

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 15 September 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Tate Modern Project – Last £1m Contribution	
<b>Ward(s) or groups affected:</b>		Cathedrals	
<b>Cabinet Member:</b>		Councillor Mark Williams, Regeneration and New Homes	

## **FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

In the 1990s the council contributed the first £1 million of investment into the Tate Modern project to convert the former derelict power station into a major attraction. The Tate Modern opened in 2000 and has become a huge success story, helping to transform Southwark and attracting an average 5 million visitors every year.

In order to promote further economic development and regeneration, the Tate Modern is being extended to the south, with the derelict oil tanks of the former power station becoming the foundation of a large extension project. Designed by internationally renowned architects Herzog & de Meuron, who converted the original power station, this dramatic new building will rise 65 metres on 11 levels, complementing Giles Gilbert Scott's original building. This project will increase Tate Modern's capacity by 60% and add over 20,000m<sup>2</sup> of new space to the existing 35,000m<sup>2</sup>.

Tate Modern has played a vital role in the regeneration of Southwark, generating 1,500 new jobs and £100m for the local economy in its first year. Today, the area is a hive of cultural and commercial activity: there are around 70,000 people working in the Bankside area, which represents an increase of 64,000 since Tate Modern was built. As a direct result of the extension, the new Tate Modern will be a major driver of inward investment and tourism; it will become a focal point for a secondary wave of regeneration and economic growth in and around Southwark and South London, with £5bn worth of development already underway. Over five million people have taken part in Tate Modern's learning programmes since 2000, many engaging with a museum for the first time. The new Tate Modern will enable deeper and extended learning experiences for over 750,000 people every year through the provision of new spaces and educational activities.

In order to ensure that the Tate Modern extension project can be completed in 2016, and to realise the substantial economic, educational, and physical benefits arising from the project, the council has pledged to fund the last £1m of capital works. I am excited to announce that the final £1m of funding will directly deliver one of the most innovative and ambitious features of the new Tate Modern, the Tate learning suites. Occupying magnificent spaces at the heart of the new building, the Tate learning programme will inspire the public through engagement with art, to discuss, participate in and contribute to the broader social issues and debates of our time.

I now ask cabinet to agree the recommendation laid out in this report and approve the commitment of £1m towards the final completion of the Tate Modern project. This commitment represents our contribution of the first and last million pounds of investment to enable a project which has transformed the position of Southwark on the

world stage, and will continue to transform the lives of our residents through direct economic and educational opportunities and the wider physical regeneration of our borough.

## **RECOMMENDATION**

1. That the cabinet agree to commit £1m of capital funding towards the practical completion of the Tate Modern extension project.

## **BACKGROUND INFORMATION**

2. Bankside Power Station was built in two phases in 1947 and 1963 by Sir Giles Gilbert Scott as an iconic landmark on the bank of the Thames. Following closure in 1982, the council worked pro-actively with partners to find a new use for the site and began discussions with Tate who were looking for a new home for their international collection. A planning brief was developed which facilitated the conversion of the dis-used power station into an art gallery between 1996 and 2000. The council provided the pump priming investment of £1 million into the project to facilitate the appointment of a project team, and complete the technical and enabling works in order to get the project off the ground.
3. The Tate Modern opened on 12 May 2000 and instantly became one of the most successful urban regeneration projects in the world. The building was originally designed for a projected 2 million visitors a year, and this was quickly exceeded with an average of 4 million visitors in the first 6 years, rising to 5 million between 2006 and 2008. The numbers of visitors resulted in over-crowded galleries and catering and visitor services being over-subscribed. In order to build capacity and promote further economic success, the council has worked closely with Tate to develop an extension project which would expand re-orientate the Tate Modern to the south, with a new main entrance on the south side of the building driving footfall and investment deeper into the heart of Southwark.
4. Planning permission was granted for the Tate Modern extension project on 14 May 2009 (reference 09/AP/0039), and construction works began in January 2010, with the first phase of the project – the re-conditioned oil tanks beneath the extension – being refurbished and opened in time for the Olympic Games event in 2012. The construction of the building extension above the tanks topped out on 12 September 2014, and the final phases of construction are now underway to complete the external cladding, glazing and fit-out the exhibition and performance spaces.
5. The total project cost for the extension is £215 million (2012 prices), with funding from central government providing £50 million, the Greater London Authority £7 million via the London Development Agency, and substantial donations from the private sector and individual donors. The council has made no financial contribution to the Tate project since the initial £1 million investment in the late 1990's.
6. The council has worked closely with the Tate Modern project team throughout the project, liaising closely on the original design and planning permission, construction management and logistics, and employment liaison to maximize opportunities for local residents during the construction process. The potential for the council to invest in the last million pounds of the project has been discussed for some time and this report seeks to secure the commitment of funding with the practical completion of the project in March 2016 now fast approaching.

7. As a major inward investment project in Southwark, the council is working with development team at Tate to secure the final capital funding for the project. The fundraising team is currently working with a wide range of donors to secure the final funding for the project and proposed £1m commitment is made on the basis of forming the final £1m capital payment to building. The final payment by the council will be made once the full funding has been secured.

