

APPENDIX 1

Committee/Meeting: Cabinet	Date: 3 October 2012	Classification: Unrestricted	Report No:
Report of: Corporate Director: Communities, Localities & Culture Originating officer(s) Heather Bonfield: Interim Service Head, Culture, Learning and Leisure Services, CLC		Title: Review of Tower Hamlets Artwork (Draped Seated Woman) Wards Affected: n/a	

Lead Member	Cllr Rania Khan
Community Plan Theme	A Great Place to Live
Strategic Priority	Strengthen and connect communities

1. **SUMMARY**

- 1.1 This report (i) advises Members of the history of a piece of sculpture named the “Draped Seated Woman” which is within the ownership of Tower Hamlets Council, but currently on display in Yorkshire, and (ii) discusses options for its future.

2. **DECISIONS REQUIRED**

The Mayor in Cabinet is recommended to agree one of the following options:

either

- 2.1 The sculpture be offered for international sale at auction by Christie’s in February 2013, with a reserve price to be agreed by the Mayor in consultation with Christie’s and that the receipt received be used to invest in projects that benefit the community, including priority heritage projects.

or

- 2.2 The Council enter into an agreement with Canary Wharf Management to display the artwork on the Estate for a period of time after which its future be reconsidered. That the terms of the arrangement be agreed by the Mayor

3. REASONS FOR THE DECISIONS

3.1 Council on 10 September 2010 resolved to ask officers to:

§ explore options and the costs for safely relocating the Henry Moore sculpture back in Tower Hamlets, including consulting with Canary Wharf Group about the possibility of temporarily relocating the sculpture to the Canary Wharf Estate on loan where it could be put on public display, and finding possible sites in other parts of the borough including Victoria Park or Mile End Park where it could be relocated at a later date.

- To ensure that the Council does not bear any of the immediate or long term costs involved with a potential relocation, including moving the sculpture, maintenance, insurance and security and that all other potential funding options are explored.
- ask English Heritage to list the sculpture.

3.2 This report provides feedback on the actions taken following that resolution and seeks agreement for a way forward for this artwork.

3.3 When Draped Seated Woman was purchased by the London County Council in the 1960s its sculptor, Henry Moore, was well known but even comparatively his artwork did not have the value of his work today. Whilst it was previously safe to exhibit the work in Tower Hamlets public open space, this is no longer a realistic option.

3.4 Due to vandalism and risk to the artwork it was relocated to the Yorkshire Sculpture Park some 15 years ago. It was originally intended that this would be for a short period, but it was not possible at that time to find an alternative safe location and today that position is exacerbated, especially as the theft of metal is rife. Whilst the sculpture is “safe”, it is inaccessible to all but a few Tower Hamlets residents who are prepared to make the journey to see it.

3.5 After such a long period of absence from the Borough, it is now appropriate to consider the future of this artwork and how it can best provide benefit the Tower Hamlets community as was originally intended.

3.6 It should be noted that following the Council resolution officers contacted English Heritage who advised that Draped Seated Woman did not fit the criteria for listing.

4. ALTERNATIVE OPTIONS

4.1 Option One : Return the sculpture to Tower Hamlets for local display

In accordance with Council’s resolution careful consideration has been given to places where the work can be exhibited in the Borough, including a location in Victoria Park. However if it is possible to place the work in a location, then it is also possible to remove it from there and officers’ advice is that there is no

position within the Borough's portfolio that is without high risk of its theft. Furthermore because of this risk and the value of the work it is not insurable. There is also no budget for maintaining artwork and this piece, being of exceptional value, would require considerable investment in its upkeep. Displaying in a council-owned location is not recommended.

The management of Canary Wharf Group were approached and have offered to host the work. Whilst the Tower Hamlets community would have access to the artwork, the Canary Wharf Estate would have the benefit of a prestigious artwork without having to purchase it. Terms would be negotiated for the loan, but preliminary discussions have not led to an offer that can be recommended by Officers. This option is for consideration

4.2 **Option Two : Sell the sculpture at auction**

Recently Henry Moore artworks have generated considerable receipts when offered at auction, particularly to an international audience. If the sculpture is sold it will generate a substantial capital receipt which can be used for the immediate benefit of the local community, including contributing towards investment in priority heritage projects, affordable housing provision, education and young people's services and community safety. Offering the sculpture for sale at auction will provide an open and transparent vehicle for its sale and ensure that the best possible value is achieved. This option is for consideration

