

SURREY COUNTY COUNCIL

CABINET MEMBER FOR

DATE: 12 OCTOBER 2016

LEAD OFFICER: DAVID MCNULTY, CHIEF EXECUTIVE

**SUBJECT: SUPPORT FOR THE WATTS GALLERY 'PHYSICAL ENERGY'
BI-CENTENNIAL SCULPTURE PROJECT**



SUMMARY OF ISSUE:

G.F. Watts was a leading Victorian artist with major connections and associations with Surrey. The Watts Gallery and Studios are an important cultural and tourism asset for the county.

In connection with his bi-centennial year in 2017 there is an ambition to create a new casting of Watts' iconic sculpture 'Physical Energy'. The Watts Gallery Trust will be running an appeal to fund this new piece of art.

Specialist foundries capable of undertaking this work have limited capacity and there is likely to be a long time scale associated with the casting of such an important fine art sculpture. In order to deliver the project in time for the Watts bi-centennial celebrations, the Watts Gallery may need to commission the casting before the fundraising campaign is completed.

In order to ensure that this major new piece of public art will form a centre piece of the bicentennial celebrations, it is proposed that Surrey County Council provides an interest free loan, up to a value not exceeding £140,000, to enable the Trust to commission the casting alongside an active fund raising campaign.

RECOMMENDATIONS:

It is recommended that the Leader agrees to the Council offering an interest free loan to the Watts Gallery Trust for an amount not exceeding £140,000 for the purpose of the commissioning of casting of G.F. Watts sculpture 'Physical Energy' – subject to satisfactory financial and legal due diligence and the following conditions:-

- Any sum loaned to the Trust should be included in the Watts Gallery fund raising appeal target – and Surrey County Council will be reimbursed as the fundraising appeal proceeds, either as single payment or in stages, until the loan is discharged but with a proviso that it will be fully discharged.
- The duration/terms and agreement of the loan to be agreed. The final details to safeguard Surrey County Council's financial position and the detailed arrangements for the commission and its supervision during the fabrication process will be approved by the Leader, in consultation with the Director of Legal Democratic and Cultural Services and the Director of Finance.
- Until such time as full reimbursement of the loan is received Surrey County Council will have an agreed form of security in the form of a legal charge

against the trust.

- The Watts Gallery Trust will ensure appropriate insurance arrangements are in place for the replacement cost of the sculpture.

REASON FOR RECOMMENDATIONS:

Providing bridging finance to the Trust will facilitate the creation of an iconic and inspirational piece of public art that celebrates the cultural heritage of Surrey and its proud association with the artist G.F. Watts – a nationally important artist whose reputation will continue to increase in the future.

DETAILS:

Background

1. 'Physical Energy' is a major /internationally renowned sculpture by G.F. Watts.
2. The commissioning of a new 'Physical Energy' sculpture from the original moulds will create an iconic and inspirational piece of public art that will be a cultural landmark and destination which will raise the profile of the cultural heritage of Surrey and proclaim the County's connection with an important artist of national significance. The ambition is to place the sculpture where it will assume a commanding position within the landscape in the vicinity of the Watts Gallery. It will enhance the visitor experience and be freely accessible to the public and visitors of the gallery.
3. A fundraising appeal to fund the project is in the final stages of planning and work has already commenced to approach prospective sources of finance.
4. The Council agreed at its Cabinet meeting on 26 April 2016 to provide £40,000 of funding towards the total cost of the Physical Energy project. It has now been requested that the Council provides an interest free loan to facilitate the early casting of the sculpture in advance of the fundraising appeal.
5. Watts Gallery- Artists' Village in Compton is a unique Arts & Crafts centre situated in the Surrey Hills which provides opportunities for visitors to explore the work of the eminent Victorian artists G.F. and Mary Watts in the place where they lived and worked, and engage in a wide range of activities including workshops and practical demonstrations, which capture the Watts' commitment to "Art for All". Watts Gallery Trust, which owns the estate, is an arts and education charity. The Gallery itself is a Grade II listed building which has been transformed by a major £11m refurbishment and the profile of the venue has been enhanced by an increasingly dynamic outward focus over the last 10 years. The Gallery was reopened in 2011 and was a finalist in the Arts Fund Museum of the Year Awards in 2012. In 2014, the Trust was given long term responsibility for the Grade I listed Watts Chapel and Grade II listed cemetery which also form part of the Village.
6. As a result of this transformation, the Gallery's annual turnover has increased from £0.3m to £1m over the period of 10 years, employment has increased from three staff to approximately 50, and the number of volunteers assisting at the gallery, for example as guides or stewards, has increased from a small handful to nearly 300 per year.

