ITEM No ...13......

- REPORT TO: POLICY AND RESOURCES COMMITTEE 19 AUGUST 2019
- REPORT ON: V&A DUNDEE NATIONAL LOTTERY HERITAGE FUND FINAL EVALUATION REPORT
- **REPORT BY:** CHIEF EXECUTIVE

REPORT NO: 284-2019

1.0 PURPOSE OF REPORT

1.1 To advise the Committee on the outcome of the National Lottery Heritage Fund Final Evaluation on the V&A Dundee.

2.0 **RECOMMENDATIONS**

2.1 The Committee is invited to note and comment on the report.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Construction costs for the V&A Dundee were £80.11 million. The majority of this funding was sourced from funds other than the local authority. The project was delivered on time and within the budget agreed with the Design and Construction Team.
- 3.2 The £15 million contribution to the capital construction project raised from private and charitable sources during the fundraising campaign is the biggest philanthropic contribution ever made to date in Scotland for a project of this kind.
- 3.3 The on-going business model is based on the continued support of founders and funders, alongside private fundraising and commercial activities.
- 3.4 The building, which is currently owned by Dundee City Council, is operated rent-free by Dundee Design Limited (DDL), the delivery company.
- 3.5 The Council has included within the 2019/20 Revenue Budget provision of £325k Life Cycle Replacement and Property Maintenance Costs for the V&A Building.
- 3.6 To meet the ambitious exhibition programme conceived by the V&A Dundee, there will be a need for an on-going, active fundraising strategy which will depend on a number of revenue streams, including fundraising, corporate members, patrons and individual members, as well as legacies, gifts and gifts in wills, and sponsorship opportunities.

4.0 MAIN TEXT

- 4.1 As part of the required funding contract for the V&A Dundee National Lottery Heritage Funding, an external independent evaluation was to be commissioned. The report of the evaluator was duly submitted to the National Heritage Lottery Fund in April 2019 and approved and signed off shortly before the summer recess.
- 4.2 A full copy of the Executive Summary of the report is attached as Appendix 1.
- 4.3 There is evidence that V&A Dundee is having a positive impact on the local economy and regeneration in the city. Based on the original estimate that the museum would attract 500,000 visitors in its first 12 months from opening, an Economic Impact Assessment commissioned by V&A Dundee has estimated that the museum's gross value added contribution in its first year will be at least £10.3m for the Dundee economy alone, supporting the equivalent of 178 FTE jobs. These estimates are likely to be exceeded as V&A Dundee will receive over 750,000 visitors in its first year.
- 4.4 The construction of V&A Dundee has already generated total employment of 501 job years and £35.8m GVA in Dundee demonstrating the scale of the boost in employment and economic activity in the city over the life of the construction phase.

- 4.5 Exit Survey data for the first half year indicates that the museum is a significant driver in attracting new visitors to the city, with 21% of respondents not having visited the city before and 71% of visitors saying that V&A Dundee was either the sole or main reason for coming to Dundee. Cultural venues in Dundee and attractions in the region have reported an increase in visitor footfall since the opening of V&A Dundee.
- 4.6 Some key facts and figures have been collected and are shown as infographics in Appendix 2.
- 4.7 The key learnings in the evaluation report are as follows.

The V&A Dundee project provides valuable learning for future projects and for the museum itself as it continues to develop in its early years.

- 1. The innovative founder model (the unique partnership between V&A, Dundee City Council, University of Dundee, Abertay University and Scottish Enterprise) was highly successful and this shared commitment from partners helped to drive the project and contribute to its success.
- 2. Dundee City Council provided critical support in leading the construction project and its ongoing commitment to making the project a success.
- 3. The V&A was integral to supporting the programme for delivery and the development of galleries and exhibitions through curatorial resources, objects, photography, and conservation.
- Additional funding from the Scottish Government, Dundee City Council and the National Lottery Heritage Fund after costs rose in 2014-15 demonstrated commitment in the purpose, value and quality of the project.
- 5. There is a shared acknowledgment among key partners that at the design competition stage the budget and architectural aspirations for the project should have been better aligned.
- 6. The McClelland Review provided an objective framework to review the project, its management and governance giving important reassurance to major funders.
- 7. Robust project management with integrated planning of construction and fit-out contributed to better design integration, flexibility, efficiency and use of time, and the importance of setting a high contingency level was emphasised.
- 8. A major success of the capital fundraising campaign was that a case was made at the same time about the need for revenue funding.
- High impact communications locally, nationally and internationally have been essential in positioning the project, engaging audiences and raising awareness of the importance of design.
- 10. Investing in vibrant pre-opening programme to engage communities in the development of the museum and design generated awareness of design heritage and build significant anticipation towards opening. There is a huge social capital impact of the project that should be further evaluated.
- 11. Now as an open museum, the museum management team are drawing on experience from the capital project a clear vision and framework for decisions to develop its operation.
- 12. It has been widely recognised that the project has helped contribute to wider public perceptions about the city as a place to live, work, visit, study and invest in.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been screened for any policy implications in respect of Sustainable Development, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.
- 5.2 In policy terms, the decision to form the partnership and develop the V&A Dundee as Scotland's first Design Museum, and major cultural development, brought with it risks, but has delivered the policy objective of profiling Dundee as a cultural destination. The vast majority of the capital required for its construction has come from sources other than Dundee City Council and the policy objective of creating an anchor tenant within the Waterfront has also been achieved through the unique partnership with the V&A and its commitment to the first ever Design Museum in the UK outside of London.
- 5.3 There are a number of other policy objectives which have been supported by the project. These include:
- 5.3.1 "The clear commitment to ensuring that the building was delivered in an environmentally sensitive way".

