

Committee(s): <ul style="list-style-type: none"> • Culture, Heritage and Libraries Committee – For Decision • Policy & Resources Committee – For Decision 	Dated: <ul style="list-style-type: none"> • 8 December 2025 • 11 December 2025
Subject: Sculpture in the City – proposed delivery model and governance	
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties • provides business enabling functions 	<ul style="list-style-type: none"> • Diverse Engaged Communities • Vibrant Thriving Destination • Flourishing Public Spaces
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£
What is the source of Funding?	N/A (existing budget is via City Fund - Local Risk Budget and external Partner funding)
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	<ul style="list-style-type: none"> • Greg Moore, Deputy Town Clerk
Report author:	<ul style="list-style-type: none"> • Emma Markiewicz, Head of Profession for Culture • Omkar Chana, Culture Director (Interim)

Summary

Sculpture in the City (SITC) is a successful public art programme but is no longer sustainable under the City Corporation's current funding and operating model. Partners want the project to evolve and three options were assessed: keep it in-house, terminate it, or transfer it to a new Community Interest Company limited by guarantee (or other legal structure as an outside body).

Keeping SITC internal is financially unrealistic and risks partner withdrawal; ending the programme would lose a major cultural asset. Transferring SITC to a CIC (or other legal structure as an outside body) offers the best chance for long-term sustainability, enabling greater fundraising, operational flexibility and some continued City Corporation oversight.

Recommendation(s)

The recommendation is for Option 3: transfer SITC ownership, management and operational delivery to an external entity in the form of a Community Interest Company (or other legal structure). In doing so, Members are asked to:

1. Approve the *in-principal* transfer of the SITC project to a new Community Interest Company (CIC) limited by guarantee or other legal structure which is considered most suitable following legal advice and consultation with stakeholders for future management and delivery.
2. Delegate authority to the Town Clerk, in consultation with the Chair and Deputy Chairs of Policy & Resources and Culture Heritage and Libraries Committees, to advance from *in-principal* to *completing* the operational details of any CIC establishment (or other legal structure) and any transfer.
3. Approve that the governance of any CIC (or other legal structure) be taken through the appropriate City Corporation Committee process, specifically (i) composition and the establishment of any Board of Directors; and, (ii) how the City Corporation would be represented on the Board of Directors of any outside body to maintain oversight of the project (in line with the 'Protocol for Members, Officers and Individuals appointed or nominated by the City Corporation to Outside Bodies').

Main Report

Background

1. Sculpture in the City (SITC) is an artwork exhibition in the public realm, located in the City of London. It is an annual programme and while all the artworks are temporary, some are kept on display for more than a year depending on their popularity and availability. SITC started in 2011. The 14th edition (2025) has successfully delivered 11 artworks.
2. The SITC project is a very well-established example of high-quality artworks in the public realm. The project is delivered as a collaboration with corporates to leverage each organisations contribution and deliver a world-class annual sculpture programme with a series of supporting activations. The activations deliver a broad range of events to enable better interaction with artworks (e.g. curated tours) and aims to engage a diverse audience from children to local workers.
3. The geographical location of the artworks is currently within the area covered by the Eastern City Business Improvement District (ECBID).
4. SITC is a project run by the City of London Corporation. It is part funded by the City of London Corporation through the City Fund (constitutes the exercise of discretionary powers). The remaining funds are external, provided by a range of Partners and Patrons within the Square Mile, each of whom contribute to the annual operating cost. SITC has been delivered by different departments within the City Corporation including the Environment Department, transferring to the

Town Clerk's department in 2024 funded through local budget provision (City Fund).

