

CABINET - 15 APRIL 2015

THE OVERVIEW AND SCRUTINY COMMITTEE – 1 JUNE 2015

PHASING OF FUNDING FOR PUBLIC ART: WEST OF WATERLOOVILLE MAJOR DEVELOPMENT AREA (BEREWOOD SITE)

REPORT OF ASSISTANT DIRECTOR (ECONOMY AND COMMUNITIES)

Contact Officer: Eloise Appleby Tel No: 01962 848 181, Email:
eappleby@winchester.gov.uk

RECENT REFERENCES:

[WWF62 – Deployment of Developers' Art Contributions at West of Waterlooville, 13 September 2011](#)

[CAB2614 – Public Art Commissioning: West of Waterlooville Major Development Area \(Berewood Site\), 10 September 2014](#)

EXECUTIVE SUMMARY:

In September 2014, Cabinet considered a [Report](#) setting out the preferred approach to delivering the second public art programme at West of Waterlooville. This programme is funded by S106 contributions from Grainger, the developers of the Berewood site, which will total £500,000 (excluding indexation).

Following the recommendations in that Report, officers worked alongside the established Arts Advisory Panel for West of Waterlooville to appoint a public art consultancy to oversee delivery of this significant programme. FutureCity were appointed in December 2014 following a competitive procurement process.

FutureCity's bid set out an approach to delivery of the public art which will ensure that it is well integrated with the emerging housing development, achieving the best results and the most economic installation. In order to do so, expenditure on commissioning is frontloaded onto the first five years of the contract, which was not as anticipated at the time of the Report in September 2014.

Members have already approved a supplementary estimate of £95,000 (to be replenished through the agreed developer contributions at a later date) to fund the appointment of the public art consultants. Cabinet is now asked to approve a further supplementary revenue estimate of £280,000, to be funded initially from the Major Investment Reserve, in order to fund the cost of the commissioned artwork, along with the community engagement, events and promotions that are an integral part of the programme.

The entire £375,000 for commission one, the Gateway and Town Park, and the project management element of commission three will be replenished at the agreed trigger points by the incoming S106 contributions, but the flexibility to deploy it before these contributions are received will ensure the best results for the new community at Berewood.

RECOMMENDATIONS to Cabinet:

1. A General Fund supplementary revenue estimate of £280,000 over the periods 2015/16 to 2016/17, funded by the Major Investment Reserve, in accordance with financial procedure rule 7.3, be approved for the stage one projects for the Berewood public arts programme, subject to it not being called in by The Overview and Scrutiny Committee, to be replenished when the S106 funding is received as per the trigger points in section 4.4 of this Report and the Grainger delivery plan at Appendix 1.
2. Approval be given for this budget to be deployed against a programme of artistic commissions, events and engagement work under the supervision of the Assistant Director (Economy and Communities) in consultation with the West of Waterlooville Arts Advisory Panel, beginning with immediate effect;
3. That of the £95,000 supplementary estimate approved in September 2014 to fund the appointment of public art consultants ([CAB2614 – Public Art Commissioning: West of Waterlooville Major Development Area \(Berewood Site\), 10 September 2014](#) refers), approval be given for expenditure of the full £95,000 on the understanding that this will also be replenished from S106 funding as for Recommendation 1 above.

RECOMMENDATIONS to The Overview and Scrutiny Committee:

4. That the Committee considers whether it wishes to call in the proposed supplementary estimate for review.

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DETAIL:

1 Introduction

- 1.1 Drawing on the experience of delivering a public art programme for the West of Waterlooville Major Development Area (MDA) funded by S106 contributions from Taylor Wimpey, officers presented a Report to Cabinet in September 2014 setting out a preferred approach to delivery of the second, much larger, public art programme to be funded by S106 contributions from Grainger ([CAB2614 – Public Art Commissioning: West of Waterlooville Major Development Area \(Berewood Site\), 10 September 2014](#) refers).
- 1.2 Members approved the proposal to appoint a public art consultancy to deploy a total budget of £500,000, to be given to the Council by Grainger over the twelve year construction period of the 'Berewood' site within the MDA.
- 1.3 Working alongside the established Arts Advisory Panel for West of Waterlooville, officers advertised a specification for management and delivery of the public art programme for Berewood. London-based consultants FutureCity were appointed in December 2014 following a competitive procurement exercise.
- 1.4 FutureCity work across the UK and abroad and have an excellent reputation in this field. Their appointment was welcomed by Grainger, and they have already familiarised themselves with the site, been welcomed into developer team meetings and carried out some initial community engagement work to assess opportunities for artistic commissions.
- 1.5 Rather than being a delivery programme lasting a full decade or more, which officers anticipated when the original specification was drawn up, Future City's proposal is to weight the commissioning work towards the first five years of their contract. This will allow for integration with the construction works and avoid the constraints of 'retro-fitting'.
- 1.6 This Report sets out the impact of the proposal, and seeks Member authority to spend not only the full £95,000 for consultancy fees previously agreed but a further £280,000 to commission the projects which form the first stage of the proposed two-stage arts programme. All this money is expected to be reimbursed over a period of years by the incoming S106 contributions.

