

<b>Committee(s):</b>	<b>Date(s):</b>
Culture, Heritage and Libraries	13 July 2015
<b>Subject:</b> Great Fire of London: estimated value of benefit-in-kind to be received by Artichoke for September 2016 events	<b>Public</b>
<b>Report of:</b> Director of Culture, Heritage and Libraries	<b>For Information</b>
<b>Summary</b>	
<p>Earlier this year, your Finance, Policy &amp; Resources, and Culture, Heritage and Libraries Committees approved a sponsorship package of £300,000 for Artichoke to develop a series of high-profile events to commemorate the 350<sup>th</sup> Anniversary of the Great Fire of London. Under the terms of the agreement, the City Corporation will be credited as Founding Sponsor.</p> <p>In your consideration of the Artichoke application, your Finance Committee requested that a report be returned to the Culture. Heritage and Libraries Committee which estimated the benefit-in-kind that the City Corporation was likely to offer Artichoke in support of the events they had proposed. A key purpose of this was to calculate a total value of City Corporation support so that Artichoke may then use this to leverage contributions from others.</p> <p>Following discussions with the lead departments and teams involved in facilitating and supporting the proposed Artichoke programme, this report estimates an additional total value of just over £113,000 in staff time, services and waived fees, assuming an international conference, two major public events and the subsidiary events suggested in the Artichoke proposal. All of these events are subject to further sponsorship being found by Artichoke and may change in shape, magnitude and content depending on a wide variety of factors. For this reason, estimates are indicative only and have been based on comparable events already hosted by the City and for which costs are known.</p>	
<b>Recommendation(s)</b>	
<p>It is recommended that:</p> <ul style="list-style-type: none"> <li>• Members receive and note the contents of this report</li> </ul>	

## Main Report

### **Background**

1. Following the recent approval of £300,000 sponsorship by your Finance Committee to leading UK creative company Artichoke for a 350<sup>th</sup> anniversary commemoration of the Great Fire of London, Members requested a report be returned to this Committee outlining the value of the benefit-in-kind (BIK) that Artichoke are likely to receive from the City Corporation in respect of the

events they have proposed. The purpose of this exercise was to support the company in their drive to achieve a total target of £3m in sponsorship, with the BIK value providing further leverage for match funding.

2. This report seeks to provide a broad indication of the value of BIK that Artichoke will receive following detailed consultation with the lead departments and teams involved in facilitating and supporting the Artichoke programme. Others from across the organisation will undoubtedly play a role but, at this early stage, it is too difficult to calculate what that input (and the value of it) might be.
3. The estimates assume support where this can be offered using officer discretion only and relate solely to the Artichoke contingent of the Great Fire programme (i.e. those events that it is proposed Artichoke will produce as their own during the period 1-4 September 2016). Events produced by City Corporation venues – such as exhibitions at Guildhall Art Gallery, the Heritage Gallery and/or the Museum of London – are not considered as these are part of our “business as usual”, delivered outside of the scope of main Artichoke programme and do not provide direct benefit to the company.

### **Current Position**

4. It is too soon for the exact detail of Artichoke’s programme to be known and so, based on the initial proposals submitted to your Committee, officers have made some broad assumptions using comparable events to estimate the BIK value. These assumptions are as follows:
  - a. Two major public spectacles will be presented by Artichoke, attracting thousands to the City over two days (the Lord Mayor’s Show is used as the comparator)
  - b. A major international conference will take place at the Barbican (other Barbican conference bookings are used as a comparator)
  - c. Subsidiary events at Monument, Guildhall Yard and in other City spaces will complement the major spectacles (the Magna Carta Son et Lumiere this September and previous events on the Monument piazza are used as comparators)
5. From this base, officers have calculated the value of the staff time, fees and services that they would ordinarily absorb in their own departmental budget for any major City-Corporation-supported initiatives, these costs being at the discretion of officers and met by local risk budgets. A number of fees, contractor costs and ancillary expenses that would normally be recovered have also been identified and these are listed (without a value attached) in appendix 1, along with the value of the BIK.
6. It should be noted that Artichoke’s proposed events are likely to change significantly in artistic content and scope as they develop their ideas with partners, authorities and sponsors. It is therefore emphasised that the full value of the BIK (as shown in appendix 1) should be regarded as indicative only and may go up or down depending how these factors influence the programme.

## Proposals

7. From detailed consultation with teams in Highways, Cleansing, Planning, Market and Consumer Protection, City Gardens, Visitor Development, PRO, Remembrancer's, Tower Bridge and Monument, Guildhall Library, LMA and Barbican, and based on current information, it is proposed that the total BIK value that will be received by Artichoke is £113,455, with £68,580 of this total being the value of staff time spent to facilitate and support the programme and £44,875 being the value of waived fees, marketing support, City discounts and other costs.
8. With the £300,000 cash support (awarded in April), this brings the full value of the Artichoke sponsorship package to £413,455. For this sponsorship package, the City Corporation will be credited "Founding Sponsor".
9. Further fees and expenses identified in the final column of appendix 1 that it is suggested would need to be recovered may yet be waived. Under current practice, these are recharged for all events of this nature and so would need to be the subject of another report to Members at a time when more detail around the programme is known and a compelling case for absorbing them can be made.

## Corporate & Strategic Implications

10. The Artichoke element of our Great Fire anniversary programme is critical to the success of other programmes and exhibitions being mounted by the City Corporation's venues as part of the commemoration. The profile and following of such a prestigious creative company as Artichoke will undoubtedly generate engagement with these "umbrella" events by association and ultimately help to achieve footfall and revenues.
11. The City Corporation's sponsorship of Artichoke is based on the achievement of a number of other strategic objectives which have been cited in previous reports. For clarity, these include:
  - a. alignment with the City Corporation's Corporate Plan KPP5 "increasing the impact of the City's cultural and heritage offer on the life of London and the nation";
  - b. alignment with the objectives originally laid out in *The City Together Strategy 2008 /14* under the two key themes: to support our communities and to deliver a City that is "vibrant and culturally rich";
  - c. alignment with the City's Visitor Strategy 2013/17 (action A1.11) and with the City's Cultural Strategy 2012/17 *Animating the Heritage* theme;
  - d. support of the vision outlined in the City's Education Strategy 2013/15 which states that "The City will maximise the educational opportunities that its cultural, heritage and environmental assets offer to City residents, the City schools and children throughout London";
  - e. alignment with major corporate objectives including our Supporting London agenda and the Cultural Hub proposition

## **Conclusion**

12. For the City Corporation to achieve the above objectives, it is imperative that the Artichoke programme delivers the level of interest and profile suggested. To do this, Artichoke must achieve maximum investment from third party funders. Without it, the programme may be compromised.
13. It is therefore imperative that the City Corporation makes every effort to support Artichoke's sponsorship drive by providing the seed funding and the highest possible match potential, so enabling the company to leverage funds from a good starting position.
14. The value of BIK offered by the City Corporation towards this project increases its initial investment by a further 37% and helps to do just that.
15. This value is only indicative and may go up or down depending on the factors that will influence the shape of the programme as discussed earlier in this report. However, the research behind the report provides the framework necessary for us to recalculate BIK, as the programme develops.
16. A full evaluation of the event and of our final BIK value will be submitted to Members following when the Great Fire anniversary is over at the end of next year.

## **Appendices**

- **Appendix 1**  
Great Fire of London: Nominal cost estimates for CoL sponsored Artichoke events, September 2016

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