

Report to: Executive Board – 10th January 2005

Oxfordshire Visual Arts Development Agency / X-change Gallery
 Hosting and Management Agreement (April 2005 - April 2010)

<p>Report of: Business Manager for Leisure and Parks</p> <p>Report Author: Neil C Smith Arts Officer (Strategic Development) 01865 252829 ncsmith@oxford.gov.uk</p> <p>Lead Member Responsible: Cllr Maureen Christian</p> <p>Scrutiny Committee Responsibility: Community</p> <p>Key Decision: No</p>	<p>WARDS AFFECTED</p> <p>ALL</p>
<p>SUMMARY AND RECOMMENDATIONS</p> <p>On 24th November 2003 the Executive Board agreed to the recommendations included within the X-change Gallery Restructuring Proposal. These included the expansion of the X-change Gallery into the former Pensioners' Club, the transfer of management and development of the gallery to an independent not-for-profit organisation – Oxfordshire Visual Arts Development Agency (OVADA), and an 'in principle' agreement to enter into a long-term hosting and management agreement with OVADA. This report seeks the necessary authorisation to enter into a five-year agreement with OVADA to cover the period April 2005 – April 2010.</p> <p>This project adheres to the Council's objective of working with others to deliver shared goals, helps to deliver objectives within the endorsed draft of the Arts Strategic Plan, and delivers on the following themes of Oxford's Community Strategy –</p> <ul style="list-style-type: none"> • A Vibrant & Inclusive Economy • Opportunities for Life • Active & Healthy Communities <p>The overall cost to the Council over the five years of this project is estimated at £105,700. Expenditure will be covered within the core budget of the Leisure and Parks Business Unit, and there are no additional financial implications for the Council. There are no staffing implications.</p>	

The Executive Board is ASKED to:

- Grant minor project approval for the OVADA / X-change project (April 2005 – April 2010).
- Authorise officers to complete negotiation of the 5-year hosting and management agreement between OVADA and Oxford City Council.
- Authorise the Strategic Director – Physical Environment to sign the completed agreement on behalf of the Council.

Background

1.1. The Executive Board approved the recommendations set out in the X-change Gallery restructuring proposal on 24th November 2003 (subsequently approved by Council on 19th January 2004). It was agreed to –

- Transfer the former Pensioners' Club to the Leisure and Parks Business Unit.
- Allocate £20,000 of Capital funding towards the refurbishment of the former Pensioner's Club.
- Transfer management of the exhibition programme at The X-change Gallery to the Oxfordshire Visual Arts Development Agency (OVADA).
- Increase the Arts Development budget by £8,000pa to cover the rates, utilities and gallery budget.
- Give 'in principle' support to moving towards a long-term hosting and management agreement with Oxfordshire Visual Arts Development Agency, linked to continued funding of the project through the duration of the agreement.

1.2. On 15th March 2004, the Executive Board agreed to incur expenditure on the £20,000 Capital contribution to the project, to be managed by OVADA in liaison with the Council.

2. Project Update

2.1. OVADA completed constitution as a not-for-profit company limited by guarantee in June 2004. The OVADA Board has been meeting monthly since July under the chairmanship of Danby Bloch. The Council has an observer position for an Officer on the Board, currently filled by Neil C Smith.

2.2. Subsequently to the 15th March report, an agreement was made with OVADA to delay full capital redevelopment of the space until early 2005, to allow additional fundraising for the Capital project. It was determined that this would be more cost effective, and more likely to attract additional funding than taking a two-phased approach to the redevelopment. An additional £20,000 from Arts Council England towards the Capital redevelopment is expected to be released in January 2005.