This objective has been reinforced by the building being the first museum in the UK to introduce the 100% low carbon heating and cooling system which has recently won a carbon reduction award at the Scottish Green Energy Awards.

- 5.3.2 The engagement of communities and young people through schools has been strong and reinforces the social purpose of the museum.
- 5.3.3 The project has assisted with Dundee's economic objectives and has had a "positive impact on the local economy and regeneration of the City". In particular, the success of the museum in attracting 500,000 visitors in the first seven months has had an economic impact of at least £10.3 million for the Dundee economy.

6.0 CONSULTATIONS

- 6.1 The Council Management Team have been consulted in the preparation of this report and agree with its contents.
- 6.2 The Board of DDL (V&A Dundee delivery company) and the senior staff of the V&A Dundee have all been consulted in the preparation of this report, and a number of those consulted also contributed directly to the National Lottery Heritage Fund Evaluation Report.

7.0 BACKGROUND PAPERS

7.1 This report is based on extracts from the National Lottery Heritage Fund Final Evaluation Report (April 2019).

David R Martin, Chief Executive

DATE: 8 August 2019

V&A Dundee

National Lottery Heritage Fund Final Evaluation Report (April 2019)

Executive Summary

Introduction

On 15 September 2018, V&A Dundee officially opened to the public creating a new landmark building for Scotland and the nation's first design museum.

The opening marked the culmination of over 11 years of planning to realise the new museum and its contribution to its local community, Dundee's redevelopment, our understanding of design heritage and encouraging new creativity.

Since opening, the museum has welcomed over half a million visitors, significantly exceeding original estimates. Standing at the centre of Dundee's waterfront transformation, it has been widely recognised for its contribution to the repositioning of the city as a great place to live, visit, study and invest in.

The museum has an ambitious vision to investigate the international importance of design alongside the outstanding achievements of Scotland in the permanent Scottish Design Galleries and a programme of major exhibitions. The opening programme demonstrated that vision through a vibrant programme which included a public festival, exhibitions, new design commissions and events.

Born from a unique partnership between the V&A, Dundee City Council, University of Dundee, Abertay University and Scottish Enterprise, the creation of Scotland's first design museum has been an important journey.

It provides a powerful example of the significance of the National Lottery Heritage Fund, alongside other key funders, in supporting improved outcomes for heritage, people and communities.

Realising V&A Dundee

V&A Dundee is the first ever design museum in the UK outside of London, Scotland's first design museum and a new major cultural development for Dundee and its surrounding area, wider Scotland and the UK.

One of the largest cultural projects to take place in Scotland for many years, the project has been guided by an innovative founding partnership: the V&A, Dundee City Council, the University of Dundee, Abertay University and Scottish Enterprise.

As founders of V&A Dundee's operating company, Design Dundee Ltd, this partnership has helped to fund, inform and shape the project, each making a distinct contribution to the museum's realisation and its ability to benefit the city as a whole.

The capital build and establishment of V&A Dundee would not have been possible without the combined £80.11m of funding that has come from the Scottish Government, the National Lottery Heritage Fund, Dundee City Council, the UK Government, Creative Scotland, Scottish Enterprise, and many trusts, companies and private donors.

The ongoing business model is based on the continued support of founders and funders, alongside private fundraising and commercial activities.

In-kind support for the operation of V&A Dundee from the founding partners is also an important part of the museum's operating model and amounts in total to around £1.3m per annum. In addition, the museum is operated free of rent from Dundee City Council.

From the point that construction started in 2015, the V&A Dundee project was successfully delivered on time and on budget due to the strength and commitment of the founding partners, its focused project management, and sheer determination of a dedicated expert staff team. The museum opened its doors to the public on 15 September 2018 to great celebration.

