

Committee(s):	Date(s):
Streets & Walkways Sub-Committee	22/02/2016
Projects Sub Committee	25/02/2016
Culture, Heritage & Libraries Committee	7/03/2016
Subject: Eastern City Cluster - Public Art (Year 5 & 6) – Gateway 6 update report	Public
Report of: Director of the Built Environment	For Decision

Summary

The purpose of this report is to update Members on Year 5 of the *Sculpture in the City* project as delivered in 2015; advise on preparations for Year 6 and seek approval of funding for the delivery of Years 7 to 9 (3 years) of the project which will be implemented from 2017 to 2019.

The *Sculpture in the City* project, now entering its sixth consecutive year, has been developed as part of a long-term vision to enhance the public realm and forms part of the Eastern City Cluster and Fenchurch & Monument Area Enhancement Strategy areas. It is aligned with objectives in the City's Cultural Strategy 2012/17, Visitor Strategy 2013/17 and the community strategy, The City Together.

The project is funded primarily through financial and in-kind support from external partners with an additional pump priming contribution from the City of London. Last year funding partners were 22 Bishopsgate, JSRE Ltd, Aviva, Aon, British Land, Brookfield, Hiscox, Tower 42, Willis and WR Berkley, along with four project patrons, 6 Bevis Marks, Leadenhall Market, MTEC Warehousing (art installation company) and Price & Myers. With 10 funding partners involved, Year 5 saw the greatest number of artworks (14 pieces in total) installed, reaching new geographical areas and connecting the project with local transport hubs. Feedback from Members, project partners, local stakeholders, schools and volunteers has again been very positive and the project has now become a key part of the City's extended cultural output.

Year 5 also received extensive local and international media coverage featuring in more than 70 arts, cultural and business focused articles and received over 1000 media mentions all over the world including such sources as the London Evening Standard, The Guardian, Wall Street Journal, the International New York Times, the Independent and Art Daily. Furthermore, new international artists and galleries have submitted their artworks for Year 6, showing the exposure achieved during Year 5 has led to greater interest.

Year 5 of the project also saw the creation of a partnership with the Royal Academy of Arts as the installation of the "Forever" piece by Ai Weiwei was held off until September 2015 to tie in with the retrospective exhibition of Ai Weiwei at the Royal Academy of Arts. *Sculpture in the City* was also presented as a reference during the Somerset House exhibition in January 2016 "Out There – Our post-war Public Art". These examples further reinforcing the credibility of the City's project from the art world.

For Year 6 it is proposed to build on the success of previous years by installing more artworks (15 -16 pieces) and delivering even more school workshops & community events than in Year 5. A short list of artworks from which those 15 to 16 artworks will be chosen has been selected by the Partners Board and presented to the City Arts Initiative; a copy of the shortlist has been made available in the Members' Reading Room.

For this year, officers are looking to secure £280k in total of external funding from project partners. To this end the project board and co-directors are actively exploring opportunities to grow the project by securing additional project partners, with strong leads being pursued. The City has already allocated £90k from Section 106 funding, as approved in May 2015. The project's scale and interest have significantly grown over the years and the City needs to

maintain the same percentage of total project cost as previous years. It is now proposed to increase this contribution by £30k to give an overall total contribution of £120K. This would allow for more ambitious/numerous installations for Year 6 and would equate to 30% of the total budget required for delivery of the project being provided by the City, with 70% secured from external partners (*please refer to budget breakdown table in Appendix C*). The funds will enable the City to maintain its leading role as project coordinator, managing the delivery team more efficiently by outsourcing project management services, steering the marketing campaign and delivering a better targeted communication strategy. This will enable the project to keep growing in a sustainable manner, maintaining and improving the quality of previous years. This will also allow delivering additional school workshops and community events in line with the City's Cultural strategy, which seeks to place cultural education at the heart of our offer while enlivening the on-street environment (also an objective of the City's Visitor Strategy 2013/17).

The project Partners Board, comprising senior representatives from the project partner companies, City of London Members and City officers, continues to serve as a successful mechanism for establishing project goals, selecting of artwork, promoting partnerships with local stakeholders and sourcing additional funding partners.

Last year (Year 5 of the project), an Art Advisory Board was set up within the project to preview and comment on all the proposed artworks. This board includes a major private collector, an art advisor from Hiscox (partner company), representatives from two influential UK based galleries being Whitechapel and the New Art Centre and a curator from the Barbican. This year, the panel has been expanded to include the curator and head of the Guildhall Art Gallery. This panel is reinforcing the credibility of the project and artistic merit of the selection process of the artworks and helps in generating enthusiasm from local galleries and institutions.