2 Phasing of the Public Art Programme

- 2.1 One of the lessons learnt from delivering the Taylor Wimpey-funded public art programme in preceding years was that 'retro-fitting' public art in a development restricts the opportunities for impact, creativity and economies of construction.
- 2.2 Although a good number of houses are already built on the Berewood site, FutureCity have been appointed at an early enough stage to exploit the opportunities which can arise by working more collaboratively with the developer – and to make best use of the available budget.
- 2.3 Consequently, they have proposed that the bulk of the artworks (and the associated engagement activities, events and promotions) be commissioned – although not necessarily completed - in the first five years of their contract.
- 2.4 The two outcomes of the specification to which FutureCity responded are as follows:
- a) *That the Grainger public art contribution is deployed in a thoughtful, well-managed and creative way that – over time – makes Berewood an interesting, attractive and distinctive place to live; and*
 - b) *That the public art programme builds a genuine sense of community and pride of place locally, and encourages active integration with residents in adjacent neighbourhoods.*
- 2.5 The Arts Advisory Panel is now of the view that these outcomes can best be delivered through a more intensive, early programme of intervention. If this is to be achieved in an efficient and effective way, it will be necessary to be able to focus most of the Grainger public art contribution over the five years from April 2015. This does not align with the S106 payment trigger points set out in the S106 agreement (and included at section 4.4 below).
- 2.6 Members have already agreed to make available a supplementary estimate of £95,000 to fund the arts consultancy contract. Only £25,000 of this sum was authorised for expenditure, however, so officers now request that the full £95,000 be made available to fund the full cost of FutureCity's contract.
- 2.7 Cabinet is also asked to make available a further supplementary estimate from the Major Investment Reserve a further sum of £280,000 to fund the first stage arts commissions and supporting engagement activities which will be delivered by FutureCity, in consultation with the Arts Advisory Panel.
- 2.8 A second stage of arts projects will be commissioned in 2020/21, by which time some of the S106 contributions should have been received. Officers will bring a further Report to Members at the appropriate time, reviewing what has been achieved and considering the best way to finance this second stage.

- 2.9 The full costs of the public art programme are expected to be reimbursed over the life of the Berewood development by the agreed S106 contributions.

OTHER CONSIDERATIONS:

3 PORTFOLIO PLANS AND COMMUNITY STRATEGY (RELEVANCE TO):

- 3.1 The public art programme at West of Waterlooville has the aim of building both a sense of community and a sense of place across the new development, which fits with Community Strategy outcomes for Active Communities and a High Quality Environment.

4 RESOURCE IMPLICATIONS:

- 4.1 The developers' Art Contribution for the West of Waterlooville site is a ring-fenced fund, which has to be spent in accordance with the S106 Agreement.
- 4.2 The S106 Agreements provide for a tariff-based contribution from both Taylor Wimpey and Grainger in respect of number of dwellings on their respective sites. Taylor Wimpey has already paid in full the £90,000 that was due for its site. This was split between Havant Borough Council and Winchester City Council on a 25% : 75% basis. For the Grainger site it is wholly payable to Winchester City Council, amounting to a total of £500,000, subject to indexation, staged over the build period of the development.
- 4.3 This report seeks approval for a supplementary revenue estimate of an additional £280,000 to provide, , a revenue budget for the first stage of arts projects over 2015/16 and 2016/17. This is in addition to the £95,000 approved by CAB2614 for the management contract for FutureCity who will oversee the entire programme over a period of years. It is also proposed that expenditure is to be funded by the Major Investment Reserve if insufficient S106 receipts have been received in order to fund the expenditure, with the Major Investment Reserve to be replenished when the S106 receipts are received.
- 4.4 Using the Major Investment Reserve to fund expenditure up until the S106 contributions have been received will restrict the ability to use this reserve for other capital or revenue purposes and will also impact on the borrowing costs if it is necessary to fund overall expenditure through external borrowing during this period.
- 4.5 The financial projections in Appendix 2 show that, based on current projections, £250,000 will be required to be funded by the Major Investment Reserve before the first developer contribution of £100,000 (plus indexation) is receivable. However, delays in construction could delay this receipt. The second and third developer contributions are expected in 2017/18 and 2018/19 which would leave £50,000 funded by the Major Investment Reserve at the end of 2018/19.