7. The Trust runs the Charity in accordance with the founders' philosophy of "Art for All", i.e. with the aim of making arts accessible and inspiring to everyone. This is included in the Charity's objects.
8. The Gallery attracts 60,000 visitors annually and has almost 30,000 paid admissions. It hosts temporary historic and contemporary exhibitions, encourages young artists, stages concerts, readings and other live events. It supports research, trains interns and has a trainee curator.
9. The average spend for a visitor to Watts Gallery in the local area, i.e. not just at the Gallery itself (including money spent in restaurants, pubs etc) is over £50.
10. In addition, Watts Gallery plays a vital role in the local community providing a focus and a meeting point as well as a centre for learning and enjoyment for nearly 300 volunteers who are all provided with relevant training by the Trust.

A Boost for Surrey Tourism

11. Heritage is a key driver of tourism. "Investing in Success", the Heritage Lottery Fund (HLF) Tourism Impact survey completed in 2010, found that heritage tourism makes a contribution to the total output of the UK economy – as measured by gross domestic product (GDP) – of £7.4billion per year. This was a bigger contribution than that of many other, more visible sectors of the economy including advertising, film, and even the car industry. The research was updated in 2013 which found that this amount had risen to £9.59billion per year.
12. The 2010 research found that spending by visitors within local economies is much higher than their spending at the heritage destination itself. Of every £1 spent as part of a heritage visit, only 32p is spent on site. The remaining 68p is spent away from the attraction itself, but as a direct result of visiting heritage, in restaurants; cafés; hotels and shops, for example. Overall, the total amount of money spent within the local economy, by all visitors to the funded heritage attractions in the research was found to more than double following the completion of an HLF funded project.
13. Iconic art works have a widely acknowledged role in tourism promotion/economic development e.g. Angel of the North, Kelpies at Falkirk to more modest scale installations e.g. The Jurors (to mark Magna Carta 800); Inspiring Views-the Surrey Hills Public Art programme and the new HG Wells statue in Woking to commemorate the 150th anniversary of his birth.
14. The Watts Gallery Trust's tourism strategy is to create a distinctive and credible brand that challenges perceptions, stands out from the rest and represents the quality of the tourism product.
15. Public interest and recognition of G.F. and Mary Watts as hitherto under-appreciated nationally important artists has changed dramatically in recent years Compton is a crucible of the Arts & Crafts movement, the only campus of listed arts & crafts buildings of this sort in the UK, and also the sole remaining artist house and studio from the 19th Century with its collection still intact. The restoration of Watts Gallery and Limnerslease have revived a sleeping giant, a centre which, in the 19th Century, was a place of national interest. Watts Gallery has now returned to being a national gallery in the heart of a village.

CONSULTATION:

16. The Leader and Deputy Leader visited the Artists' Village in June 2015 and had discussions with the Trust Director Perdita Hunt. The Chief Executive also met with the Trust Director and Treasurer in August 2015. Further meetings and discussions have taken place between the Trust staff, Trustees, and the Council's Head of Cultural Services and Director of Legal, Democratic and Cultural Services.

RISK MANAGEMENT AND IMPLICATIONS:

17. The proposal is that the Watts Gallery Trust will repay the loan from the Physical Energy Appeal Fund. The Trust has a proven record of fundraising, which provides a level of reassurance that they will be able to raise sufficient funds with which to repay the loan.
18. The loan will be secured on the artwork. This would enable the Council, as a matter of last resort, to sell the sculpture to repay the loan. This charge also provides the Council with a level of control of the artwork whilst the loan is outstanding.
19. In the event that the project fails to progress to completion and the loan is not repaid security on the asset will safeguard the Council's financial position and ultimately allow Surrey County Council to sell the asset on the art market.