For future years (post 2016), it is proposed that the running of the project will be externalised and set up as a Charitable Trust. This will allow more efficient management of the project, use fewer resources from the City but allow the City to maintain a level of engagement with the project. Further details are provided in the "summary of progress" section.

Recommendations

It is recommended that Members:

- i) Note the contents of this update report and agree the shortlist of artworks for Year 6, a copy of the shortlist has been made available in the Members' Reading Room.
- ii) Approve an increase of £25,000 on the budget of Year 5 from TfL funding underspends in 2015/16, to cover additional costs that have incurred in the delivery of last year's project due to the unforeseen need to remove a piece earlier than programmed.
- iii) Approve an additional contribution of £30k to the sum of £90,000 already approved in May 2015 (bringing the total City contribution to £120k) for the implementation of this Year's project, funded from the existing 22 Bishopsgate S106.
- iv) Approve the appointment of the specialist consultants (Lacuna PR Ltd, A et Cetera, Open City Architecture, Brunswick Media and Sally Bowling) and the tender exercise for the art moving specialists as described in the procurement section.
- v) Authorise the Partner Board to establish a Charitable Trust.
- vi) Approve a contribution of £360k from the S106 obligation connected with the Pinnacle development at 22 Bishopsgate to cover a capped 3 year commitment to support the running of the project by a Charitable Trust between 2017 and 2019.
- vii) Delegated authority be given to the Director of Transportation and Public Realm and Head of Finance to adjust the project budget between staff costs, fees and works providing the overall budget is not exceeded.

Gateway 6: Progress Report

Reporting Period	May 2015 – February 2016
Summary of progress since last report	<p><u>Year 5 (2015-2016)</u></p> <p>The fifth year of the project, launched in July 2015, was regarded as the most successful yet and featured 14 sculptures by globally established artists including:</p> <ul style="list-style-type: none"> • Ekkehard Altenburger (Germany) – 1 artwork • Bruce Beasley (USA) – 1 artwork • Adam Chodzko (UK) – 1 artwork • Laura Ford (UK) – 1 artwork • Damien Hirst (UK) – 1 artwork • Shan Hur (Korea) – 1 artwork • Folkert de Jong (Netherlands) – 1 artwork • Sigalit Landau (Israel) – 1 artwork • Kris Martin (Belgium) – 2 artworks • Keita Miyazaki (Japan) – 1 artwork • Tomoaki Suzuki (Japan) – 1 artwork • Xavier Veilhan (France) – 1 artwork • Ai Weiwei (China) – 1 artwork <p>In 2015, the project included the largest quantity of pieces to date and some of the most ambitious installations so far. The project achieved greater public impact by installing artwork in new areas, and extending the zone towards the junction of Bishopsgate and Leadenhall Street.</p> <p>This year also saw the creation of an exciting partnership with the Royal Academy of Arts with the <i>Sculpture in the City</i> installation of the “Forever” piece by Ai Weiwei being held off until September 2015 to tie in with the retrospective exhibition of Ai Weiwei at the Royal Academy of Arts. It is hoped to build on this partnership for Year 6 of the project as such relationships further reinforce the credibility of the City’s project within the art world.</p> <p>In addition to the art installations, 36 on-site school workshops were organised by Open-City London, offering interactive activities to 220 children from 9 schools within the City and adjacent boroughs. Also, community events were organised as part of the Archikids Family Festival (July 2015) and the London Open-House weekend (September 2015) during which free tours were offered to visitors. These events generated a lot of interest, with approximately 450 and 300 children and adults participating in the respective events.</p> <p>The project was featured in more than 70 arts, cultural and business focused articles and received over 1000 media mentions all over the world. Publications included international coverage from London Evening Standard, The Guardian, Wall Street Journal, the International New York Times, the Independent and Art Daily.</p> <p>Building upon the success of previous years, a panel discussion was held in October 2015 as part of the International Frieze Art Fair. The debate involved high profile panel members and was kindly hosted by Hiscox. The event was again very well received by attendees.</p> <p>Officers found that early liaison with the City’s Access, Development Management and Highways teams was vital to ensuring that appropriate requirements, such as plinth dimensions and positioning, were taken into account in the selection of locations for the artworks.</p>

Year 6 (2016/17)

Preparations for Year 6 of the project, to be delivered in summer 2016, are well underway and partnerships with the City's external partners have been reconfirmed. Officers have worked closely and consulted on the shortlist of artworks with different departments within the City, including the City Arts Initiative, the Access Team, Highways and Development Management, in order to take early account of their views regarding the artworks considered in this year's project. Early liaison with the respective City sections has been actioned as a priority and close working relationships with colleagues is considered key to the successful delivery of the project.