- 2.3. Minimal Capital improvements were made to the former Pensioners Club in mid-2004 to allow OVADA to occupy the space. A reduced programme of exhibitions, artist residencies and events has been running since July.
- 2.4. It was agreed that the Council's Arts team would remain at the Town Hall, and transfer to the gallery when the full capital works have been completed. The rest of the Leisure and Parks team based in the Town Hall are moving to Northway, but it is important that the Arts team retain a city centre base.
- 2.5. OVADA has developed and fundraised for a full exhibition and events programme to begin in April next year. So far they have secured £58k (in addition to City Council support) for the period up until August 2005. This includes support from Oxfordshire County Council (£10k) and Oxford Brookes University (£12k sponsorship + £12k staffing secondment). A further £30k of project funding from Arts Council England is expected in January 2005 (in addition to the £20k towards the Capital redevelopment). £25k of additional funding is already secured for the period Aug 05 – Aug 06.
- 2.6. OVADA is leading on a number of key visual arts projects as part of the Evolving City programme in 2005, within and external to the gallery. Oxford Inspires has supported OVADA through its establishment as a new organisation, and OVADA is receiving £23k linked to the delivery of projects during the Evolving City year, funded through the Urban Cultural Programme.
- 2.7. The Council's Property and Arts departments are currently completing negotiations with ClearChannel Entertainment (CCE) to leaseback the upper floor area of the gallery, toilets and rehearsal room. Under the current arrangements, CCE manage the building and the Council Arts department have responsibility for managing the exhibition programme (to be passed to OVADA). The leaseback arrangement will simplify the management and security of the gallery, and the addition of the under-used rehearsal room will allow the provision of a studio space linked to the gallery programme. The leaseback will be at zero-cost to the Council, and CCE will continue to cover rates, utilities and maintenance costs for this area of the building.
- 2.8. On 24th November 2003, the Executive Board demonstrated 'in principle' support to moving towards a long-term hosting and management agreement with OVADA of up to 10 years duration. This report seeks approval to enter into an agreement of 5 years duration, covering the period April 2005 – April 2010. This duration is deemed to be appropriate given that OVADA is a fledgling organisation, and offers sufficient security for OVADA to develop the gallery programme and invest externally raised Capital money in the gallery.
- 2.9. OVADA has also agreed to take on the management of the Dairy building in Headington Hill Park, and this is included within the proposed agreement. The Dairy provides a space for artists to work on short-term residencies over the summer months (normally of six

weeks duration each), for which they receive a small bursary. This provides artists with a space to work (given Oxford's lack of affordable studio space) and in return the artists have to provide a number of events or open days for the public. The Council has made a decision to move away from direct project provision in the arts, and the Dairy is currently the only area of project provision in the visual arts still managed directly by the Council.

3. Hosting and Management Agreement

3.1. This report seeks the necessary Minor Project approval and authorisation for officers to complete negotiation of the hosting and management agreement (Apr 2005 – Apr 2010), in liaison with the Council's Legal Services. The completed agreement will be signed off by the Strategic Director – Physical Environment.

3.2. Under this agreement, OVADA's obligations will include –

- Management of the gallery space and delivery and promotion of the gallery programme.
- Raising at least an additional £60k per annum for visual arts development, of which a minimum of £20k will be invested in the gallery programme.
- Providing a minimum of 10 exhibitions per annum (8 in year 1).
- Providing exhibition, residency or other opportunities for a minimum of 20 artists living or working in Oxford per annum.
- Opening the gallery to the public for a minimum of 200 days per annum (40 weeks @ 5 days per week), with the gallery office open for a minimum of 245 days per annum (49 weeks @ 5 days per week).
- Developing the gallery as a hub for visual arts development in the city and county.
- Management of the Dairy building in Headington Hill Park, and delivery and promotion of a programme of short-term artist residencies.
- Covering insurance of all exhibitions and activity within the gallery and Dairy.
- Leading on fundraising and managing further improvement of the gallery and Dairy in liaison with the Council.
- Undertaking cleaning and minor maintenance tasks within the gallery and Dairy.

3.3. Under this agreement, Oxford City Council's obligations will include –

- Covering all rates and utilities charges associated with the gallery.
- Paying a management fee to OVADA of £12,000 in year 1, £15,000 in year 2, with an increase of 3.5% or RPI (whichever is the greatest) in subsequent years.
- Maintaining the fabric of the Dairy building and lower floor of the gallery, and managing the leaseback and maintenance agreement with ClearChannel Entertainment for the upper floor.