5. Partners remain committed but expressed their desire for the SITC project to have a refreshed future vision and operating model. In May 2025, the CHL Committee approved the SITC 14th edition shortlist for delivery by the Culture Team. To allow time to develop a new and more sustainable model, this year the cycle only installed three new artworks and retained eight existing artworks (three of which are permanent pieces, owned by corporates that have purchased them after being exhibited in the programme). Time was spent engaging Partners to better understand the nature of a new proposed model to enable the project to continue.
6. In November 2025, the CHL Committee received a report on the successful delivery of the 14th edition (2025-26) and a proposal for a future delivery model. The CHL Committee deferred a decision regarding a proposal. More information was requested on the details of the proposed transfer, in particular, the governance arrangements for establishing a new legal entity and reporting requirements to the CHL Committee.

Current Position

Governance

7. The existing governance arrangements for the SITC project are through the SITC Partner Board ('SITC Board'). The SITC Board is Chaired by the Head of Profession for Culture. The SITC Board membership consists of SITC Partners.
 - SITC Partners are a group of organisations that support the project with a financial contribution at tier 1. SITC Partners volunteer their time to attend SITC Board meetings, providing a crucial steer on the in-year delivery and on the future development of the project.
 - SITC Patrons support the project with a financial contribution at tier 2 (lower than tier 1). A seat on the SITC Board is not offered at this level.
8. The proposed SITC artworks are reviewed by the City Arts Initiative (CAI) panel. The Deputy Town Clerk brings the CAI's recommendation to the CHL Committee for approval.
9. From a City Corporation perspective, oversight for the SITC project is currently with the CHL committee. Additionally, any policy decisions on participating in outside bodies (including appointing Directors), application of funding, transfer of any IPR rights, or authorising their licensing for the purposes proposed is with Policy & Resources Committee. Therefore, both committees are required to approve this approach

Financials

10. The table below provides the SITC budget for the previous two years and the proportion by source of funds.

SITC budget (£)	13 th edition budget 2023-24		14 th edition budget 2024-25	
	COL (City Fund)	Partners/ Patrons	COL (City Fund)	Partners/ Patrons
Local risk	32,500	-	50,000	-
CIL (one-off)	80,000	-	-	-
In-kind	150,000	23,000	150,000 ¹	23,000
External		345,000		325,000
Subtotal	262,500 (29%)	368,000 (71%)	200,000 (42%)	348,000 (58%)
Total	607,000		548,000	

Note: 1) estimated maximum based on previous year, amount likely to be less owing to the reduced number of new sculptures in this year.

Additional information about a CIC

11. For transparency, the Primera Corporation is involved as a provider to the SITC project through their service contract with the ECBID. The SITC Partners agreed to commission the Primera Corporation to undertake some feasibility work on future options (see background reports).
12. Primera Corporation has provided some supplementary information to build on their feasibility work which proposed adopting the CIC approach. This information has been evaluated by officers in presenting proposals to Members for decision. In conclusion, it is accepted by officers that a charity (in whatever legal form) is generally seen as a better vehicle for fundraising and that charitable status offers tax benefits. Primera concluded that the operational flexibility and simplicity of a CIC, taking into account the stakeholder feedback, future activities and source of funding, the CIC is believed to be the better overall fit.
13. For a CIC:
 - The mandatory asset lock is key to providing supporters with assurance that all funds and assets will be used for community good.
 - The entity is a faster, lower risk, lower cost option for both set up and operation.
 - A CIC may not transfer assets at less than full market value unless it is to another asset-locked body, such as a charity, or for community benefit.
 - On any dissolution surplus assets must be transferred to another asset-locked body.
 - A CIC limited by guarantee would have additional protections against share/dividend payments from the CIC's funds/assets.
 - Directors may benefit (subject to restrictions in the Articles) under CICs constituted as being limited by shares, rather than guarantee. It is the latter form which is proposed.

Options

14. The City Corporation must decide if it wants to own, manage and deliver (and therefore continue to fund and resource), or if it wants to be more innovative in its approach to partner with external organisations in exchange for SITC ownership.

This is an opportune moment for the SITC project and any decision will need to carefully consider a balance of the requirements to support the project to continue on a sustainable and long-term basis.

