

HAMMERSMITH AND FULHAM ARTS COMMISSION

BRIEFING PAPER 5: LONG-TERM STRATEGY

HOW HAVE OTHER BOROUGHES AND PLACES CREATED CHANGE THROUGH INVESTING IN AND ENABLING ARTS AND CULTURE AND HOW LONG DID IT TAKE FOR THAT IMPACT TO BE REALISED? WHAT ALTERNATIVE FUNDING AND RESOURCING MODELS MIGHT BE CONSIDERED IN THIS STRATEGY?

CONTEXT

This briefing paper is designed to help enhance your understanding of long-term strategies available to Hammersmith and Fulham. Rather than devising a new strategy and setting goals this paper repeatedly touches on three practical aspects of change-making:

1. gathering resources;
2. governing resources;
3. dispersing resources.

A quick recap:

In Briefing **Paper 1** we outlined the demographic characteristics of Hammersmith and Fulham and offered a modest sketch of the range of cultural activity underway in the borough. We identified three clusters of activity, four anchor institutions, and a patchwork of affluence and poverty that shaped how people engaged with culture.

In Briefing **Paper 2** we looked at the social impact of arts and cultural activity and the ways in which small specialist and larger more general arts providers might work in partnership to deliver against an agreed set of local authority priorities. We identified the following as over-arching areas where arts and culture might have a positive social impact:

- climate change
- adult social care
- tackling pollution and local environmental issues
- mental health
- affordable housing
- food poverty and homelessness
- children's safety
- local hospital provision
- social integration and tackling racism

In Briefing **Paper 3** we looked at the way that inclusion and diversity is conceived in the arts and how that does or doesn't chime with current local authority priorities in Hammersmith and Fulham. We outlined the Creative Case for Diversity that is used by the Arts Council, and presented some of the key statistics in the borough as well as some ideas for best practice.

In Briefing **Paper 4** we focused on the identified town centres of Shepherd's Bush, Hammersmith, Fulham Broadway and White City, explored the extent to which each might be identified as a cultural hub, and examined other examples where culture has driven a sense of placemaking. The examples in

this last paper were further amplified by expert witnesses providing case studies of culture-led regeneration in London and further afield.

This paper – a look at long-term strategy and resourcing – builds on our most recent discussion around town centres. It describes some examples of local, regional and national case studies in which local authorities have amplified the role of arts and culture in towns, cities and regions in the UK. Secondly, it looks at a range of mechanisms for securing additional resources for cultural activity.

In this paper we have focused on two over-arching **discussion points** that will provoke more in-depth conversation at the meeting:

1. What policies or approaches to fundraising or spending might H+F adapt and adopt from other local authorities?
2. What radically alternative funding models might H+F explore to secure its long-term support for arts and culture?

AN OVERVIEW OF CURRENT ARRANGEMENTS

Before focusing on case studies from elsewhere we want to first present a little reminder of how things operate in Hammersmith and Fulham. Some of the relevant policies and approaches that are already in place in Hammersmith and Fulham are:

1. An Arts Strategy for 16/17 – 21/22 that sets out an action plan for the borough;
2. A Business Improvement District in Hammersmith;
3. Section 106

1. Arts strategy

As readers know, Hammersmith and Fulham has an [Arts Strategy](#) for the years 2016/17 –2021/22. The strategy centres around three core themes:

1. *Destination – Boosting the local economy by developing and promoting a thriving borough for the arts*
2. *Creation – Supporting people to create and produce excellent art of all kinds*
3. *Inclusion – Giving residents from a wide range of backgrounds more opportunity to experience and participate in artistic and cultural activity.*

We are halfway through the current strategy period. Some of the ambitions have been achieved whereas others are left unfulfilled. As we go through this paper it is important to understand what has led to any failures or successes of the current strategy and whether there are approaches and policies that can be drawn from this paper to give the borough a better chance next time.

2. BID (Business Improvement District)

[Hammersmith Business Improvement District](#) (BID) is an independent, not-for-profit, business-led company set up with the aim of improving Hammersmith town centre as a place to work, live and visit.

It is funded through a BID levy of 1% of the “rateable value” of each business in the area and the money is ring-fenced for spending on the BID area in Hammersmith town centre.

