



# Community Infrastructure Levy Neighbourhood Fund

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**Assessment Pack – March to June 2024**

**London Symphony Orchestra (22243)  
Insurance Museum (20400)**

## **COMMUNITY INFRASTRUCTURE LEVY NEIGHBOURHOOD FUND**

**London Symphony Orchestra (Charity Reg. 232391) (ref. 22243)**

**Amount requested: £454,642**

**Amount recommended: £454,642**

**Purpose of grant request: LSO St Luke's Future Ready: a world-leading hub for musical creativity, learning, performance and recording, nationally important and locally cherished.**

**Type of cost: Capital**

**Ward(s) benefitting: All wards**

### **The Applicant**

The London Symphony Orchestra (LSO) was established in 1904 and registered as a charity and company limited by shares in 1964. This structure, approved by the Charity Commission, was chosen for historical reasons and to enable the Orchestra's musicians (the 'shareholders') to have a say in the way that the Orchestra is run. However, unlike most companies limited by shares, the members are unable to receive dividends or benefit financially from any surplus within a given year. This is outlined in Clause 5 of the charity's Memorandum of Association. The charity aims to inspire hearts and minds through world-leading music-making, promoting, and advancing musical education, and encouraging participation in the arts. LSO has two wholly owned subsidiaries, each of which has its own Board of Directors which includes representatives from the LSO Board.

It has 78 full-time and eight part-time employees, and 17 trustees. The Board of Directors comprises playing members of the Orchestra (who hold a majority on the board) and non-playing members. LSO performs around 120 concerts annually through its residency at the Barbican (70 concerts), international residencies, and global tours, with world-renowned players, conductors, and soloists. It also reaches over 60,000 people through its award-winning education and community programme – LSO Discovery – established in 1990. Through early years workshops, youth choirs, community music groups, music training for teachers, school sessions and support for young talent, the programme creates opportunities for people of all ages, abilities, and cultural and socio-economic backgrounds to engage in music. Developing their creative and personal skills, enhancing community cohesion, and reducing social isolation within some of London's most disadvantaged areas.

### **Background and detail of proposal**

LSO is requesting £454,642 across two years to contribute to a wider £7million capital project to reconfigure LSO St Luke's to upgrade its physical and digital infrastructure enabling it to increase the volume, range and quality of all LSO activity.

LSO St Luke's is a music education and performance venue. By also providing essential space for rehearsals and recordings, concerts and other performances, LSO St Luke's is an essential enabler of its Barbican residency and wider work in the City. LSO St Luke's is the only permanent venue in the area for classical music-based learning and community activity. The building sits just outside of the Square Mile boundary, residing in Islington. LSO work closely with partners at the City of London Corporation, Barbican Centre and Guildhall School of Music & Drama (GSMD) to ensure programmes do not overlap and provide an offering to local residents, those working or studying in the City and surrounding areas, and those from further afield. Complementary activity includes GSMD students using St Luke's for training in many aspects of professional musical life, and the community voices Gospel project involving those living and working in the City, who are also among the regular audiences at lunchtime concerts.

The capital project will renew the physical and digital infrastructure at LSO St Luke's – a transformational initiative for LSO. It will enable the organisation to capitalise fully on business model changes, providing a more sustainable long-term model. Futureproofing is necessary to sustain the quality, scope and impact of the Barbican residency. With rehearsal time in the Barbican Hall under pressure, LSO need to enable greater use of LSO St Luke's, not least because Barbican concerts provide additional income from broadcasts, recordings and touring, supporting its wider business model. Acoustic improvements delivered through the wider project will enable the Orchestra to make best use of the Jerwood Hall at LSO St Luke's, sustaining the quality of performances and relieving reliance on other commercially hired spaces where diary time is also in short supply. It will enable LSO to switch easily between different performance and audience formats, providing more immersive and intimate experiences, as well as widening the LSO Discovery offering.

Funding requested will support reconfiguring and upgrading spaces including layout changes in the basement. This will create new spaces for early years learning with a separate family room/baby change separate to WCs, and a Changing Places WC facility/shared family room and first aid facility. Spaces will be refurbished with new lighting adaptable to different modes to support a broader range of learners. These spaces will provide important break-out spaces for those with additional needs, including during relaxed performances. Installation of new systems for Building Management, Environmental Management, and new energy-saving LED lighting, will increase efficiency across the building, decrease its carbon footprint and reduce running costs.