15. This decision is time-sensitive because preparation for the next year's programme commences before the end of the calendar year to enable SITC Partners and Patrons to manage their budget for the following cycle. SITC Partners have fed into the future development with the expectation that the project will evolve. A delayed decision may impact their ongoing contribution and commitment, regardless of the delivery model.

16. Three options are proposed for the future of the SITC project.

- **Option 1: Retain SITC in the City Corporation.** The Culture Team would continue with project delivery, funded through local risk budgets (City Fund). The cost of this option would be to continue with a direct contribution of up to £50k to the project and up to £150k of indirect contributions through the team resources to manage and deliver the project annually.

SITC Partners have demonstrated their commitment to the project and want to see it evolve to a new phase. SITC Partners have remained invested in delivery and have input to shape what they want the next phase of SITC to be. Keeping the project within the City Corporation will not meet SITC Partner expectations and there is a very real and immediate risk that SITC Partners do not commit to continuing with another funding cycle in the current form. It will not be possible for the City Corporation to deliver this project without external funding, and the project is not sustainable through this option if funders start to withdraw and new funding is not found.

The risk of this model becoming permanent is that if budgets need to be reprioritised, as they must to deliver across all aspects of the emerging Cultural Strategy, this would result in no more investment in the project. Additional City Corporation budget has been explored via the Resource Allocation Sub-Committee and no alternative budget is available. If this option is chosen and sufficient budget (i.e. from SITC Partners/Patrons) is not available to fund another cycle, then the project may have no other choice but to default to terminate (i.e. Option 2).

- **Option 2: Terminate SITC and deinstall the artworks.** The SITC project is an established part of the City of London's art scene and it would be a loss to the City's cultural offer if the project is not continued, especially given its development over nearly one and a half decades of commitment and the strong support from SITC Partners/Patrons. It would diminish the City Corporation's delivery of its stated strategic objectives to terminate the project after 14 editions where the project has received world-class recognition.

If terminated, the cost is estimated to be covered by the project's reserve and contingency arrangements. This option would (in existing budgets under City Fund) realise ongoing direct savings of £50k and indirect savings of up to £150k though freeing up existing resources and enabling focus on priorities

from the emerging Cultural Strategy. Existing loaned sculptures would be removed and returned to artists/agents, funded through the project reserve and contingency arrangements.

- **Option 3: Transfer SITC ownership, management and operational delivery to an external entity in the form of a Community Interest Company (or other legal structure).** This option would enable the SITC project for development and delivery in a way that the City Corporation is unable to resource. Through a revised operating model and a greater focus on existing/new Partners, Patrons and fundraising, this option provides the best opportunity for the sustainability of the project. There will be establishment and transfer costs. Once the transfer is complete, there would be ongoing direct savings of £50k and indirect savings of up to £150k through freeing up existing resources and enabling focus on priorities from the emerging Cultural Strategy. Existing loaned sculptures at the end of their term would be removed and returned to artists/agents, funded through the project reserve and contingency arrangements. Contracts for any sculptures that remain installed would be novated to the proposed new legal entity, funded by existing budget under City Fund.

Proposals

17. The recommendation is for Option 3: Transfer SITC ownership, management and operational delivery to an external entity in the form of a Community Interest Company (or other legal structure).
18. **Why transfer to an entity that is external to the City Corporation?** In option 3, the City Corporation would transfer the ownership, governance and liability of the SITC project into a CIC (or other legal structure). A collaboration – through an external entity – would be more representative of the current model given the reliance on external partners; no partner (including the City Corporation) is willing to underwrite the project on their own. At present, the City Corporation ‘owns’ the SITC project – contracts (e.g. artwork loans, curatorial and installation) and the dedicated website are in the City Corporation’s name. It manages the budget, including all incoming contributions and, crucially, the City Corporation’s reputation is strongly associated with the SITC project. However, delivery is fully dependant on Partner/Patron funding because the City Corporation is unable to fund the project on its own. It would not be sustainable or desirable to fund the project from a single source.
19. **Why a CIC?** It may be possible to deliver the project through different legal forms. However, it is important that the new entity has limited liability to protect its members as a company limited by guarantee. Fundraising will be crucial for the proposed new entity. As fundraising ramps up, a Community Interest Company structure, would help to ensure that funds are protected and used for the project. Whilst it is possible to do this using different company types, a Community Interest Company and its asset lock mechanism would provide a relatively straightforward way to achieve this.