This money is spent on services in addition to those provided by the local authority and other statutory bodies. A BID term lasts for a maximum of five

years, after which it can only remain in existence if it is approved again by levy payers at a renewal ballot.

Hammersmith BID's vision is focused on a clearly articulated five-point plan:

1. Safer town
2. Cleaner greener town
3. Friendly town
4. [Cultural town](#)*
5. Digital town



*In terms of a commitment to making Hammersmith a 'cultural town' the BID is committed to:

- Building and expanding on the success of our seasonal events
- Increasing the amount of live streaming in Lyric Square
- Developing a strategy for pop-up shops and empty units
- Expanding the BID Ambassador scheme
- Exploring new partnership projects by tapping into Hammersmith's artistic roots
- Attracting new and interesting traders to the high street

"The BID works with partners, such as the Lyric Theatre and other artistic organisations, to bring an eclectic programme of events and activities to the town centre. We explore ways to harness the town's rich cultural heritage to showcase Hammersmith as a vibrant and competitive destination offering widespread cultural entertainment."

<https://hammersmithbid.co.uk/our-projects/cultural-town/>

3. Section 106

One of the main ways in which local authorities can exercise their powers in shaping the art and culture of an area is through the planning process, and in particular through the Section 106 process.

The Local Government Association has [a primer on S106 agreements](#) which describes them as follows:

“Planning obligations under Section 106 of the Town and Country Planning Act 1990, commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. S106 agreements are often referred to as ‘developer contributions’ along with highway contributions and the Community Infrastructure Levy.”

What this means in practice is that developers are granted planning permission in exchange for unrestricted financial contributions to the authorising borough or alterations to their schemes which suit the stated local needs of residents, communities or local authorities.

We know that many valuable Section 106 agreements have provided the local authority resources to fund cultural services in the borough. And we know from our first meeting that Council Officers are actively seeking a clearer steer on how S106 monies might be deployed.

From Paper 1:

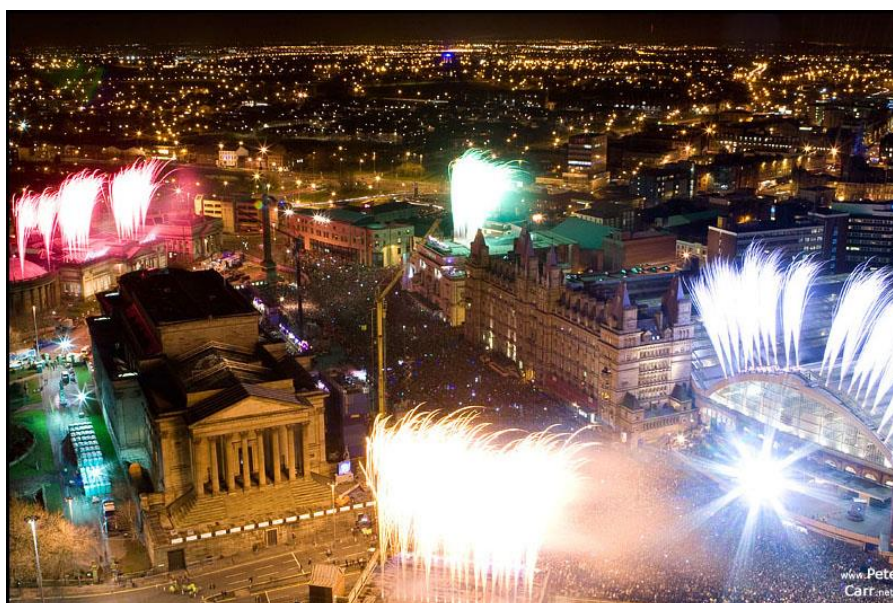
The best available data for how Hammersmith and Fulham currently utilise S106 comes from [a Council meeting in November 2018](#). The papers detail the 20 most valuable S106 agreements since 2014. Since 2014 the Council has negotiated over £310 million worth of funding through developer contributions as part of new developments in the borough. This includes £21,000 for the position of Arts Development Officer (via Imperial Wharf development), just over £450,000 for the Bush Theatre (via Riverside Studios and M&S White City developments) and more than £1m for the refurbishment of Hammersmith Library (via Chelsea Creek and Westfield developments).