The current LSO Discovery programme ranges from early years music storytelling work, to working with older adults experiencing loneliness and isolation. The refurbishment to the basement will enable a broader range of people have an increased range of opportunities for creative learning, through 530 additional days of LSO Discovery sessions, engaging families and children, and supporting people with different learning and perception abilities. LSO will engage with an additional 14,500 people on site per year. This will include Music in the classroom – teacher CPD opportunities, training for young people in digital and technical skills, workshops for schools and a greater offering of space for community partners. Digital recordings and broadcasts will reach a further 11 million people online. Reconfiguration of

internal layouts, together with acoustic enhancements, will allow mixed and concurrent activity across the building, unlocking operational efficiencies and smarter use of the building; being able to switch easily between different performance and audience formats.

LSO St Luke's will be an exemplar of an environmentally sustainable historic building with the total level of carbon emissions either reduced or maintained (compared with 157 tonnes of CO<sub>2</sub>e in 2019/20). Installation of new Building Management and Environmental systems will allow heating, ventilation, and hot water to be programmed around the new expanded weekly schedule and users. This will enable increased environmental efficiency across the building, decrease in carbon footprint and reduced running costs to support a new business model for LSO.

In developing refurbishment plans, LSO undertook a consultative process to ensure stakeholders of the building could contribute towards and help with refinement of proposals.

### **Value for money**

LSO has provided thorough reassurance of its tender process ensuring value for money is a key consideration within the decision-making process. Non-cost elements – e.g. experience and approach to challenges – will be part of the process as these aspects can potentially have a large impact on costs over the life of the project (and beyond). The tender bid best representing value for money (based on a range of factors including cost, programme, experience, management capability, etc.) at the conclusion of this process will be identified as the preferred contractor. A change management process is also in place.

LSO has undergone a period of fundraising for this £7million capital project and have raised over £5million. This funding request is part of the remaining fundraising push, with decisions on outstanding bids imminent.

### **Financial Information**

LSO's income is derived from statutory, charitable and earned. The organisation had a reduction in grant funding (approx. £210,000/year) from Arts Council England which takes effect for 2023/24. Although a large cut in ACE's grant, this is only around 1% of total income due to the LSO utilising a wide range of income streams. The reduction in ACE's support has been absorbed into the wider finances. Since the pandemic, LSO have prioritised sustaining activity and artistic ambition even though this has led to large operating deficits – some £1.5m in current financial year. These deficits have been largely funded through a temporary higher rate (50%) of Orchestra Tax Relief (OTR) which can be claimed from HMRC. In 2023/24, the extra OTR will generate approximately £1.2m leaving a residual deficit of £300,000 which will be funded from the Strategic Fund. The recent budget announcement to permanently set a higher rate of OTR at 45% from April 2025 means that this higher level of tax relief can be utilised to largely offset future expected operating deficits. As at year end 2023, the Strategic Fund sat at £2.7m. £1.5m has been allocated to the LSO St Luke's Future Ready project. The remaining £1.2m will be used to offset the residual operating deficits and to support key strategic initiatives as recovery continues from the pandemic. It is expected these funds to be exhausted by July 2026, at which point LSO aim to be operating back at a break-even model. LSO's initial estimates that it will still have a residual deficit of around £500k in 2025/26

financial year but various initiatives planned to mitigate this. These include additional fundraising plans and new sources of income from digital content. LSO's reserves policy sits between £2.5m and £5m and is currently operating just over this target and will sit within this target.

Year end as at 31 March	2023 Signed Accounts £	2024 Management £	2025 Budget £
<b>Income &amp; expenditure:</b>			
Income	21,518,000	20,488,000	21,355,000
Expenditure	(21,130,000)	(20,922,000)	(21,329,000)
Gains/(losses)	24,000	0	0
<b>Surplus/(deficit)</b>	<b>412,000</b>	<b>(434,000)</b>	<b>26,000</b>
<b>Reserves:</b>			
Total restricted	955,000	955,000	955,000
Total unrestricted	7,772,000	7,338,000	7,312,000
<b>Total reserves</b>	<b>8,727,000</b>	<b>8,293,000</b>	<b>8,267,000</b>
Of which: free unrestricted	5,336,000	4,902,000	4,876,000
Reserves policy target	5,000,000	5,000,000	5,000,000
Free reserves over/(under) target	336,000	(98,000)	(124,000)