Governance

20. In November 2025, CHL Members expressed views to retain majority control of any external entity, the artworks and oversight of the project. The principal issue is to determine the level of control required by the City Corporation. Control can be retained through Option 1, subject to continued funding by the Corporation and external partners. Majority control of any external entity can be achieved through a wholly owned local authority company for example. However, this would bring with it a range of compliance and regulatory requirements and is unlikely to be acceptable to our partners.
21. Generally, the level of control that an organisation has is linked to the level of financial contribution. For majority control, it is normally expected in dealing with stakeholders to establish a new legal entity, that the City Corporation would need to maintain the majority share of any budget contribution. There are examples where the City Corporation has established external entities in collaboration with other bodies (e.g. TheCityUK, the Green Finance Institute and the Impact Investing Institute). Due to the nature of the City Corporation's on-going and engaged relationship with these organisations and their work, the City Corporation continues to have a governance role in those organisations. These strategic relationships are reviewed annually for ongoing relevance and alignment with the City Corporation's strategic objectives and value for money, with the Policy & Resources Committee retaining oversight.
22. In the case of SITC, the majority of funding would come from external sources and the City Corporation is unable to make a financial commitment to the project that would be equivalent to the total external amount. In the last two years, the City Corporation's contribution ranges from 30%-40% of the annual operating budget. This range would decrease as new external funding is secured and it is unrealistic to expect that a majority control would be retained.
23. The City Corporation would set its own policy on how it intends to engage with the new entity (e.g. reporting, and potential grant/subscription conditions). The Board of any proposed entity would proceed to take decisions independently in operating the company, subject to any legal obligations that the entity must adhere to. Should the City Corporation wish to retain some governance control separate to active participation through appointments to the Board of Directors, the City Corporation might be appointed as a company member, and to appoint an officer to discharge those functions under the City Corporation's corporate governance framework. (An individual might be appointed by the City Corporation instead – dependent upon the constitution of the new entity.)
24. In taking decisions to support the establishment of, and participate in the governance of outside bodies, it is expected that the City Corporation's policy objectives will be aligned with the outside body. However, it is important for any individual who may be appointed as Directors and/or company members (as relevant here) to be aware of the City Corporation's Protocol for Members, Officers and Individuals appointed or nominated by the City Corporation to Outside Bodies (Appendix 1) which reminds our Members of the legal and policy position:

- *Service on an outside body generally means that a Member, Officer or other individual cannot represent the City's interests. For example, if the service is as a trustee or a company director the appointee has a legal responsibility to act in the interests of the outside body only, as opposed to the interests of the City or any other organisation. This could lead to conflicts of interest (including a conflict of loyalty) between the role as a Member, Officer or appointed/nominated individual and the role on an outside body.*
- *Subject to any other duties and responsibilities Members, Officers and nominated/appointed individuals owe in respect of their service to the outside body (for example the duty of confidentiality), those persons should: (i) provide an annual update on the work of the outside body, and (ii) provide any information relevant to any application from the outside body for funding from the City Corporation to the City Corporation's Outside Bodies Sub (Policy and Resources) Committee.*

25. According to the City Corporation's protocol, reporting requirements would continue through an annual report by any City Corporation representative assigned to any outside body. If the City Corporation provides a financial contribution (as a Partner or Patron), then reporting requirements could also be built into any agreement.

26. The CAI panel would continue to review and make recommendations on the shortlist of artworks decided by any SITC arts advisors. In the existing governance, the Deputy Town Clerk reports the CAI recommendations to the CHL Committee for decision. The Deputy Town Clerk would continue to report the CAI's recommendations to the CHL Committee on the choice of SITC artworks regardless of who owns the project. This would provide a mechanism to ensure that the quality of the artworks and/or the artists is retained.