5. **BACKGROUND**

- 5.1 Henry Moore (1896-1986) was an internationally renowned sculptor whose works command very high prices when they are auctioned (which is rarely). He was born and studied in Yorkshire and later in London, where he lived and taught for a period. He undertook a number of national and international commissions, including works for the Festival of Britain, but there are no known local links with this artist. Henry Moore's works are displayed at locations throughout the country and at his Foundation in Perry Green, Essex. It is currently displaying thirty of his pieces and runs annual programmes related to his work; indeed the plaster of this work is on display there in a current exhibition.
- 5.2 Research has shown that a bronze sculpture by Henry Moore named the "Draped Seated Woman" was conceived in 1957/8 and installed on the Stifford Estate (Jamaica Street) in 1962. This sculpture is large (3m x 2m x 2.8m) and weighs approximately 1,500kgs
- 5.3 When the high-rise flats on the estate were demolished in 1997 new arrangements had to be made for the sculpture. At that time the condition of the sculpture had deteriorated and a report showed that it had been subject to graffiti (both paint and scratches) and marker pen; its surface had a number of scuff marks. The Council sent the sculpture on loan to the Yorkshire Sculpture Park (YSP).

- 5.4 The agreed loan period was to be from November 1997 until April 2000, but this has since been extended by default and there is currently no agreed end date. Although LBTH bore the cost of transporting the sculpture to the park, the return transport would, if required, be met by YSP who restored the sculpture and currently display it at their site. It is also insured by YSP who have been indemnified by the Government.

6. BODY OF REPORT

- 6.1 The sculpture still remains on loan to YSP some 15 years later, with no immediate plans for its return. Previous suggestions for its location have included the mound at Mile End Park, but this has not been pursued because of the risk of damage/theft to the sculpture and inability to insure the work. Even if these risks were considered acceptable, there is no budget to install or maintain this important artwork. Careful consideration was given to a location in the newly refurbished Victoria Park, but no safe location was identified. There is no known place within the Council's portfolio where this artwork can be safely located. Furthermore the sculpture has already been subject to graffiti and damage when it was displayed locally and as a prestigious piece of art, this is clearly unacceptable. Even its placement in Yorkshire Sculpture Park has given rise to the need to fully refurbish it when it is removed.
- 6.2 Despite its size the risk to the sculpture is very real; in 2005 a similar sculpture then valued at c£3m was stolen from the grounds of a museum in Hertfordshire and never recovered (possibly it was scrapped). The theft was captured on CCTV. More recently there has been a major epidemic in metal thefts. In December 2011 a valuable; Barbara Hepworth piece was stolen, from Dulwich Park, apparently for scrap metal and a sundial sculpture and plinth were taken from the grounds of the Henry Moore Foundation museum in Essex only a few months ago. A large piece such as Draped Seated Woman may prove attractive to metal thieves who are quick and resourceful in their endeavours.
- 6.3 A pertinent point is, whilst the sculpture is safe in its temporary Yorkshire home, it is of no benefit to the people of Tower Hamlets who cannot see it nor have any advantage from it. Very few will be able to make the journey to view it. The rationale for placing the sculpture on an East London housing estate - and why Henry Moore sold the sculpture to the public sector in the first place - was to enrich the lives of people living in a socially deprived area. Clearly it is not possible to reinstate the sculpture in an area that meets the original criteria; the only possible location in the Borough is Canary Wharf. Therefore an option that provides improved opportunities for those originally intended to benefit may be preferred.
- 6.4 In an ideal world the Council would aim to retain this prestigious artwork, however a further important issue to consider is the Council's financial position. When the decision was taken to allow the artwork to remain in Yorkshire, the Council was in a better financial position than it is currently or will be for the foreseeable future, if ever. Over the recent period the Council has had to reduce its expenditure by c£100m; it is anticipated that reduced

developments during this period of financial constraint will result in less Community Levy contributions whilst demand for capital receipts remains high, meaning that the receipt that would be achieved through its sale is urgently needed to invest in priority projects in areas such as those referred to above.

