracts for shops, restaurants, apartments, negotiation of sponsoring contracts, etc.), for national and international site marketing and finally also for performances in the courtyards and open areas and for the economic development of the entire complex. MQ D+O's annual budget is around € 6 million (not including finance costs), of which 75% is self-financed and 25% obtained from subsidies from the Austrian Federal Government and the City of Vienna⁴⁰.

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Culture Mile Objectives Overview



Strategic Objectives

- i. Contribute to changing perceptions of the City to ensure it is recognised as a global leader in culture as well as commerce
- ii. Develop Culture Mile as a vibrant and welcoming cultural & learning destination for all - residents, workers and visitors

| Culture Mile Workstream | Staff costs (000) | Activity (000) | Total Budget (000) | Objectives |
|---|-------------------|-------------------------|--------------------|---|
| Central Co-ordination | | 125 | 0 | 125 1. Provide oversight and co-ordination of Culture Mile delivery 2. Development, manage and oversee Culture Mile budget and business model 3. Maintain Excellent stakeholder relations across Culture Mile and with external partners 4. Provide central administrative support to Culture Mile work streams |
| Communications | | 73 | 8 | 81 1. Create and deliver three year Culture Mile Communications Strategy in collaboration with partners, especially marketing and programming 2. Build awareness of Culture Mile as a destination with press and wider public 3. Create and deliver PR campaigns for major Culture Mile events, programming announcements and Culture Mile initiatives 4. Establish robust communications process |
| Community | | 34 | 109 | 143 1. Devise a two-year Community Engagement Strategy in collaboration with partners, dovetailing with the City of London Corporation's Department of Communities and Children 2. Act as a two-way point of liaison for local communities, and advocate for the community within Culture Mile thinking and development 3. Create community participation in two flagship Culture Mile projects and up to four further projects that are responsive to the needs of the local community every year |
| Learning | | Education Board Funding | | 1. Complete the transition of the Learning and Engagement Forum and establish the infrastructure and strategy that will enable Culture Mile Learning to establish Culture Mile as a learning destination 2. Establish a collaborative learning programme that improves the fusion skills of Culture Mile Learning partners and their capacity to work together 3. Establish the Culture Mile Learning Challenge as a flagship fusion skills initiative that better prepares London's learners for employment |
| Marketing | | 90 | 332 | 422 1. Create and deliver three year Culture Mile Marketing strategy in collaboration with partners especially communications and programming – dovetailing with the City of London Corporation's Cultural Strategy. 2. Build awareness of Culture Mile as a destination driving footfall to the area and visitation to partner venues throughout the year, particularly at peak periods 3. Create and deliver marketing campaigns for major Culture Mile events (e.g. Smithfield 150 and Tunnel Project) 4. Utilise a range of marketing channels and manage social media communities 5. Establish robust marketing processes within new Culture Mile group 6. Act as brand guardian to ensure correct usage of brandmark and visual identity 7. To manage media buyers and creative agencies where required |
| Partnerships | | 129 | 53 | 182 1. Deliver up to 10 partnership projects through which the Culture Mile Network and 5 core partners work together to realise the ambitions of Culture Mile 2. Ensure effective working practices are in place 3. Increase support for Culture Mile from organisations based within and on the fringes of the area and broker quick win connections with core partners 4. Manage on-going relationships with organisations based within and on the fringes of the area to ensure they are appropriately engaged with the transformation of culture mile |
| Programming | | 57 | 300 | 357 1. Design and deliver three year Culture Mile programme which: - a. Aligns with the City's new Cultural Strategy b. Reflects the Culture Mile values of being joined-up, experimental, generous and agile c. Complements the 'Look and Feel' strategy and works collaboratively with the Built Environment team and its 'pop up' programme d. Demonstrates collaborative working between the 4 core partners e. Provides high quality content for a widening public to enjoy, contributing to building awareness of Culture Mile as a destination f. Establishes effective processes for safe and efficient delivery the programme |
| Culture Mile Public Art Programme (Pop-ups) | | Capital Funding | | 1. Develop and deliver a programme of pop ups in the public realm for 2018-19 in collaboration with partners - dovetailing with the City of London Corporation's Cultural Strategy. 2. Animate the Culture Mile area through a series of events and artistic installations during the course of the year to improve the visibility of art and culture and attract visitors in the area 3. Work with Culture Mile champions and network to promote the programme 4. Initiate and plan an annual Pop-up programme for 2019/20 & 2020/21 |

| | | | | |
|---------------------|----|-----------------|--------------|---|
| Property | 95 | 25 | 120 | <ol style="list-style-type: none"> 1. Raise the property profile of Culture Mile within the property industry 2. Liaise with property owners, occupiers and developers within Culture Mile and beyond 3. Liaise with and work with stakeholders through use of hoardings on building projects throughout the area 4. Liaise and work with stakeholders re: Culture Mile property matters 5. Monitor development pipeline for inward investment 6. Update the Culture Mile Property Strategy |
| Public Realm | | Capital Funding | | <ol style="list-style-type: none"> 1. Initiate high priority projects to improve the public realm as specified in the Look and Feel Strategy 2. Progress key projects in the Culture Mile area such as: Beech Street public realm, Museum of London public realm, and St Paul's area enhancement strategy |
| | | | Total | 1,430 |