27. Separately, the City Corporation as the local planning and highway authority would also have to consent to installation of any artworks on the highway or in the public realm through existing processes.

Composition of any Board of Directors

28. Any entity would be independent and governed through its own Board of Directors and company members. The City Corporation is keen to maintain links to the project through representation on any new entity's Board of Directors. Subject to Member approval (see Recommendation 3), the composition of any entity's Board of Directors will be agreed by the City Corporation.

29. Under the recommendation to implement Option 3, officers will continue to work to the approved delegation of authority requested in the recommendations section of this report to finalise the operational details of any CIC establishment (or other legal structure) and any transfer.

Financial considerations

30. Compared to 2025/26 and assuming any costs associated with transferring the project to a CIC (or other legal structure), there will be a direct saving of £50k and indirect saving of up to £150k from City Fund. The indirect saving means that resources will be available to work on other projects. The Culture Team could potentially consider continuing support for the project through a contribution from local risk budget, subject to the priorities from the emerging Cultural Strategy. Any ongoing financial support agreement would need to be decided separately to this report.
31. Fundraising is a critical part of the proposed new entity. Whilst soft-market testing concluded that there is significant interest from existing and new Partners and Patrons, the risk of insufficient funding could be mitigated by obtaining a Letter of Intent confirming the amount of any contribution, the duration and the timeframe for budget to be made available to any new entity. Once there is sufficient start-up capital to operate year 1, then establishment for the new entity could proceed.
32. The proposed new entity is considering an application to the Neighbourhood Community Infrastructure Levy (NCIL) as a possible source of funding. Whilst the NCIL is unlikely to fund sculpture installations, there are some activations that may be eligible for NCIL funding. The eligibility and decision for such funding to be assessed in line with the relevant policies and legal framework applicable to the expenditure of those funds and the new entity would be separately accountable as a recipient of funding to the City Corporation in making NCIL grants. (Responsibility for NCIL grants and policy sits with Policy & Resources Committee.)

Drum Works CIC – a case study

33. Drum Works CIC was established via the Barbican Board in 2015. For 8 years the project flourished as part of the Creative Learning programme at the Barbican Centre and the Guildhall School of Music & Drama, before launching as an independent organisation in 2016. Drum Works continues to successfully operate as a Barbican Artistic Associate and continues to work closely with both the Barbican and the Guildhall School. Initially, the City Corporation provided in-kind support. At present, Drum Works is funded by a combination of income-generating activities and grants. Current grant funders include Youth Music (using Lottery Funding via Arts Council England) and BBC Children in Need.
34. On establishment, the Drum Works CIC Board had 9 board members in total; 3 founded the company and continue to be executive directors. The remaining 6 were non-executive directors: 2 Barbican staff members and 4 from other organisations.