- Continuing to cover the building insurance of the lower floor of the gallery and Dairy.
- Nominating an Officer to manage and monitor the agreement, represent the Council as an Observer at OVADA Board meetings, and take a position on the curatorial advisory group.

3.4. It is intended that delivery of obligations under the agreement will be monitored annually, with options for termination of the agreement should these obligations not be achieved.

4. Other Means of Achieving Objectives

4.1. The X-change Gallery space was secured under the current lease of the Old Fire Station by ClearChannel Entertainment. However, Oxford City Council has never had the necessary budget or staffing capacity to properly fulfil its obligation to manage, develop and promote the gallery programme.

4.2. The original report to the Executive Board on November 24th 2003 highlighted that for Oxford City Council to continue managing the gallery internally would require a minimum investment of £35k per annum on top of any building costs.

4.3. The report concluded that the transfer of management to OVADA offered the best options for securing the gallery's future, and offered best value for the Council. OVADA has already demonstrated its ability to secure significant external funding for the gallery.

5. Financial Implications for Oxford City Council

5.1. Financial profile of the Council's costs for the duration of the hosting agreement.
(Apr 2005 – Apr 2010).

On going Revenue Costs

	2005/06	2006/07	2007/08	2008/09	2009/10	TOTAL
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
REVENUE COSTS						
Employee	0.0	0.0	0.0	0.0	0.0	0.0
Running Expenses						
Rates and Utilities	4.1	4.3	4.4	4.6	4.8	22.2
Management Fee	12.0	15.0	15.5	16.0	16.6	75.1
Telephone and Internet	1.6	1.6	1.7	1.7	1.8	8.4
Budget Available within BU	17.7	20.9	21.6	22.3	23.2	105.7
NET ADDITIONAL COSTS	0.0	0.0	0.0	0.0	0.0	0.0

5.2. This budget reflects inflationary increases of 3.5% per annum. The above inflationary increase of the management fee in years 1 and 2 of this agreement reflects OVADA taking on responsibility for

management of the Dairy, as well as anticipated growth in the gallery programme. All necessary increases will be absorbed within the core budget of the Leisure and Parks Business Unit, without negative impact on other arts services.

- 5.3. This management and hosting agreement relates specifically to OVADA's management of the X-change Gallery exhibition programme and the residency programme at The Dairy. It will not preclude OVADA from applying for further funding, or being commissioned to provide additional services, related to their role as the visual arts development agency in the city.
- 5.4. As the building will also house the Council's Arts team, it should be noted that the rates, utilities, Internet and telephones budget also covers the office costs for these two Oxford City Council staff members.
- 5.5. OVADA has been set up and successfully fundraised linked to the Council's 'in principle' decision to enter into a long-term hosting and management agreement. Failure to agree the proposals in this report will jeopardise longer-term fundraising and projects linked to the Evolving Cities programme in 2005, and some existing funds would possibly have to be returned. Without the hosting agreement, external Capital funding for improving the building (a City Council asset) will be lost. Responsibility for managing and developing the exhibition programme in the upper gallery, as required under the current protocol and lease to ClearChannel Entertainment, would return to the Leisure and Parks Business Unit, which has neither the budget nor staffing capacity to deliver this. The lack of approval for this project would also require the Council to find other City Centre office space for the Arts section.

6. Staffing Implications for Oxford City Council

- 6.1. The proposal has no staffing implications for Oxford City Council. The project reduces pressure on existing staff, and allows more time for key aspects of the arts service and delivery of the Arts Strategic Plan.

THIS REPORT HAS BEEN SEEN AND APPROVED BY:

Cllr Maureen Christian

Tony Stephens, Business Unit Manager, Leisure and Parks Business Unit

Lindsay Cane, Legal and Democratic Services

Emma Burson, Financial and Asset Management

Background papers: none