HOW HAVE OTHER BOROUGHES AND PLACES CREATED CHANGE THROUGH INVESTING IN AND ENABLING ARTS AND CULTURE AND HOW LONG DID IT TAKE FOR THIS IMPACT TO BE REALISED?

We've written five short sketches to help the Commission appreciate the range of options and the levels of investment that are open to Hammersmith and Fulham to build its arts and cultural sector over the long-term. There is much that we might learn from these examples. One obvious lesson is that these are all distinct places, with policies driven by individual personalities or interest groups operating in unique and complex economic, social and political circumstances.

1. Liverpool

After decades of investment in the social and cultural infrastructure of Liverpool and the wider Merseyside region, the [2008 European Capital of Culture really cemented that progress](#) in the eyes of the country and internationally. Millions of pounds were invested in upgrades to the cultural venues in the city; major formal partnerships between arts organisations, universities and the city council help build momentum and co-ordinate resources for the festival year. Its bid was prepared in 2000-02 through a co-ordinated effort. A rise in employment, population, economic growth and prosperity preceded the 2008 festivities. Since then Liverpool has gone on to use culture to distinguish itself from other places. A designation of [UNESCO City of Music](#) in 2015 illustrates the way in which The Beatles and subsequent acts associated with the city can be used to brand the city and harness resources around a distinct element of the city's heritage.



The [Impacts 18](#) study commissioned for the tenth anniversary of Capital of Culture states:

“The way the city sees itself, and is seen by the rest of the country, has been transformed and sustained over more than a decade, with culture being seen unmistakably at the heart of the city’s rebirth....Liverpool has consolidated its position as a tourism destination, and is now the fifth most listed UK city for international visitors. Positive shifts in the city’s physical cultural and entertainment infrastructure, such as development of Liverpool One and the Arena Convention Centre in 2008, and the opening of the Museum of Liverpool in 2011, have been complimented by intangible cultural heritage accolades such as the 2015 UNESCO Creative City of Music award.”

What can Liverpool teach Hammersmith: that it takes sustained investment in infrastructure to yield spectacular results, but that over time the image and reputation of a place can be transformed.

2. Camden

Boroughs in central London are often home to a complex mixture of need and abundance, and this is true for the cultural sector in Camden. To the south of the borough is the affluence and buzz of the West End while there are pockets of deprivation in neighbourhoods like Somers Town and Gospel Oak further north. The cultural offer in the borough is potentially enormous and of extremely high quality. But it is distributed and enjoyed unequally. The leaders and officers at the borough realise that doing their job well entails the utilisation of existing strengths of individual organisations and networks.



This is exemplified in [Camden Spark](#) (its Local Education Cultural Partnership) which uses a brokerage approach to help cultural organisations connect their offer to schools. They present schools' improvement priorities to cultural organisation to encourage schools and providers to co-design a project that is led by school need. Camden Spark is a collaboration between the local authority and the Roundhouse (pictured) – with Camden playing the role of honest broker, and the Roundhouse providing expertise in working with and for young people in an arts and cultural context.

What Camden can teach Hammersmith: that attempting to be a programmer or producer of activity is not a good use of resources when this expertise already exists locally, better instead to be the connective tissue between working parts.

3. Manchester

Of all the second-tier cities in the UK (i.e. those beneath London and Edinburgh as political and economic power) it is Manchester that has really shined through its strategic use of culture. The first [Greater Manchester Culture Strategy](#) “*Grown in Greater Manchester. Known Around the World*” takes a track record of recognising heritage, culture and creativity in shaping the lives of people in the city but also projecting itself outwards into the world. It’s not our purpose to catalogue the city’s assets, but instead we wish to highlight the way in which consistent and concerted leadership in city hall has prized culture and looked outward. It has invested in research and consultation to craft a sophisticated strategy. It is the leading exponent in making cultural cities outside London [a Soft Power asset](#) for the UK.



