

From: Barbara Cooper, Corporate Director of Growth, Environment and Transport

To: Mike Hill, Cabinet Member for Community and Regulatory Services

Decision No: 19/00060

Subject: Turner Contemporary Capital Project Record of Decision

Classification: Unrestricted

Summary: The report sets out the plan to reconfigure and update Turner Contemporary (TC) and the Rendezvous site in Margate. TC is a major cultural asset in Kent, and has been very successful in attracting significantly higher than expected visitor numbers since it opened. The building now requires a programme of capital works to maintain a high quality visitor offer, generate increased revenue, and enable the organisation to work towards sustainability.

Recommendation(s):

The Cabinet Member for Community and Regulatory Services is asked to agree the proposed decision (shown at Appendix A) to:

- Enter into and or vary legal agreements including, but not limited to, a Memorandum of Understanding and Collaboration Agreement with Turner Contemporary, RNLI, Margate Yacht Club, Arts Council England and any other stakeholders as required.
- Authorise the Director of Infrastructure to enter into all necessary legal agreements for the delivery and the construction and land related matters of the project.
- Proceed with the project subject to KCC's VAT partial liability exemption position not being breached or in breach.

1. Introduction

1.1 The Gallery has exceeded its predicted visitor numbers and this has had a tangible effect on regeneration which has encouraged people to relocate to Margate and supported new businesses to become established in the surrounding areas. Capital investment is required to maintain this position and enable Turner Contemporary to move towards becoming more financially resilient.

1.2 The project is a combination of reconfiguration and updating of Turner Contemporary (TC) and the Rendezvous site. The aim of the project is to improve the visitor experience and make TC more financially sustainable by reducing running costs, improving the potential for increasing revenue income and making the TC building function more efficiently to service the high levels of visitors it currently attracts.

1.3 The scope of the project includes proposals to consider how best to maximise income generation through the inclusion of pay and display car parking, and enhancing the current retail and catering offer, while maintaining the current high standards of visitor experience.

2. Financial Implications

2.1 The total cost of the project is £1,995,000.

2.2 Arts Council England (ACE) has agreed £495k grant funding towards build costs and KCC has allocated £1.5m from its current Capital Programme.

3. Policy Framework

3.1 The Project delivers KCC's Strategic Outcome that Kent Communities feel the benefits of economic growth by being in-work, healthy and enjoying a good quality of life.

3.2 The project specifically helps meet supporting outcomes:

- **Kent residents enjoy a good quality of life, and more people benefit from greater social, cultural and supporting opportunities.** Turner Contemporary is an important visitor attraction, attracting high numbers of visitors from Thanet and further afield.
- **All Kent's communities benefit from economic growth and lower levels of deprivation.** Turner Contemporary has increased visitor numbers to Margate and enabled a number of local businesses to become established. Since the Gallery opened 40 new businesses have opened in the Old town and Cliftonville.
- **All children and young people are engaged, thrive and achieve their potential through academic and vocational education.** Turner Contemporary has a highly regarded programme of educational activities including the Young Navigators initiative which is nationally recognised by Ofsted as a model of good practice in gallery education.

4. Current Position

4.1 Since opening in 2011, Turner Contemporary has received over 3,000,000 visits, double the estimated annual figure of 150,000 for which the building was designed. Investment is required to make the building fit for purpose, improve the visitor experience and to enable TC to grow the business of the gallery to ensure it is sustainable into the future and, in turn, enable KCC to reduce its revenue funding over a phased period.

4.2 KCC has continued to support the gallery as part of the arts infrastructure across the county in recognition of the contribution made to community wellbeing, regeneration and quality of life for Kent residents.

4.3 Three options were explored:

Option 1, status quo. If no improvements are made to the Gallery the building will be unable to cope with the increase in visitor numbers and unable to maximise opportunities for income generation. The building will become unfit for purpose, which will jeopardise TC's business plan, ACE funding and reduce the profile of the gallery meaning its positive effect on regeneration will be lost.