In terms of funding, the overall projected external financial contributions from project partner's amounts to a total of £280k. This is based on securing two additional project partners when compared with Year 5. In addition to the external and City financial contributions, the following "in kind" contributions have been confirmed for Year 6.

Contributor	Cash (£)	In Kind (£)	Total (£)
City Of London s106 funding	120,000	5,000	95,000
CoL (Use of Leadenhall Market space)		5,000	5,000
City Businesses	280,000	20,000	300,000
Hiscox (insurance)		15,000	15,000
launch event (Aviva)		5,000	5,000
Galleries/Artists		*285,713	285,713
Price & Meyers (Structural engineering services)		10,000	10,000
Total	400,000	345,713	715,713

** based on the commercial rate average for rental of artworks at a collective value of £4,082,833.00.*

For Year 6, the project Partners Board members agreed in January 2016 the following points:

- To continue to promote the project to local businesses, with a view to bringing two additional partners on board;
- To select artwork that is robust and easy to maintain, clean and repair in order to avoid the removal of artwork as a result of damage and potentially undertaking restoration costs. In addition, the artwork selected should be suitable for display in the public realm;
- To focus on maintaining the high quality and critical mass of artworks, despite the increase in project size;
- To work with a range of galleries, and to feature both established and emerging artists;
- To maintain an external consultant, Lacuna PR Ltd, as the Co-Director of the project to manage the relationships with the external partners and ensure a successful communication strategy. Lacuna PR Ltd has been involved in the City's public art project since its inception in 2010 and forms an essential part of the team to continue to deliver the project;
- To continue connecting the project to local attractions, for example Leadenhall Market and public transport hubs (Liverpool Street station);
- Extend the area boundary towards Aldgate and Fenchurch Street, south east of the previous boundary;

- To maintain and improve the social benefits of the project through the provision of additional school workshops. *Open-City* (external consultant), will continue to deliver the events; 9 schools will be participating this year (1 more than in the previous year) and 24 - 30 on-site school workshops will be delivered;
- To hold another public art debate as part of the Frieze International Art Fair in October 2016. The venue and the speakers should be adequately selected;
- To continue bi-monthly meetings with the Communications Sub-Group (comprising members from the project partner organisations), aiming to deliver a broader and more successful communications strategy and PR campaign.
- To begin the process of setting up Sculpture in the City as a Charitable Trust in order to be operational from Year 7 onwards.
- Each partner will commit to the Sculpture in the City project for another 3 years from Year 7 (2017) to Year 9 (2019).

Year 7 to 9 (2017-2019) – SitC as a Charitable Trust

The Partner Board members agreed that the public art project will be set up as a Charitable Trust from Year 7 and beyond. Given its increased scale and profile as well as its sixth year of running, the City's leading role as project coordinator is becoming considerably more challenging and is requiring significantly more resources.

It is therefore proposed to externalise the project to allow for a more effective delivery of Sculpture in the City and enable the project to expand further. The benefits of externalising the project include:

- removing the financial risk from the City as this would be held by the Trust;
- simplifying the procurement process and therefore needing less resources to operate the project;
- business contribution from each partner likely to increase and other sources of funding, open only to Charitable Trust, will become available to broaden the scope of the project;

Other components of the project will also become more flexible, such as the educational and volunteering programme, as well as the use of a dedicated website and social media for Sculpture in the City in order to be more in line with the modern trends.

The resources needed from the City will be significantly decreased but the City will still maintain a key role in the project, including:

- Taking part into the decisions made on the project as a Trustee of the Sculpture in the City Board
- Approving the funding contribution and the City involvements in the Trust through the Culture, Heritage and Libraries committee
- Approving artworks through the City Art Initiative
- Reviewing the Planning applications for the artworks
- Giving the Highway authorisations for the installations and de-installations of the pieces
- Reviewing and approving the Health & Safety Risk Assessments

It is proposed that the public art project will continue to be delivered as an annual rolling programme, renewed every summer, and members will be updated on the progress of it with an annual update committee report.

Financial support for Year 7 to 9 (2017-2019) of the £120k per annum and a contract will be put in place between the City and the Charitable Trust.

A similar contract and commitment is being sought from all other partners involved in the project ensuring the City is not in a position of underwriting the project once it is set up as a Charitable Trust.

Discussions will be held with Legal and Chamberlain’s department to develop the contract and the legal agreement between the City and the Charitable Trust.