Over the past 20 years the cultural ecology of Manchester has changed significantly, with new buildings and revenues supporting the arts and cultural infrastructure across the city. This period has seen the

refurbishment of the [Whitworth Art Gallery](#), the arrival of [HOME](#), a new biennial [Manchester International Festival](#), and the plans for [The Factory](#) on the Granada Studios site unveiled (The Factory is due to open in 2021).

What Manchester can teach Hammersmith: are there ways to champion the borough around the world. Hammersmith is home to a diverse immigrant and diaspora community and could become London's landing strip for those coming from overseas.

4. Greenwich

The Royal Borough of Greenwich currently has a limited arts and cultural infrastructure, but bold plans for the redevelopment of its assets in both Woolwich and Thamesmead. [Woolwich Works](#), the rebranded Royal Arsenal, is to receive a £31.5m investment in arts and culture and will include large-scale concert venues, rehearsal and studio spaces, offices, places to eat, and a base for internationally acclaimed theatre companies such as Punchdrunk. The flexible space will provide opportunities for public interaction and involvement, training and education, as well as being available for hire for weddings, parties, conferences, community meetings or events.



The new developments include:

- a venue for 1200 seated or 1800 standing
- an open-sided quadrangle courtyard for performance seating 600
- five rehearsal studios, which can also be used as informal performance spaces
- artists' studios and offices for resident companies
- generous public facilities, including a cafe / bar and space for hire for community group and events.

What Greenwich can teach Hammersmith: are there ways to support the development of a bold new major culture infrastructure at the heart of a heritage site? How might Hammersmith and Fulham act as broker between its cultural assets and commercial development partners?

5. Greater London Authority

The [current cultural strategy of the GLA](#) is under a year old, and focuses very much on how to amplify existing strengths in the capital, for the benefit of a wider range of Londoners, rather than spend lots of money on grand new projects. In some ways this is in recognition of wider trends of inequality in the arts and in the city, and a desire to move beyond the legacy of the Olympics to more grass-roots everyday cultural activity. In this way it mimics the flavour of Manchester's current strategy.

The Strategy has four priorities:

1. **Love London** - more people experiencing and creating culture on their doorstep
2. **Culture and Good Growth** - supporting, saving and sustaining cultural places
3. **Creative Londoners** - investing in a diverse creative workforce for the future
4. **World City** - a global creative powerhouse today and in the future

What the GLA can teach Hammersmith: The GLA is really trying to better distribute the strengths of London's cultural scene without investing in big vanity projects. Perhaps the borough could have a scheme like a "neighbourhood of culture" or a "crossroads of culture" where a small part of the borough is given the attention for a few months each year?

Conclusions drawn from these examples:

As we argue above, each of these examples provides a snapshot of a unique and complex set of circumstances – people, place, politics, power, history etc. However, some common themes for discussion include:

- boroughs need to invest in a long-term blueprint rather than a short term fix – each of these examples has taken an approach that has yielded impacts over decades, not years;
- the most impactful cultural strategies comprise a significant investment in both capital and revenue – money for bricks and mortar, and money to pay for staff and programming;
- each example comprises multiple partnerships with private and public sector bodies;

- the most successful examples are borne of a cohesive collective cultural coalition of institutions in the borough or city;
- individuals – it is often the vision and determination of an individual or small team that sits at the heart of the most successful examples e.g. Howard Bernstein, CEO of Manchester City Council 1998 – 2017, whose 20-year tenure and commitment to arts and culture has cemented Manchester’s position as a cultural destination.

Discussion point 1: What mechanisms for gathering, governing and dispersing resources might Hammersmith and Fulham adapt and adopt from other local authorities?

WHAT ALTERNATIVE FUNDING AND RESOURCING MODELS MIGHT BE CONSIDERED IN THIS STRATEGY?

Having looked at a number of examples of local authority long-term strategies for arts and cultural success, we wanted to bring to readers' attention some of the other mechanisms that Hammersmith and Fulham might consider to build resources.

1. Leveraging funds

Local authorities are well placed to act as a broker, facilitator and lever of other funding opportunities. Some examples for consideration:

a. London Borough of Culture

London Borough of Culture is an initiative of the Mayor of London that invites each of the 33 London boroughs to bid for funding towards a year-long programme of activity. It is loosely based on the European Capital of Culture and UK City of Culture model, and offers an opportunity to shine a light on specific area of London over a 12 month period.