Option 2, a large scale capital programme. Detailed work with architects and specialist consultants showed that greater benefit would be achieved through a smaller scale and less intrusive programme of works.

Option 3, a small scale capital programme is the preferred option and will enable an enhanced visitor experience and increased opportunities for maximising income generation.

4.4 Working with Turner Contemporary and ACE, KCC Economic Development have scoped and costed option 3 comprising a £2 million package of works to target visitor experience and revenue generation. The scheme comprises:

- a. Chargeable car park with 86 spaces to generate revenue for the gallery
- b. Finishing kitchen to support event catering and promote venue hire to generate additional revenue
- c. Upgrade main kitchen equipment & shop to improve customer experience and promote sales
- d. LED lighting to reduce running costs
- e. Digital improvements including broadband upgrade & AV equipment to improve customer experience and learning
- f. Automatic front & gallery doors to improve access
- g. Increase & upgrade WC provision to improve visitor experience
- h. Internal & external signage and CCTV upgrade to improve access and security
- i. External storage

4.5 Works are scheduled to take place in two phases, the first in January 2020 and the second in September 2020.

4.6 KCC will need to enter into and or vary a number of legal agreements with Turner Contemporary, Arts Council England and a number of partners, in order to secure the project, and enter into a number of contractual agreements to develop and deliver the site.

4.7 No adverse impacts have been identified in the Equalities Impact Assessment (Appendix B) and this will be kept under review as the project progresses.

4.8 There will be a direct impact on the council's property portfolio as a result of the investment as the works will improve the asset.

5. Risk

5.1 Risks are being closely managed on a daily basis and the project is currently on programme and on budget. The top risks are shown in the table below.

Risk	Likelihood	Impact	Mitigating Actions
Managing expectations of partners leading to slippage in project timetable	Low	Medium	<ol style="list-style-type: none"> 1. Implement regular consultations/communications with partners to ensure expectations are managed. 2. All parties are made aware of programme and deadlines. 3. Ensure that the KCC and ACE funding criteria are clear to all parties.
Works overrun disrupting TCs core business	Low	High	<ol style="list-style-type: none"> 1. Agree timetable as part of the procurement process 2. Project monitoring of works
Failure or delay in securing statutory permissions	Medium	High	<ol style="list-style-type: none"> 1. Early engagement with Thanet District Council. Ensure regular communications. 2. Consult with TDC with specific reference to the car park, ANPR and ticket machines. 2. Robust submission by consultants to ensure planning cannot be challenged. 3. Public engagement to ensure buy in and listen to any concerns 4. Statutory Permissions Applications have been submitted - July 2019
Business case is not robust	Medium	Very High	<ol style="list-style-type: none"> 1. Quality assurance of the business case by all partners 2. Robust sign off process for business case 3. Prepare and sign off the Collaboration Agreement

--	--	--	--

6. Conclusion

6.1 A small scale capital programme will be delivered to enhance the building enabling Turner Contemporary to maximise revenue generation, improve the visitor experience and future-proof the Gallery to enable it to move towards becoming sustainable.

7. Recommendations

Recommendations:

The Cabinet Member for Community and Regulatory Services is asked to agree the proposed decision (shown at Appendix A) to:

- Enter into and or vary legal agreements including, but not limited to, a Memorandum of Understanding and Collaboration Agreement with Turner Contemporary, RNLI, Margate Yacht Club, Arts Council England and any other stakeholders as required.
- Authorise the Director of Infrastructure to enter into all necessary legal agreements for the delivery and the construction and land related matters of the project.
- Proceed with the project subject to KCC's VAT partial liability exemption position not being breached or in breach.

8. Background Documents

Appendix A – Proposed Record of Decision

Appendix B – Equality Impact Assessment

9. Contact details

Report Author:

Tony Witton, Culture and Creative
Economy Manager
03000 417204
tony.witton@kent.gov.uk

Relevant Director:

David Smith, Director of Economic
Development
03000 417167
david.smith2@kent.gov.uk