

Committee(s):	Date(s):	Item no.
Hampstead Heath, Highgate Wood and Queen's Park Management Committee	23rd September 2013	
Subject: Review of Affordable Art Fair on Hampstead Heath in June 2013 and Proposals for 2014 and Beyond		Public
Report of: Superintendent of Hampstead Heath		For Decision
<u>Summary</u>		
<p>This report reviews the success of the Affordable Art Fair that was held at East Heath between the 12th and 16th June 2013. The fair attracted 16,500 (adult) visitors over the course of four and a half days generating £3 million of art work sales by the 113 galleries exhibiting.</p> <p>The report also sets out the potential proposal from the Affordable Art Fair to hold a further event on the back of the June 2014 art event.</p> <p>Recommendations</p> <p>That Committee:</p> <ul style="list-style-type: none"> • Note the relative success of the 2013 Affordable Art Fair in welcoming 16,500 (adult) visitors to the Heath and raising additional income for the hire fee of the site. • Approves the Affordable Art Fair continuing to be held in June and agrees a License for a three further years. • Approves hosting a second event following the Affordable Art Fair on a three year License and note the plans that are underway with regards to the inaugural GROW London event. 		

Main Report

Introduction

1. The Affordable Art Fair (AAF) was established in 1999 by Will Ramsay, founder, as a public showcase for contemporary art. Affordable Art Fairs events are now held successfully in Bristol, New York, Amsterdam, Milan, Seattle, Mexico City, Hamburg, Singapore, Hong Kong and Brussels as well as a bi-annual event held in Battersea Park, London.
2. Galleries exhibit original work including paintings, sculpture, photography and prints. AAF creates a relaxed, friendly, enjoyable family environment where the public can browse, enjoy and learn about contemporary art, which is also available for purchase.

3. It is an event which principally supports the visual arts, participation and learning. It is open to the public for four and a half days with two reception evenings, including one charity benefit night.
4. For the three years AAF Hampstead has been on the East Heath Fairground site, the fairs have collectively welcomed a total of 52,000 (adult) visitors with £8.4 million of art work sold by all the participating galleries exhibiting over this time. AAF does not take commission on artwork sold – this figure is solely based on the items sold by all the participating galleries.

Review of 2013

5. The third edition of AAF at Hampstead Heath welcomed 16,500 (adult) visitors over the course of four and a half days and £3 million of art work was sold by the 113 galleries exhibiting. The attendance figure dropped by a significant 2,000 visitors from the November fair in 2012 and was much lower than AAF forecast.
6. Whilst art sales increased slightly, AAF and many of the participating galleries were disappointed in the significant drop in visitor numbers from previous years. AAF are still analysing figures but believe the main reason was hosting this year's fair only seven months after the last one in November 2012. The drop in numbers impacted gate revenue meaning profitability was much lower than forecast (AAF estimated a 10% increase in attendance on 2012 figures).
7. Production costs increased due to potentially hot weather conditions and installing air conditioning (which requires significantly more power and fuel) for temperature control in the marquee. Marketing costs also rose as these can no longer be shared with the Battersea event.
8. Overall AAF made a small profit of just over £8,000. A detailed account of the 2013 AAF is appended to this report.
9. AAF's charity beneficiary was New End School Association, who raised £24,000 (including gift aid), as well as utilising the fair as a platform to promote the fundraising targets of the charity to a wider audience.
10. New marquee and production contractors proved to be very efficient. Making the most of the longer daylight hours at the new June time of year was very beneficial and the contractors were ahead of schedule for the build and breakdown.
11. The drop in gate revenue and the increase in production costs meant that the profitability of the event was compromised and less than 2012. However, overall feedback about the move to June from exhibitors and contractors was good, especially to move the fair away from AAF Battersea and for logistics.
12. 81% of visitors entered the fair using either a complimentary or discounted ticket.

Proposal for 2014 and beyond

13. Based on the success of the 2013 event in June, AAF would like to continue to secure the same dates annually (second week of June) for the forthcoming three years as a minimum. This reflects the success of the event and AAF's commitment to the Heath going forward.

Proposal for 2014 second event

14. Discussions have taken place with AAF about retaining the marquee for an additional week to enable a second event to take place on the back of the AAF in June 2014 and beyond. The Superintendent formally sought approval to the principle of adding a further event in January 2013, which was approved by your Committee and supported in principle by the Consultative Committee, this report finalises these arrangements.
15. The hire period for East Heath Fairground site would be extended by seven days where AAF would take over the site on 29 May 2014 and hand it back on 30 June 2014 before the peak summer season commences on the Heath in July.
16. The potential for a second event that requires only a week extension to the existing Licence could greatly assist in delivering additional revenue to support the Heath, vital at a time when budgets are constantly under pressure.
17. Adding an additional week hire into the License will allow AAF to share marquee overheads. Core venue costs to erect the marquee amount to £440,000. If these expenses can be shared with another event, maximising the usage of the marquee and the time on site, profitability for AAF and the City of London will increase in 2014 and beyond.
18. It is recognised that the second event has to compliment the Heath's activities and the nature of the surrounding community and therefore AAF would like to manage and launch a contemporary garden fair on Hampstead Heath in 2014.
19. Significant research suggested a gap in the London market for a garden fair modelled on the stylish European horticultural events and the surrounding nature and ecology of the Heath is a perfect environment for a fair of this nature.
20. The name of the fair will be a call to action, GROW London, with the same ethos as AAF of providing an accessible, relaxed, aspirational, educational, fun, community event for all ages to enjoy. It aims to be a one-stop shop for garden experts and enthusiasts looking for inspiration, high quality products, great plants and new ideas. It will break away from the existing conventional gardening shows with over 100 carefully selected exhibitors displaying a fantastic mix of plants and products with special emphasis on sustainability, ecology and community planting projects that aims to become an annual festival of flowers, gardening and environment.