“The Mayor’s London Borough of Culture award brings Londoners of all ages and backgrounds together. It places culture firmly at the heart of local communities, exactly where it belongs. It shines a light on the character and diversity of London’s boroughs and reinforces the message that culture is for everyone. The Mayor is keen for Londoners to connect with each other and to feel a part of our great city. Now, thanks to this new award, all Londoners will have the opportunity to be part of something extraordinary.”

In December 2017, 22 boroughs (including Hammersmith and Fulham) submitted bids to be named London Borough of Culture. In February 2018, Waltham Forest and Brent were awarded £1.35m of funding to deliver a programme of ambitious cultural activities celebrating the unique character of local people and places. [Waltham Forest](#) has just concluded its year and [Brent](#)'s commenced on 1st January this year. Bids for the next two London Boroughs of Culture (2021 and 2023) are currently being assessed by the GLA and Hammersmith and Fulham is again in the running. This scheme is the main way that the GLA is supporting culture through direct grants.



Rise – the Opening Event for Brent 2020

b. Cultural districts

In some instances there are BIDs (or BID-like outfits) which are exclusively or predominantly formed of cultural organisations.

[Cultural districts](#) are more common in the US or in cities in the Gulf or Asia where cultural policy is less centralised at a national level. They are defined as defined areas of a city in which a high concentration of cultural facilities and programs serve as the main anchor of attraction. They help strengthen local economies, create an enhanced sense of place, and deepen local cultural capacity. Crucially, they do not respect local government boundaries or bureaucracies, often lying within and across different administrations, and in this way they are similar to BIDs.

In London there are Cultural Districts such as [Culture Mile](#) (which we explored in more detail in our last paper on town centres) and the forthcoming [Fashion District](#) (at the former Olympics site), both of which have taken existing cultural venues and reconstituted them in new organisational structures in order to work more effectively and attract investment. They are doing this *around* as much as *through* local authority administrations.

A recent report on the governance of cultural districts that delved deep into the complexities of how these dynamic yet self-selecting organisations and how they struggle with legitimacy and accountability is set out [here](#) (full disclosure – the author of this report is Dr James Doeser).



Barbican Centre, a central partner in Culture Mile

c. Cultural compacts

Cultural Compacts are a relatively new initiative and gaining traction with funding bodies keen to make more profound connections between arts and culture and other aspects of civic life. Arts Council England has recently supported a pilot project in Southwark to explore how its funding might unlock other opportunities in this south London borough.

“Successful cities are those that create opportunities for people to earn their living, make friends, bring up families and engage in leisure and sport. Culture makes a vital contribution to these activities, while the creative industries are our fastest growing business sector.”

Sir Nicholas Serota, Chair, Arts Council England

The [Cultural Cities Report](#) from Core Cities group proposes City Culture Compacts: “a strategic partnership bringing together city authorities, business, education, cultural and community leaders, to co-design and deliver a vision for culture in the city. Effective Compacts will set out business plans to deliver measurable progress against local priorities.”



In some ways these mimic cultural districts or BIDs in that they respond pragmatically to contemporary local circumstances rather than being wedded to historical limitations or commitments as local authorities so often are. There is no reason these compacts can't operate at sub-city level in boroughs as large and populated as Hammersmith & Fulham.

The major challenge for all of us is that these entities (BIDs, Cultural Districts, Cultural Compacts) are all designed to be responsive to the immediate concerns of the local neighbourhood and to work around (not through) existing bureaucracies like local authorities whilst at the same time trying to be accountable and legitimate.