## **KEY ISSUES FOR CONSIDERATION**

### Tate Learning Programme

8. Council officers met with the Tate project team in June 2015 to discuss how a potential final investment of £1 million would be spent and accounted for. Several options for the expenditure were discussed based on the final elements of the construction programme. The completion of a new public programme space within the education and learning area of the extension was identified as a final element of the works which would directly benefit the residents of Southwark.
9. The public programme space is located on Level 5 of the new Tate Modern, measuring approximately 111m<sup>2</sup>. It will be programmed by the Tate Learning team in collaboration with associate partner organisations, and activities will include film screenings, presentations, debates, symposia, conferences, courses and performances for a broad and diverse range of audiences from art specialists to local community groups and residents.
10. In terms of naming rights, the Tate project team will work to ensure that the council's £1m investment is realised in some form of naming within the Tate learning floorspace, with an explicit reference to Southwark.
11. The council will continue to work closely with the staff at Tate Modern to maximise involvement and opportunities for Southwark residents and businesses. Key council teams which will promote access and involvement will include officers from regeneration, events, culture, local economy, education, youth, play services, and community involvement.
12. The provision of the Tate learning space will be a valuable new education facility for the Borough which will provide a high quality learning space with a range of diverse and interesting programmes. Additional learning opportunities will enhance skills, life chances and employability of Southwark residents and further tackle the causes of deprivation which exist across the Borough.
13. In addition to the investment in the Tate Learning space, the completion of the overall extension project will provide a range of direct benefits for Southwark residents and businesses.

### Viewing gallery

14. The new building will provide a number of large open spaces for use by the public, including an 11<sup>th</sup> floor viewing gallery with spectacular views of central London which will provide a superb attraction for residents and businesses.

### Public realm

15. A new piazza style square and a new park are being constructed to the south of

the building, integrating the museum within the wider public realm for the enjoyment of visitors, local workers and residents alike. These spaces form a valuable new amenity space for residents in an area of intensification. As well as increasing public space around the gallery, the new Tate Modern will provide significant additions to neighbourhood circulation routes. A north to south route is being created through the new entrance on the south side of the building which helps links the City of London to the heart of Southwark, driving footfall and investment further south.

#### Community and access programme

16. The Tate “Community & Access Programme” provides a range of initiatives for vulnerable local people. Work with local health services such as South London and Maudsley NHS Foundation Trust, care service providers, Age Concern and wider community groups, means that 3,500 London residents experiencing social and/or economic disadvantage participate in activities at Tate Modern each year, including over 1,000 local visitors with disabilities. The new Tate Modern will provide enhanced facilities for these visitors, while the underpinning ethos of open public access, particularly for local people, will be expanded.

#### A world-class tourist attraction

17. Since 2000, Tate Modern has transformed attitudes to the visual arts in the UK and set new standards for museums around the world. Audiences now see museums as social spaces, as well as spaces in which to enjoy, experience and learn about art. Southwark residents will be able to enjoy free access to a wide range of art gallery and performance space, and high quality social spaces, such as cafes, terraces and public concourses within and around the museum. The project will provide a major new resource for the Borough’s diverse communities.

#### A catalyst for further economic growth, regeneration and employment

18. Tate Modern is one of the most frequently cited examples internationally of urban regeneration following an arts development. Just as Tate Modern was the catalyst for the regeneration of north Southwark and the riverside in 2000, this next phase will contribute to the continued regeneration further south into Southwark, the 41<sup>st</sup> most deprived Borough in the UK. Independent analysis commissioned by Tate concluded that London will enjoy an annual economic contribution upwards of £125m and the net benefit to UK citizens of the new Tate Modern will range between £133.9m and £176.4m (in present value terms). These estimates are based on a set of conservative assumptions including a low valuation of the benefit of each individual visit to the free gallery space of £2.20 and the assessment only includes benefits to 2031/32. Calculations do not include the additional benefits of incremental tourism spend.
19. Tate Modern is currently estimated to attract *incremental* visitor spend of £170m to £205m every year. In an increasingly competitive global market, the new Tate Modern will enable the UK to maintain and increase this level of inward spend. The new Tate Modern will provide a new reason for visitors to come to Southwark which will increase footfall into and around the Tate and create new business and enterprise opportunities for our residents and businesses and the associated increases in employment.
20. The council’s regeneration and local economy teams will work closely with Tate Modern and our training and employment partners to maximise the opportunity

for new jobs, apprenticeships, work placement and volunteering at the museum to get as many local residents into jobs as possible.