- 4.6 The second stage of commissioning (Commission 3), commencing in 2020/21 and totalling £150,000 would not commence unless the first three developer contributions totalling £300,000 (plus indexation) had been received.
- 4.7 It is possible that some of the expenditure may be capital in nature. This will be dependent on the cost of individual artworks and therefore it is not possible to determine this until individual works are commissioned and reviewed.
- 4.8 There are also resource implications for officer/management time in co-ordinating the work of the Arts Advisory Panel and managing the contract with FutureCity. This will not be charged to the fund.
- 4.9 The staging of the payments to the Council is set out in the following extract of the S106 Agreement with Grainger:

Art

The Developer covenants with Winchester as follows:

Positive Covenant

- *The Developer shall pay the Arts Contribution (Indexed) to Winchester in the following instalments:*
 - *One Hundred Thousand Pounds (£100,000) (Indexed) prior to Occupation of 150 Residential Units comprised within the Site;*
 - *One Hundred Thousand Pounds (£100,000) (Indexed) prior to Occupation of 500 Residential Units comprised within the Site;*
 - *One Hundred Thousand Pounds (£100,000) (Indexed) prior to Occupation of 1,000 Residential Units comprised within the Site;*
 - *One Hundred Thousand Pounds (£100,000) (Indexed) prior to Occupation of 1,500 Residential Units comprised within the Site;*
 - *One Hundred Thousand Pounds (£100,000) (Indexed) prior to Occupation of 2,000 Residential Units comprised within the Site.*

The Developer shall allow Winchester reasonable access to the Site to enable installation and maintenance of any art provided by Winchester out of the Arts Contribution provided that and for the avoidance of doubt the Developer shall have no liability (whether financial or otherwise) in respect of such art.

- 4.10 The Report approved by Members in September 2014 ([CAB2614 – Public Art Commissioning: West of Waterlooville Major Development Area \(Berewood Site\)](#)) stated:

“This Report seeks approval to allocate funding for the engagement of a public art consultancy to oversee the public art programme. A further Report will be brought to Cabinet to authorise the expenditure of S106 monies for

delivery of the programme itself, following early discussions with the selected consultants. That Report will also consider the phasing of expenditure in relation to the S106 receipts and provision for the ongoing maintenance costs associated with commissioned art works.”

- 4.11 A copy of the proposed works schedule from FutureCity at Appendix 2 clearly shows the phasing of expenditure planned for the Berewood programme, in contrast to the delivery plan provided by Grainger at Appendix 1.
- 4.12 The requirement for maintenance costs to be built into the individual artist commissions will be reinforced to FutureCity, but until they begin commissioning it is too early to show a detailed breakdown of such maintenance costs as anticipated in the September Report.
- 4.13 Members may also be aware that Condition FULL 22 of the hybrid planning application requires that:

“Prior to the occupation of any residential unit, details of the artwork to be provided within Phase 1 as shown on the approved plans shall be submitted to and agreed in writing by the Local Planning Authority. The artwork shall be installed prior to the occupation of the final residential unit on this phase.

Reason: To ensure that the development presents a satisfactory appearance and in the interests of the visual amenities of the area.”

The actual condition has now been partially discharged, although this is for Phase 1 only and has the following note on the decision notice ‘ **Please note:** that details of the artwork and precise location on site still need to be approved and should be in accordance with this approved strategy, timescale to be agreed’.

No artwork has currently been produced to satisfy this requirement, and there is no money with which to commission it at present.