Financial and Value for Money Implications

20. The payment from the Council to the Watts Gallery Trust in order to fund the commissioning of the 'Physical Energy' sculpture will be by means of an interest free loan. The duration/terms of the loan to be agreed as specified in the recommendations.
21. The loan will be up to £140,000 and not exceed the value of the quotation from the selected foundry for the manufacture of the work and any associated storage and transport/delivery costs.
22. The loan agreement is on condition that it is used for this purpose and the Council will be fully reimbursed – and other conditions as specified in the recommendations.
23. The loan will be secured on the artwork so that the Council will retain control of the asset until the loan is reimbursed.
24. A fundraising appeal will be run by the Watts Gallery Trust to fund the overall project. The loan will be repaid first before the next stages of the project are implemented.
25. At the 26 April 2016 Cabinet meeting it was separately agreed to provide a £40,000 grant to the Watts Gallery Trust towards the overall project.
26. The amount of interest saved by the Watts Gallery via this arrangement will depend on the term of the loan (to be agreed) and how quickly it is repaid from fundraising activity.

Section 151 Officer Commentary

27. The provision of this funding to the Watts Gallery to facilitate the early casting of the statue will be made by means of an interest free loan to be re-paid in full and secured by way of a legal charge.
28. There are no particular risks in providing the funds to the trust as it is financially viable with support received from a number of patrons and benefactors, and holds substantial funds.
29. A form of security will be negotiated to provide some assurance that the funds are to be used only for the agreed purpose.

Legal Implications – Monitoring Officer

30. Section 14 of the Public Libraries and Museums Act 1964 provides a power for the 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.
31. In addition, s111 of the Local Government Act 1972 enables the Council to do anything that is conducive or incidental to the discharge of any of its functions, and s1 of the Localism Act 2011 provides a general power of competence for the Council to do anything which individuals generally may do.
32. Provision of funding by the Council to assist the Watts Gallery in the way intended by this report is therefore permitted by law, provided of course that the Council operates within the usual boundaries of public law.
33. The Council will also need to take account of any State Aid requirements in finalising its agreement with the Trust.

Equalities and Diversity

34. The public sector equality duty (section 149 of the Equality Act 2010) applies to the decision to be made by the Leader in relation to this report. There is a requirement when deciding upon the recommendations to have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good relations between such groups and eliminate any unlawful discrimination.
35. The Watts Gallery has made good Equalities and Diversity provision. Specifically, the positive impacts for protected groups include the increased provision of learning and skills opportunities for people of all ages including for children and young people, those with mental health difficulties which may include disabled people and those with learning disabilities and vulnerable women, particularly victims of domestic violence, lone parents and women prisoners.

36. Access for disabled people will be built into the brief for the design of access to the site where the Physical Energy sculpture will be installed.
- A path to the location of the sculpture will be accessible for those with mobility difficulties.
 - At least two car parking spaces for disabled people will be reserved in the adjacent car park.
 - Any staff or volunteers in attendance at the sculpture will be trained in disability awareness.
 - Information about the sculpture will be included in sensory and audio trails through the woodland and through the museum spaces.

Other Implications:

The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	Not specifically applicable to the Physical Energy project at Watts.
Safeguarding responsibilities for vulnerable children and adults	Not specifically applicable to the Physical Energy project at Watts.
Public Health	The overall package of activities available at the Watts Artists' Village generally will particularly promote and enable emotional health and well-being for both attendees and for volunteers. There are possibilities of working with the Council to promote walking on the Pilgrims' Way which runs alongside the Village.
Climate change	No significant implications arising from this report
Carbon emissions	Whilst the increased numbers of visitors may result in additional car journeys to the area, the Trust is working with the Compton Parish Council and Village Association to further develop the use of the community bus service "Compo" to increase the availability of public transport to the venue.

WHAT HAPPENS NEXT:

37. The final details to safeguard Surrey County Council's financial position and the detailed arrangements for the commission and its supervision during the fabrication process will be finalised and submitted for approval by the Leader,
38. The funding will then be provided to the Trust in stage payments in accordance with the key stages of the schedule to be agreed by the Trust with the foundry

doing the casting; or as a single purchase if an intermediary takes over the casting commissioning process.

Contact Officer:

Peter Milton, Head of Cultural Services, 0208 5417679,

Consulted:

Leader

Deputy Leader

Chief Executive

Director of Legal and Democratic Services

Director of Finance

Head of Cultural Services

Annexes:

Sources/background papers:

- Watts Gallery- The Annual Report 2013/14
 - Watts Studios Update Summer 2015
 - “Investing in Success”- the HLF Tourism Impact Survey 2010
 - “The Economic Impact of the UK Heritage Tourism 2013” – Oxford Economics
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