2. Alternative finance models:

a. social impact bonds and other forms of social finance (eg NESTA)

Rather than investing with grants or donations (as a funding body like the Arts Council or a corporate sponsor like BP might do) it is becoming increasingly common to see arts organisations supported through loan finance such as the portfolio of [social impact](#)

[investments](#) made by Nesta. A lot of their investments are about injecting cash into an organisation to allow them to develop new work or facilities that they believe will generate revenue at a later date. At present there is no local authority in receipt of the Nesta funding.

b. other alternative finance options

There are a number of mechanisms by which local authorities can leverage additional resources into their locality. These include, but aren't limited to:

- i. Trusts and Foundations – looking to grant-givers to support specific capital, revenue or project costs;
- ii. Arts Council England – keeping a close eye on developments with the national funder eg schemes like Great Places or Creative People and Places, or new initiatives like the Cultural Compacts pilot in Southwark or experiments around social prescribing that we discussed in our first meeting;
- iii. Arts And Humanities Research Council (AHRC) – building partnerships with Higher Education Institutions to support investment in arts and culture through research mechanisms eg the [Design Council](#) offering public sector workshop bursaries funded through AHRC.
- iv. Corporate sponsorship – local authorities often partner sponsors on major events eg Bloomberg's sponsorship of Durham County Council's [Lumiere](#) light festival.
- v. Crowdfunding – online fundraising can be an effective mechanism to stimulate support and interest in activity at a local level.

c. endowments

An endowment is a financial mechanism that derives a return from investment, that in our examples might then be used to fund arts and culture. The idea is that the interest from a lump sum investment is spent on arts and cultural activity, and that the investment itself is retained for future use. It's an idea that's long been seen by many as the holy grail of arts funding – identify significant funds for your local theatre or arts group, and then fund them through the interest that's drawn down from this investment. In theory a great idea. In practice more difficult to realise due to three over-arching issues:

1. Who might provide sufficient levels of investment towards this activity – a local billionaire, a network of philanthropists...?

2. Administration – grant-making and fund management can be onerous activities;
3. Interest rates – the last decade has been marked by historically low interest rates and this is causing issues for endowment-based funding around the world.

Arts Council England [wrote a report back in 2010](#) extolling the virtues of arts organisations building endowments. However, it should be noted that returns suggested here are likely to be far lower than were predicted a decade ago.

[Catalyst Endowment funds](#) (launched in 2012) gave organisations in arts and heritage **between £500,000 and £5m to get started**. The [evaluations](#) show a picture that needs more time (and higher interest rates) to identify real new money for arts and culture.

Many trusts and foundations in the UK were started with an endowment with the intention that only the interest on this initial sum would be spent on charitable activity. The Jerwood Charitable Foundation was formed in 1999 with an endowment of £25m.

There could be mileage in exploring endowment options if sufficient levels of investment could be secured. Assuming an average return on investment of 5% per annum (a decent return given UK base rate is currently 0.75%) a £25m lump sum would generate £1.25m in gross revenues per annum (this is before management fees and other costs). To generate £10m pa in revenues would require a lump sum investment of £200m on a 5% return (which we consider to be a very optimistic forecast).

Discussion point 2: What alternative funding and resources models might H+F explore to secure its long-term support for arts and culture?

Concluding thoughts

As Commissioners will see, there is a vast range of opportunities available to enlightened local authorities with a vision for a more dynamic arts and cultural sector. We've looked at several examples of cities and regions that have been transformed by a long-term commitment to making arts and culture centre to civic life. We've also explored a range of possible mechanisms through which additional resources might be secured with a view to higher levels of investment in the arts.

As we concluded in our second meeting, focused on social impact, local authorities are at their best when they act as honest broker and connector, rather than in-house producer, and when they support longer-term funding of key activity. This approach, coupled with a committed and sustained leadership (as we've seen in Manchester or Liverpool), can transform perceptions of and investment in arts and culture in a specific location.

Questions about what mechanism to use to embed systemic and sustained change in a borough need to be informed by political and ethical principles that have legitimacy and accountability. A challenge for local authorities who have been politically and financially emasculated is that the components of a community who have retained power (property developers, major employers, specific civic or religious organisations) have no requirement to be accountable in the same way as local politicians and their officials.

This is doubly challenging for artistic leaders who are able to bring (or build) a vision for an area but need to mobilise those with power and resources in order to realise their visions. When those visions become overtaken by local popular sentiment they can result in "bad art" or specific niche interests take a disproportionate role in setting the agenda.

Many of the examples of structures that we have talked about in this paper require a high degree of directive "top down" decision-making. They are vehicles that bring together in one place local voices and stakeholders which then act upon the community. It can be incredibly difficult and resource-intensive to uphold structures which are continually accountable to democratic local interests.