21. In recognition of the extra week on site, AAF have offered the City of London £25,000 plus operations fee in the region of £7,000 - £10,000 to reflect additional resources associated with managing the additional event.
22. The two events combined would generate revenue for the City of London in excess of £90,000 for site hire fee and operations in 2014.
23. AAF are taking a big risk to launch a brand new event of this nature and have budgeted for a profit on the event by 2016, should the first event be a success. Provided the event is a success, the City of London would be able to negotiate an increased hire fee for the remaining period of the License.
24. AAF would manage the garden event in its entirety meaning that the City of London continues to deal with the same management staff who know the site, its limitations and who have built a good rapport with the neighbouring community.
25. Promotion of the Heath car parks will also continue which helps with additional income generation, particularly at Jack Straws Castle where the facility is seldom at capacity.

Strategic Implications

26. This proposal supports the City Together Strategy of being “vibrant and culturally rich”. It also helps to support the Open Spaces Business Plan improvement objective of “Marketing our services and adapting events and education programmes to deliver opportunities particularly for young people”.

Financial and Risk Implications

Financial

27. In 2012 AAF Hampstead made a small profit of £15,000. The City received a £30,000 fee for use of the site and a further £25,000 towards operational costs of staff time, transport and materials.
28. In 2013 AAF Hampstead made a lesser profit of £8,000 due to increased costs and a decrease in ticket sales due to a decline in visitor numbers. The City received a £35,000 fee for use of the site and a further £25,000 towards operational costs of staff time, transport and materials.
29. In 2014 the City is seeking a fee of £60,000 for the use of the site for the two events that will contribute to the management of the Heath plus £35,000 for operations.
30. A more detailed analysis of the costs associated with holding the Affordable art Fair and GROW London event during 2014-2016 is included in the non-public agenda.

Risk Implications

31. These are set out in the detailed GROW London 2014 proposal. Ultimately it is a commercial decision for AAF to determine whether or not to hold any event on the Heath. Despite less profit than expected for AAF in 2013 and the financial risk in 2014, adding in a second event in order to split the overheads is a risk AAF thinks is worth taking in order to maximise profitability for AAF. Without being able to reduce venue costs and therefore increase profitability there is a very limited future for AAF on Hampstead Heath. Seeking a significantly increased fee for the two events could potentially result in AAF seeking an alternative London venue.
32. AAF spent considerable time looking into options of sub-letting the venue, thereby reducing financial risks. However, other risks were deemed much greater. Another event organiser using the venue could potentially jeopardise AAF the week before through competition; damage the reputation of AAF; damage the relationship and agreements between AAF and the City of London; create an additional work load for the City of London for managing an outside company; and disrespect the ties AAF have built up with the local community.
33. The ability to earn additional income from the East Heath fairground site was a matter that was raised with many local groups and Societies at meetings held during 2011, about budget reductions. There was a consensus that this area of the Heath could accommodate additional events, if they were complementary to the Heath and local area. The provision of an art fair followed by a garden fair will build upon community partnerships whilst highlighting East Heath Fairground site as a unique, premier destination for popular culture events.

Legal Implications

34. Under article 7(1)(bb) of the Ministry of Housing and Local Government Provisional Order Confirmation (Greater London Parks and Open Spaces) Act 1967 ("the Order") the City may provide exhibitions and trade fairs on the Heath for the purpose of promoting the arts.
35. Under article 7 of the Order the City may erect structures and set apart or enclose a part of the Heath. Under article 8 of the Order the City may enter into a Licence with any person to provide such an exhibition or trade fair subject to such terms and conditions as to payment or otherwise as it considers desirable, and to sell goods. Under article 10 of the Order the City may authorise the Licensee to make reasonable charges for admission.
36. AAF would be responsible for securing all necessary permissions to host both events.

Property Implications

37. The City Surveyor supports the proposal as an appropriate use of the City's assets. In order to protect and maintain Hampstead Heath, it is to be ensured

that a Licence granted to the AAF will contain appropriate indemnity, repair, reinstatement and health and safety provisions.

Conclusion

38. Overall the feedback on the fair has been positive and many views favour an annual fair on the Heath as it underlines the area's rich traditions with the arts and incorporates many community values, whilst creating an invaluable revenue stream for the City of London that has the potential to increase each year.

Appendices

- AAF Post Fair Report 2013
- GROW London Press Release

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