#### New spaces for a growing and more diverse international collection

21. More than 80% of visitors to Tate Modern come to see the national collection. As contemporary art is changing, so too must the spaces in which it is experienced. When Tate Modern opened, there were 86 large-scale installations in the collection. Today there are more than 250. Unlike its peers in Europe and America, Tate is collecting work that reflects the breadth and diversity of contemporary art practice across media (painting, sculpture, installation, photography, film, video, digital, performance) and the world (Asia, the Middle East, Africa and South America as well as the traditional focus on Europe and North America).
22. The new Tate Modern will reinforce the UK and Southwark's position as a leader in innovative and new art forms. It will enable visitors to experience the full scope of contemporary artistic practice. The project will not only increase gallery space by 70% but offer a wider variety of spaces, from large, industrial and raw to small and intimate, in which to display the collection.

#### A new model of environmental sustainability

23. The new Tate Modern is designed to be a model of environmental sustainability, integrating passive measures to minimise energy use, efficient mechanical and electrical systems and an innovative renewable energy source. It will take a leading role in sustainability by establishing a new standard for museums across the world, using 54% less energy and generating 44% less carbon than building regulations require.

#### Policy implications

24. The project directly delivers a number of themes and objectives set out in the councils' fairer future plan. The Tate extension will continue to revitalize the neighbourhoods of North Southwark, will strengthen the economy of the whole of Southwark, and improve the cleaner greener and safer appearance of the Borough with high quality new public realm and open spaces. The project will also help give residents the best start in life through direct access to a world class cultural attraction with a dedicated learning programme in the Tate learning programme space. Investment in the project will also promote new opportunities for education, employment and training both during the construction of the building and in the operation of the new building.
25. The project will directly deliver objectives and policies set out in national planning guidance, the London Plan and the Southwark Plan, including the development and promotion of arts and culture, promoting world class architecture and design, enhancing the quality of public realm, and regeneration and creating opportunity.

#### Community impact statement

26. The extension of the Tate Modern project will create a valuable new community and education facility for Southwark, with a range of publicly accessible spaces, a diverse education programme, free access to arts and cultural exhibitions and events, and local employment opportunities in the construction of the project and the operation of the building.

27. The new community facilities will further assist the council perform its public sector equality duty by providing new cultural and community meeting space which can advance the equality of opportunity and foster good relations between those with protected characteristics (e.g. gender, disability) and those without. Events, meetings and programmes in the extension will cater for all groups across Southwark and the Tate learning suites will provide a cutting edge new platform for enhancing the equalities agenda through cultural events in a high quality public space.

### **Resource implications**

28. The project will be delivered by the Tate Modern project team with support from the council's regeneration team and there are no additional resource implications. Council officers will continue to work in their existing roles alongside the project team to coordinate construction management and logistics, the completion of the public realm projects, to maximize employment and training opportunities and to plan for the opening events for the building.

### **Financial implications**

29. This report seeks approval to contribute £1m of council resources towards the completion of Tate Modern extension project. The total cost of this project is £215m with funding provided by central government, Greater London Authority (GLA) and donations from the private sector and individual donors.
30. The contribution of £1m by the council will be funded from regeneration and development reserve. There is uncommitted balance of £1.3m in regeneration reserve code ZR003, and costs associated with this recommendation can be contained within this balance.
31. Officer time to effect this recommendation will be contained within existing budgeted resources.

### **Consultation**

32. No specific consultation has been carried out with the local community regarding the decision to invest the last £1 million. Statutory consultation has been carried out on various stages of the project, notably the planning permission and all associated technical issues. Regular liaison is undertaken between the project team and local residents to discuss construction management issues. Regular engagement is carried out in the local community by the council's employment agencies including Southwark Works to place locally unemployed residents into training and employment within the project.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

33. Cabinet is advised that this is a decision it is empowered by the council's Constitution to make.
34. Section 14 Museums and Libraries Act 1964 enables a local authority, including a London borough council, to make contributions towards expense incurred by any person (a) in providing or maintaining a museum or art gallery in any place

within England or Wales, or (b) in providing advisory or other services or financial assistance for the benefit of a museum or art gallery in any such place.

35. When making its decision, section 149 Equality Act 2010 requires that Cabinet must have due regard to the need to eliminate discrimination other prohibited conduct and advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not. Information about the council's assessment of the performance of this duty is set out in the body of the report.

#### **Strategic Director of Finance and Corporate Services (FC15/016)**

36. The report is requesting cabinet approval for £1m capital funding towards the practical completion of the Tate Modern extension project which is expected to cost £215m in total.
37. It is noted that this contribution of £1m will be funded from the regeneration and development reserve.
38. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Planning reports and plans	Southwark Council 160 Tooley Street London SE1 2QH	Dan Taylor, Programme Manager 020 7525 5450
Link: <a href="http://planbuild.southwark.gov.uk:8190/online-applications/applicationDetails.do?activeTab=summary&amp;keyVal= STHWR_DCAPR_9530974">http://planbuild.southwark.gov.uk:8190/online-applications/applicationDetails.do?activeTab=summary&amp;keyVal= STHWR_DCAPR_9530974</a>		

#### **APPENDICES**

<b>No.</b>	<b>Title</b>
None	

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Mark Williams, Regeneration and New Homes	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Dan Taylor, Programme manager	
<b>Version</b>	Final	
<b>Dated</b>	7 September 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	2 September 2015	