Next Steps Programme

The key dates for Year 6 (2016) of the project are as follows:

• February/March – Selection of shortlisted artworks
• April – Submit planning applications for artworks
• May – De- installation of artworks Year 5
• June – Installation of artwork Year 6
• July – Launch event, “Sculpture in the City 2016”

It is proposed to plan the delivery of the project over three years on a rolling basis when the project will be set up as a Charitable Trust, and engage businesses and galleries over a programme for Years 7 to 9. This would enable robust financial planning, facilitate Corporate Social Responsibility input from the project partners, enable businesses to make decisions in good time before the end of the financial year, and allow the galleries to contribute more fully as they plan their exhibitions two years in advance. This would also provide flexibility to allocate funding over the 3 year period and to plan for changing artworks on a 6 or 12 monthly basis, depending on what may work best for the project, galleries, partners and the City.

Budget

The implementation of Year 5 (2015) of the project proved to be considerably more challenging, and it required significantly more resources (fees and staff costs) when compared to previous years.

Furthermore, the overall increase to the project budget from external partners was not achieved for year 5 (anticipated to be £280k) due to the unforeseen loss of one of our project partners following change of ownership of 30 Mary Axe. An additional project partner was however secured which balanced out the budget at the time.

Additional costs have also been incurred on the Year 5 project budget due to the need to remove of a sculpture ahead of its programmed de-installation in May 2016. It is necessary to return the sculpture urgently as the gallery loaning it has sold the artwork. The extra costs are for works to remove the piece, reinstate the highway, update the maps/brochures and associated staff costs for managing this standalone de-installation.

As a result, it is proposed to utilise the TfL 2015/16 underspends funding to cover these additional costs. This money would otherwise be returned to TfL. *(Please refer to Appendix C for full breakdown of costs)*

In Year 6 it is expected the cost of delivering the project will be greater than in Year 5. This is to allow the City to build on the success and exposure of the project from previous years. The increased cost of the project will be fully met, and limited by, by the financial contribution from external partners.

The increase in cost represents:

1. Planned project growth, scale and scope.
2. Greater project delivery costs as a result of installing more artworks (15-16 pieces in total) as well as larger artworks.
3. Increase in costs to organize and deliver additional school workshops and community events.

4. Increase in costs to deliver a better targeted promotional campaign and communications strategy.

Funding sources for Year 6 are as follows (*please refer to Table 02*):

- Projected income from confirmed external partners amounts to a total of £236k with a total of 10 project partners for this Year's project. Confirmed financial contributions in Year 6 are from:
 - Hiscox
 - Aviva
 - Aon
 - Willis
 - Tower 42
 - British Land
 - JSRE Ltd
 - Brookfield
 - WR Berkeley
 - 22 Bishopsgate
- The Sculpture in the City board members are seeking to secure additional project partners and increase the external funding provided to deliver the project to £280k.
- The City's contribution will be capped at £120k, funded from environmental enhancement contribution via s106.

Increasing the budget but keeping the delivery format as Year 5 will enable the City to successfully manage the project, given its increased scale and profile, and maintain a leading role as project coordinator.

Taking account of the increased external contributions from the project partners, this means that the City will fund 30% of the total capital value of the project; with external partners providing 70% of the project value (*please refer to Table 01*).

Table 01. Financial contributions; Years 1 - 6

Annual project	External contributions (£)	Percentage of total project cost External contributions (%)	City contributions (£)	Percentage of total project cost City contributions (%)	TOTAL PROJECT VALUE
Year 1 (2011-2012)	£24,500	28%	£63,269	72%	£87,759
Year 2 (2012-2013)	£79,500	52.5%	£72,000	47.5%	£151,500
Year 3 (2013-2014)	£170,000	76%	£54,000	24%	£224,000
Year 4 (2014-2015)	£220,000	71%	£90,000	29%	£310,000
Year 5 (2015-2016)	£240,000	73%	£90,000	27%	£330,000
Year 6 (2016-2017) (projected income)	£280,000	70%	£120,000	30%	£400,000

Table 02. Projected funding sources (Year 6)

Funding source	Purpose	amount (£)
City of London Contribution (S106 agreement - Pinnacle development)	Project delivery & consultant fees	£120,000.00
External contributions (<i>projected income from current project partners</i>)	Project delivery	£280,000.00
Total projected funding sources)		£400,000.00 *

* Please refer to Appendix C for full breakdown of costs.