- 6.5 The Mayor and Cabinet are asked, in light of the information above, to consider the two options for the sculpture and agree the course of action. It should be noted that whilst the sculpture has been absent for a number of years, there are members of the community who will want to see the sculpture returned to the Borough notwithstanding the risks associated with this. Should the Executive agree that the sculpture should be sold, the reasons for this will be communicated effectively to the community and wider.
- 6.6 Legal Services has researched the ownership and any conditions associated with the gift of the sculpture and advise that it has been owned by the London Borough of Tower Hamlets since the abolition of the GLC and there are no known conditions or covenants about its retention.
- 6.7 At the time of its loan the value of the sculpture was estimated at £1m, however it is anticipated that this has increased substantially. In June 2008 an open auction in London of a very similar piece realised £4.3m; however in recent times (February 2012) an exceptional piece was sold for a record £17m. A substantial capital receipt will therefore be realised from its sale.
- 6.8 If the Mayor and Cabinet agree to the sale of the work Christie's London, who have an excellent record in the sale of Henry Moore and other prestigious artworks, will be asked to provide a confidential proposal on the current market, likely receipt and disposal options. It is proposed that the Mayor agrees a reserve value with Christie's. The following statement has been issued by Christie's London

"Christie's wish to support the Borough in realising the best result for the work in order to ensure the maximum benefit for the residents of the Borough and for that reason they are happy to extend to the Council the most favourable terms of sale possible."

- 6.9 There would be no cost to the Borough arising from its return to the Borough for sale or from the sale itself, this includes refurbishing it. If however the statue is loaned to Canary Wharf, the agreed terms would need to reflect these costs being met by Canary Wharf management.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 **Option One:** Return the sculpture to Tower Hamlets for local display

If the Council was to proceed with this option, the costs of transporting the artwork would be borne by Yorkshire Sculpture Park or Canary Wharf Management. Locating the artwork on the Canary Wharf Estate would require

the Council to agree the terms of the arrangement with Canary Wharf Management, to date preliminary discussions have not resulted in an offer that can be recommended. The Council will need to ensure that all costs are fully met through the loan agreement period and further consideration made that secures the long term future of the artwork.

7.2 There is no budget provision associated with this sculpture and no budgets for maintaining public art. The option to display the artwork on a Council-owned site is not being recommended within this report as funding would need to be identified to meet the costs of refurbishing and preparing a site for display along with the associated risks and upkeep costs.

7.3 **Option Two:** Sell the sculpture at auction

This option is for the sale of the artwork and provides the best value to the Council in obtaining a substantial capital receipt. Para 6.4 of the report outlines the financial constraints the Council is currently facing delivering the Medium Term Financial Plan savings, reduced level of specific capital grants and S106/ future Community Levy contributions, in addition to the increasing reliance on local funding to bridge the gap between investment need and available resources. There are a number of capital projects that are currently held in abeyance subject to capital funds being identified. The sale of the artwork provides an opportunity for the Council to generate capital resources that can be invested into priority projects that are of benefit to the community including priority heritage projects as indicated in the body of the report, Para. 4.2.

7.4 If the decision is taken to sell the sculpture it should be noted that Christie's have agreed that they will not charge the Council for their services, the costs will be met by the purchaser as part of the condition of sale. Christie's will be asked to provide a confidential proposal on the current market and likely receipt. This will help inform the Mayor and agree in consultation with Christie's a reserved value that ensures the sale of the artwork. There are no costs to the Council from either the option to return the sculpture to the Borough or option to sell the sculpture.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

8.1. This artwork was transferred to the Council when the Greater London Council was abolished and there are no known restrictions on sale. In terms of the sale of any asset Members have a fiduciary duty to obtain best value

9. ONE TOWER HAMLETS CONSIDERATIONS

9.1 In its present location the sculpture is of no benefit to the Tower Hamlets community. Return to Tower Hamlets for display or disposal to generate income which can be used for the benefit of the community would redress this.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1 There are no environmental issues arising from this report

11. RISK MANAGEMENT IMPLICATIONS

11.1 Whilst there is reduced risk of theft in its present location the same cannot be said if the artwork is relocated to Tower Hamlets, unless it is located in Canary Wharf where the Estate Management would assume responsibility for its safety. The only way to avoid risk altogether is for the artwork to be disposed of for a capital receipt.

11.2 There is a potential reputational risk to the Borough if opposition is mounted to the way forward agreed by Cabinet. Ensuring that the reason for sale and the benefits from the receipt are well communicated will be essential.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

12.1 Whilst in the Borough the artwork was subject to vandalism and minor damage and was therefore removed to a specialist sculpture park in Yorkshire for safety. If returned to the Borough the risks of damage and potential theft will exist. The risk is lessened if it is located in Canary Wharf

13. EFFICIENCY STATEMENT

13.1 This asset has a multi-million pound value yet it has been located in a field in Yorkshire for fifteen years where it has brought no tangible benefit to the Tower Hamlets Community, although it has increased in value in that time. It is proposed that it be either sold on the open market with the receipt generated invested in projects that will benefit to Tower hamlets Community, or if Cabinet decide to retain the artwork, then suitable terms are agreed with Canary Wharf Group for its display for an agreed period.

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
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None	N/A
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