## Recommendation

LSO is a well-regarded organisation, providing significant cultural capital to the City of London through its Barbican residency. It's community outreach work through LSO Discovery is of rich benefit to City communities, providing unique opportunities and advancing music education. This is a 100% capital project and will enable this work to be strengthened, reaching more people, provide an adaptive and inclusive offering and enable community partners further usage of the building. Despite LSO St Luke's being just outside the City of London boundary line, the registered office of LSO is within the City (Barbican Centre). There is also a strong argument of the impact of the work LSO is providing to City communities therefore meeting the CILNF's aims. This application was submitted prior to the policy amendment, where the policy stated – para 16 “...close to the City of London where projects support the development of the City.” A significant proportion of the fundraising for this work has been pledged, with the capital work request supporting the community aspect as well as enhancing the environmental efficiency of the building. Funding is recommended as below:

**£454,642 (£86,129; £368,513) for two years to fund LSO St Luke's Future Ready: a world-leading hub for musical creativity, learning, performance and recording, nationally important and locally cherished.**

## **COMMUNITY INFRASTRUCTURE LEVY NEIGHBOURHOOD FUND**

**Insurance Museum registered charity no. 1188138  
(ref. 20400)**

**Amount requested: £450,000**

**Amount recommended: £0**

**Purpose of grant request: Towards establishing the physical 'Mini Insurance Museum' in EC3 and to develop and deliver an education and outreach programme over the first three years.**

**Type of cost: Revenue & Capital**

**Ward(s) benefitting: All wards**

### **The Applicant**

The Insurance Museum (IM) is a registered charitable incorporated organisation (reg no. 1188138). IM is a young organisation, having only been founded in 2020 and its formative years have been heavily impacted by Covid. IM's focus is to become an educational forum for engaging audiences in the story of insurance – past, present, and future. Its goal is to establish a world class visitor and research centre in the City of London, exhibiting collections and engaging visitors interested in the story of insurance. Education and the future insurance work force is at the heart of Insurance Museum's thinking. Due to Covid, the IM first established a virtual museum which hosts online exhibitions and resources but are now looking to open a physical space in the City.

### **Background and detail of proposal**

The IM is seeking £450,000 from the CILNF across three years to contribute to the establishment of an in-person mini-museum within the City to educate audiences on insurance. Funding is sought to contribute towards premise rental costs, exhibition design and fit-out, education programme development, a public outreach programme and to support the salary of a part-time learning and education manager.

Insurance has a long and established history in the City of London, currently there is no museum dedicated to the UK-based insurance industry. The inspiration for this museum has been taken from small, successful specialist museums such as The Bank of England Museum and Postal Museum. The IM has worked with industry partners including the Chartered Insurance Institute (CII) to carry out a detailed feasibility study in 2019. Since then, the IM has established an online presence and launched virtual galleries telling the story of Fire Insurance – its origins in the Great Fire of London and the origin of modern insurance in the UK. The sector has told the IM of the importance of getting a constant and new stream of people entering the ever-expanding workforce. Inspiring young people to enter the profession is a priority for the IM and will play a key role in engaging children and young people with the subject of insurance.

The IM is seeking funding to move from its development Stage 1 - a virtual museum to development Stage 2, a mini physical museum and fit out with a permanent exhibition. The museum will be based in EC3, requiring an accessible space of approximately 2,000 sq ft and will incorporate an exhibition/education space, small shop and office space. This base will provide an opportunity to consult with visitors, local communities, schools and colleges to inform the learning, outreach and career focussed activity programme that will educate the wider public about the insurance profession, support key stage curriculum learning and help to support a more diverse future insurance workforce. The museum will help to transform the public understanding of insurance, its importance to society and its contribution to the world around us. The CII's Education and Training Trust (EATT) has pledged to provide further multi-year support to the Museum, and the IM is developing multi-year commitments from across the insurance market to match CILNF funding.

The IM will engage with local communities and schools through its education and outreach programme, opening the possibility of career opportunities in the insurance industry to young people, particularly from under-represented communities. Funding will support a learning and education position, with the postholder to develop community relationships and create and deliver a museum outreach event and activity programme. IM has had conversations with various City stakeholders, including City of London Academies Trust (CoLAT), City of London Libraries, Guildhall Art Gallery, Age UK, City Family Arts Network Group, Destination City, Chartered Insurance Institute and identified potential opportunities and collaborations. The IM will help establish strong links with the insurance profession providing a hub where industry partners can engage with the public and with schools, colleges, and community groups. The IM has the objective of engaging 14,950 people per year, this will include students involved in the education programme, the careers programme, family programme, professional CPD involvement, community groups and general visitors.