	<p>As described above the City currently contributes to the costs of the project delivery by allocating Section 106 funding received from developers that can be used for environmental enhancement within the area. This remains the proposed source to fund Year 7 to Year 9 of the project in 2017-19.</p>
<p>Procurement</p>	<p>The unique nature of the project requires a specific range of specialist external consultants. Experience and successful delivery of the project has shown that it is important to maintain good working relationships with project partners, land owners, galleries and artists.</p> <p>To build on the success of the previous years, it is propose that the City appoints the same external consultants as utilised in Year 4 and 5 for the delivery of Year 6, therefore maintaining the professional continuity of the project management and project delivery:</p> <ul style="list-style-type: none"> • Lacuna PR Ltd to be appointed as the co-director of the project to manage the relationships with the external partners, galleries and artists, and to ensure a successful communication strategy. Lacuna PR Ltd has been involved in the project since its inception in 2010 and forms an essential part of the delivery team. Lacuna PR Ltd brings specialist art and event consultancy skills and is recognised by the partner board as essential to the delivery of the project. <p>As with previous years, Lacuna PR Ltd will be appointed on a stage payment performance contract, with payment related to obtaining a set number of artworks/partners and a base fee of £39,850. This contract is incentivised in allowing an additional 10% commission against the cash contributions made by partners, thereby ensuring high levels of client management and fundraising performance. At the expected level of partners' contribution, Lacuna fee is anticipated to be in the region of £60,000.</p> <ul style="list-style-type: none"> • A et Cetera to be appointed as the project manager, supervised by CoL officers, to a total cost of £45,000. A et Cetera were integral to the successful delivery of Year 4 and 5 of the project and provide the specialist project management skills required to delivery this resource intensive and technically difficult project. The outsourcing of the project management for a capped fee will optimize the delivery of the scheme. The main responsibilities will include planning and organising the installation and de-installation of the artworks, liaising with galleries and resolving technical requirements for the installation and de-installation of sculptures, preparing and submitting planning applications for the artworks, preparing Health & Safety Risk Assessments, overseeing on-site installation and de-installation works by the art handling company and general project management tasks and on-going administration of the project. • Open City Architecture to be appointed as the education and community programme providers for Year 6 of the project at a total cost of £56,000. Open City Architecture have been working on the project for four years now, successfully growing the number of workshops and community events over the years and generating good feedback from Members and the partners board. Open City Architecture are the only such education provider capable of providing the education and engagement programme required for the project and they are required by project partners to satisfy many of their Corporate/Social Responsibility requirements. • Brunswick Media to be appointed for a total of £20,000 for the provision of specialist PR and marketing services. The media exposure provided by Brunswick Media was fundamental to the successful delivery of Year 4 and 5 of the project and project partners expect this to be another key output of Year 6 of the project.

	<ul style="list-style-type: none"> • Sally Bowling to be appointed as the conservation and maintenance consultant for Year 6 at a total cost of £10,000. Sally Bowling is the only artwork conservator that the galleries and artist will allow to maintain and inspect their artworks and she has been involved in the project since 2010. <p>MTEC Warehousing has been involved in the project since its inception in 2010, and undertakes the transportation, installation and de-installation of the artworks. The OJEU (Official Journal of the European Union) limit has now been reached for the art handling company and therefore a tender exercise will be undertaken to appoint a specialist to do the de-installation and installation of the artworks Year 6 and beyond. Following the tender exercise, a framework will be put in place between the selected company and the City. This contract will be transferred to the Charitable Trust once established for Year 7 onwards.</p> <p>Discussions regarding the appointment of the specialist external consultants for Year 6 of the project have been held with the City's Procurement Service (CLPS). A waiver form as completed by the Director of Transportation and Public Realm will be required for the appointment of Lacuna PR Ltd, A et Cetera, Brunswick Media and Open City Architecture for Year 6, with Sally Bowling being a direct appointment as the sole provider. The installation company will be appointed after a tender exercise to test the market.</p> <p>Any highways and electrical works being undertaken on the City's highways will continue to be undertaken by the City's term contractor, JB Riney.</p>
Lessons	<i>See Appendix E</i>
Risk	<i>See Appendix E</i>
Success Criteria	<i>See Appendix E</i>
Link to Strategic Aims	<i>See Appendix E</i>
Communications	<i>See Appendix E</i>
Benefits achievement	<i>See Appendix E</i>
Next Progress Report	Spring 2017

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Appendices

Appendix A	Map of sculpture space, Year 6. Boundary Area.
Appendix B	Value of Artwork – Year 6 (2016 -2017)
Appendix C	Budget breakdown – Year 6 (2016 -2017)
Appendix D	Shortlist of artworks proposed for Year 6 (Members Reading Room)
Appendix E	Risk, Success Criteria, Link to Strategic Aims, Communications Benefits achievement and Lessons sections
Appendix F	PT4 committee procurement report