5 RISK MANAGEMENT ISSUES

- 5.1 Grainger is contracted to make the S106 payments to the Council. There is a risk to the Council in making payments to the arts consultancy in advance of the S106 receipts. There is a possibility that that the developer could take much longer to sell the houses than anticipated which would mean a much slow repayment of monies expended by the Council in relation to the arts programme. Equally, the developer could run into financial difficulties or even go into administration which might severely limit the capacity to make the S106 payments.
- 5.1 Such risks will be limited, however, as the contract with FutureCity will include break points which can be invoked if there is a real likelihood of the Council not receiving the agreed contributions. Similar provisions will be put in place when it comes to commissioning the actual pieces of art. .

- 5.2 Although Grainger is a large and stable development company, the long term nature of the Berewood development and the volatility of the housing market do pose a degree of risk for the Council in taking the proposed approach. However, this risk is considered to be worth taking in order to achieve a public art presence at West of Waterlooville which is of the highest quality and consistency for many years to come.
- 5.3 Creating a tighter delivery window for the public art programme reduces the risk which was always inherent in a twelve year contract with a public art consultancy. Although resilience was one of the criteria in selecting the consultancy, it is a long term for a niche organisation.

BACKGROUND DOCUMENTS:

[Public Art Strategy for West of Waterlooville](#)

Public Art Consultancy For West of Waterlooville Major Development Area (Berewood Site) – see Appendix 1 at www.winchester.gov.uk/assets/files/21258/CAB2614.pdf

APPENDICES:

Appendix 1: Berewood Delivery Plan from Grainger

Appendix 2A: Commissioning Expenditure Forecasts

Appendix 2B: Financial Projections for Berewood Public Art Programme

Berewood Delivery plan

Mar 15

Revision 2

Timeframe based on local authority financial years (March to March)

Phase	Units	Private	Affordable (40%)			2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	Total	Accum Total
			Total	Social Rent	Intermediate													
1	194	117	77	38	39	80	64	50									194	194
2	246	148	98	49	49		120	126									246	440
3	418	251	167	84	83			118	150	150							418	858
4	48	29	19	10	9				12	36							48	906
5	356	214	142	71	71				80	124	152						356	1262
13	114	68	46	23	23						88	26					114	1376
6	164	98	66	33	33							164					164	1540
7	20	12	8	4	4							20					20	1560
8	192	115	77	38	39								192				192	1752
9	251	151	100	50	50								57	194			251	2003
10	189	113	76	38	38									43	146		189	2192
11	218	130	88	44	44										97	121	218	2410
12	110	66	44	22	22											110	110	2520
E1	104	62	42	21	21			50	54								104	2624
Total	2624	1574	1050	525	525	80	184	344	296	310	240	210	249	237	243	231	2624	
							264	608	904	1214	1454	1664	1913	2150	2393	2624		

Note: this schedule is correct at the time of production. It will remain subject to change throughout the project.

COMMISSION BUDGETS

Mar-15

COMMISSION 1: GATEWAY (& TOWN PARK

PROJECT SCHEDULE		ITEMS	COST	TOTAL	NOTES
FROM	TO				
Jun-15	Sep-15	Artist Competition Fees	£7,000.00	£7,000.00	3 x £2k Artists competition fees & expenses
		Artist Design Fee	£56,000.00	£263,000.00	inc. design development, overseeing production & installation
Jan-16	Oct-16	Engagement Project (inc Launch)	£27,000.00		Community research, engagement, & launch celebration
		Fabrication & Install	£180,000.00		Production and installation of permanent outcomes
		Photography & Community Publicator	£10,000.00	£10,000.00	linked to the above as ringfenced outcome budget
Dec-14	Sep-16	Project Management	£70,000.00	£70,000.00	
			£350,000.00	£350,000.00	

COMMISSION 3: COUNTRYSIDE ROUTES

PROJECT SCHEDULE		ITEMS	COST	TOTAL	NOTES
FROM	TO				
Apr-20	Aug-21	Artist Design Fees	£30,000.00	£95,000.00	inc. design development, overseeing production & installation
Jun-21	Aug-21	Fabrication & Install	£65,000.00		Production and installation of outcomes
Aug-20	Sep-20	Engagement Projects	£10,000.00	£20,000.00	Community engagement
Aug-21	Sep-21	Engagement Projects	£10,000.00		Community engagement & launch celebration
		Photography & Community Publicator	£10,000.00	£10,000.00	linked to the above as ringfenced outcome budget
Apr-20	Sep-21	Project Management	£25,000.00	£25,000.00	
			£150,000.00	£150,000.00	

Complete Total £500,000.00