Corporate & Strategic Implications

35. **Strategic implications** – the proposed approach supports the delivery of the Corporate Plan on: Diverse Engaged Communities; Vibrant Thriving Destination; and, Flourishing Public Spaces. It is also aligned with Destination City priorities and the emerging Cultural Strategy. Should the SITC project end, this would diminish the City of London's cultural offer and run counter to the City Corporation's ambitions under its Corporate Plan.
36. **Financial implications** – the proposed new entity will have some financial implications on City Fund and the proposal is to meet these from existing budget. If the recommended option is not agreed then there would still be some costs to manage the alternative, again through City Fund and existing budget. For the City Corporation, there would be a cost of establishment (e.g. legal, project management) and for ongoing relationship management and the possibility of any benefit-in-kind. For any new entity, the added resource cost would be in its own administration, which would need to be covered through Partner and Patron funding contributions.
37. **Resource implications** – resources to implement the options would be provided through the Culture Team and City Corporation services (e.g. legal, commercial) provisioned through City Fund and existing budget.
38. **Legal implications** – when exercising discretionary powers (in this instance the discretionary power provided for by Section 115 B of the Highways Act 1980 and the general power of competence provided for in the Localism Act 2011), decision makers are required to comply with the principles of good decision making (in the public law sense), including consideration of all relevant factors and the reasonable exercise of the power in question. The decision at hand does not raise any significant concerns from a public law perspective. This will be kept under review as matters progress.
- The legislation which applies to local authority controlled companies (LGHA 1989) will need to be duly considered and complied with.
- Any contract novation or expiry will depend on handover timing; these operational details will be worked through taking professional advice. It is understood that there are no registered intellectual property rights to transfer to any newly formed entity, the specifics of exactly what would transfer can be captured at the relevant juncture (e.g. by way of transfer agreement or exchange of binding letters of agreement). This report is not seeking a decision on eligibility for NCIL funding, that constitutes a separate decision (to be taken in line with the relevant policy/legal framework).
39. **Risk implications** – the City Corporation has previously provided budget to cover project overspends; on transfer the responsibility for this would be with the entity. Cashflow pressures are mitigated by moving to a two-year cycle, establishing controls as part of the entity's management, having dedicated fundraising and approaching a broader group of new partners in the collaboration.

40. The SITC project is a collaboration, run by the City Corporation. Many of the partners explicitly refer to SITC as a vehicle to enable them to work closely with the City Corporation on work that benefits the public and the Square Mile. Whilst this presents some risk to losing some established partners, this is mitigated through opportunities for developing further partnerships, especially once the Cultural Strategy is approved.
41. The City Corporation has one previous example of establishing a CIC. Drum Works CIC was incorporated in June 2015, under the performing arts category. The City Corporation has limited experience of CIC establishment/handover so there is an additional degree of operational, financial, legal and reputational risk for any new entity to successfully manage operational responsibilities. Through planning for establishment and handover, the City Corporation would intend to consider what is feasible to support the start-up phase and fully consider any associated costs.
42. **Equalities implications** – any in-principal decision to transfer the SITC project to a new Community Interest Company (CIC) limited by guarantee (or other legal structure) does not raise any specific equalities implications as it is an in-principal decision relating to the future delivery model of the programme only. Equalities implications will be kept under review and continue to be assessed at the appropriate junctures.
43. **Climate implications** – none identified.
44. **Security implications** – all artworks are submitted to the City Arts Initiative for approval and are reviewed by the Health & Safety office under the Deputy Town Clerk. A technical team and structural engineers carry out feasibility studies on all artworks to ensure viability including Health & Safety. Risk assessment method statements are submitted for all artworks and all licenses, permits and applications are applied for to gain relevant approvals from the City Corporation as highway and planning authority and landowners.

Conclusion

45. Sculpture in the City is at a key moment. The project is a flagship cultural asset, its long-term sustainability cannot be secured under the City Corporation's current resources and operating model. Partners are clear: they want SITC to evolve and grow, and a new structure is needed to achieve that.
46. Transferring SITC to a Community Interest Company (or other legal entity) offers the strongest route forward – providing flexibility, protecting assets, unlocking new funding, and enabling the programme to thrive without placing additional pressure on City Corporation budgets. The City Corporation will retain oversight through the recommendations of the CAI panel which are reported to the CHL Committee by the Deputy Town Clerk. Annual reporting of any external entity can be established, whilst gaining the freedom to evolve, innovate and build a broader base of support.

47. Retaining SITC in-house risks stagnation and partner withdrawal; ending the programme would mean losing a culturally significant initiative with a 14-year legacy. Establishing a CIC (or other legal structure) safeguards SITC's future and positions it for continued success and delivery of the City Corporation's publicly stated strategic objectives.

Appendices

- Appendix 1 – [Protocol for Members, Officers and Individuals appointed or nominated by the City Corporation to Outside Bodies](#)

Background Papers

- [Agenda item 6 - Sculpture in the City - 14th edition and proposal for future delivery](#), November 2025, CHL Committee.

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