As a new City visitor attraction, the IM plan on working closely with the Corporation, Visit London, and Business Improvement Districts. As a learning resource, the IM will support curriculum learning. Events, workshops and activities will take place in schools or partner venues initially and then, when a physical space is secured, in the Mini Museum. School workshops will consist of; Key Stage (KS) 1/2 History, eg. Great Fire of London, KS1/2 Mathematics – practical applications, KS3 History of Britain 17th – 19th centuries, KS2/3 Careers, KS2/3 Personal finance, KS 2/3 Science – the global future and developing new technologies, with case studies and insurance professional input. The IM has highlighted that further teacher/lecturer consultation will be required to identify the needs and develop strategic long-term partnerships.

Funding requested included a significant portion assigned for rental costs with £105k requested for year one and £55k requested for the respective years. Funding will go towards the development of the mini museum, the long-term aim of the IM is to move towards a permanent museum site and will be the next stage of development, dependent on the outcomes of this stage.

This assessment was undertaken in Autumn 2023, the original recommendation went forward to the Officer Panel in November recommending £235,000 across three years towards establishing the physical 'Mini Insurance Museum' and to develop and deliver an education and outreach programme. The panel had some reservations regarding Insurance sector support and wanted to see some further evidence from the sector, as well as some more refined details regarding community outreach.

### Financial Information

Income for the IM has been derived from donations, legacies and grants. As an organisation in its inception years, the objective has been to start building reserves to move towards the aims of the organisation. The IM's current reserve policy is to hold zero reserves – with expenditure levels low, no assets or investments held. A discussion was had during assessment regarding its reserves policy, the IM has since provided a budget anticipating reserves to be built by 2027, ensuring SORP compliancy. The draft accounts for y/e 2022 show an overspend, this was to build resources and develop the digital exhibition platform.

Year end as at 31 December	2021 Signed Accounts £	2022 Draft Accounts £	2023 Budget £
<b>Income &amp; expenditure:</b>			
Income	112,632	76,664	129,797
Expenditure	(47,160)	(89,935)	(110,408)
<b>Surplus/(deficit)</b>	<b>65,472</b>	<b>(13,271)</b>	<b>19,389</b>
<b>Reserves:</b>			
Total restricted	14,000	0	5,000
Total unrestricted	76,472	77,201	91,590
<b>Total reserves</b>	<b>90,472</b>	<b>77,201</b>	<b>96,590</b>
Of which: free unrestricted	76,472	77,201	91,590
Reserves policy target	0	0	0
Free reserves over/(under) target	76,472	77,201	91,590

### Value for money

Costs for the exhibition fit out have been based on the 2022 Association of Independent Museums and National Lottery Heritage Fund recommended cost allowance per square metre. The costings provided for the premises costs are a significant proportion of the request. The nature of the museum will deliver benefit to the insurance sector, providing network opportunities, future employees, educating the public about the necessities of insurance – with the sector generating substantial profits, it feels more appropriate for rental income be sourced from this avenue as opposed to the neighbourhood fund. Premises costs have been calculated based on average rent costs available in the location and meeting the size of the property required.

This application was first brought to the Officer Panel in November 2023, since then, IM has raised an additional £15k across three years from the sector. This raises concerns, suggesting that there is a lack of sector willingness to contribute towards this project. The view of the Officer Panel is that this application does not clearly demonstrate how the project delivers against the Neighbourhood Fund's priorities in a way that is commensurate with the value of the grant sought.



## **Recommendation**

Despite the Insurance Museum's proposal providing an opportunity to enhance the education of the history of insurance, which has the potential of enabling opportunities for social mobility, highlighting career paths within the sector, there is little evidence that City residents will be of significant benefit, with the wider offering being stronger for schools outside of the City. The panel had strong concerns about the lack of significant "buy in" from the Insurance sector and around value for money. The Insurance Museum has provided a more in-depth cashflow, but with reserves not being built in until 2027, it would be cautionary to build these into earlier years. There is a mild case for the education and outreach aspect of delivery meeting the criteria of CILNF and provide some community benefit, but the application has not evidenced clear demonstratable outcomes expected for a grant of this size. It is of significant concern that there has not been a move forward in the fundraising of the full project since this was first brought forward to the Officer Panel in November 2023.

This application is not recommended for funding.