

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. Its 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

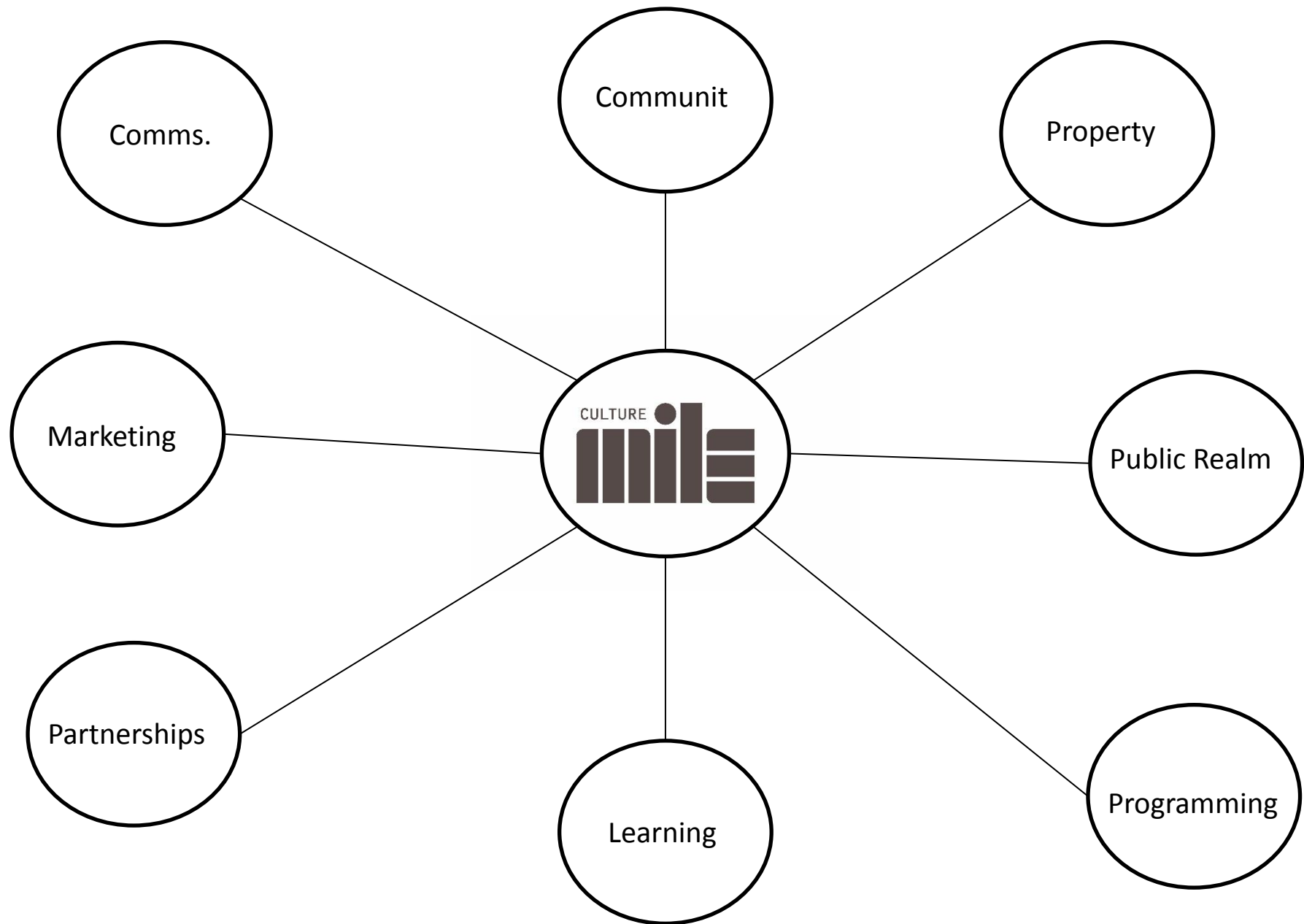
Matthew Pitt

Policy and Projects Officer

T: 020 7332 1425

E: matthew.pitt@cityoflondon.gov.uk

Appendix 1



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.