It has successfully met all of the National Lottery Heritage Fund Approved Purposes: to construct a new V&A museum; create two galleries dedicated to Scotland's design heritage; restore the Charles Rennie Mackintosh Oak Room; and delivery of a wide-ranging programme of exhibitions and activities.

Key achievements include:

- First building in the UK designed by Kengo Kuma
- £15m raised from private and charitable sources during fundraising campaign the biggest philanthropic contribution ever made to date in Scotland for a project of this kind
- More than 600 objects were included in V&A Dundee's galleries and displays at opening
- Over 100,000 people in Scotland, the UK and overseas engaged in V&A Dundee's preopening programme
- 340 Scottish businesses had already engaged with workshops run by the Design for Business programme before opening.
- Around 300 journalists, bloggers and vloggers from across the world attended press previews days
- Over 22,600 people attended the 3D Festival during the opening weekend.
- Over 1,500 pupils and teachers have visited the museum since opening
- Almost 96,000 people visited purchased admission to see the opening exhibition Ocean Liners
- 380,000 visitors to the Scottish Design Galleries by 30 March 2019
- 500,000 visitors to the museum reached on 30 March 2019 hugely exceeding visitor projections

Museum development, construction and opening

An increase in overall project costs and a revised timeline following contractor appointment in 2015 were reviewed independently by procurement expert John McClelland. He reported that the largest single cause of the increase in the budget for V&A Dundee was an underestimate of the original budget. His recommendations were adopted and contributed to the ultimate success of the construction project.

Pivotal was his recommendation to have a full-time in-house Project Manager, with full accountability and responsibility for delivering the project on schedule and within the new budget, supported by a robust cost assessment process for managing the contingency funds that ensured there was no adverse impact on the build programme.

Due to the uniqueness of Kengo Kuma's vision for V&A Dundee, the construction and fit-out of the museum involved the use of new and innovative techniques, including the development of an integrated digital 3D model of the whole building to test and analyse it throughout construction.

It also included putting careful planning in place, such as managing hundreds of objects to be installed in the Scottish Design Galleries and the *Ocean Liners* exhibition in a period of just five weeks.

Key construction milestones:

- Ceremonial ground-breaking ceremony in March 2015
- Building practical completion by January 2018
- External works practical completion by January 2018
- The fit-out works were completed by July 2018
- Making Good Defects period for the Building and External Works completed in January 2019.
- The Final Account for the BAM Contract (building, external works and fit-out) was signed off in January 2019
- The Making Good Defects period for the fit-out due for completion in July 2019

Oak Room and Scottish Design Galleries

In parallel to the construction, the development of Design Dundee Ltd took shape, with the integral support of partner secondees from the very beginning of the project.

Sitting in storage for nearly 50 years, a partnership between V&A Dundee, Dundee City Council and Glasgow Museums resulted in a £1.3m conservation, restoration and reconstruction project to bring Charles Rennie Mackintosh's Oak Room back to life. It has become the centrepiece of the museum's Scottish Design Galleries.

The creation of the Scottish Design Galleries tells for the first time in a permanent display the extraordinary story of Scottish design, spanning over 500 years. Featuring over 300 objects, the creation of the galleries has ensured that Scottish design heritage has been conserved for future generations to enjoy, experience and be inspired by.

This has been accompanied by an exciting exhibition programme, bringing major exhibitions such as *Ocean Liners: Speed and Style* outside of London for the first time, and a responsive programme of dynamic and challenging projects featured in the Michelin Design Gallery.

Pre-opening learning activities

An active pre-opening programme has supported the project and informed the museum's development, engaging with more than 100,000 people through talks, projects, events and exhibitions by March 2018.

Thanks to the vital financial contribution of V&A Dundee's funders and founders, trusts and private donations, its projects have brought together designers with school children, local communities, people managing a range of mental health issues, young people, and people receiving palliative care.

The main pre-opening activities delivered were:

- Living Room for the City, June August 2014
- Design in Motion, February June 2015
- Community Garden Project, summer 2015 ongoing (volunteers continue to work on maintaining the garden)
- Schools Design Challenge, October 2015 March 2016

- Bonnetmakers Project, August 2016 May 2017
- Pop-Up Museum in a Book, August 2016 ongoing
- Scottish Design Relay, August 2017 February 2019 (exhibition finished)
- Roxburghe House Project, September 2017 December 2017

Carrying out extensive public engagement that has helped to inform the development of the Scottish Design Galleries and the museum's learning programmes, the museum offers a diverse range of activities through its dedicated programmes for schools, young people, creative industries and communities.

Philanthropy campaigns

The capital project has been supported by a highly successful and ambitious fundraising campaign, achieving a record in Scotland for a cultural project after meeting its ambitious private funding target of £15m. During the capital campaign, the case for revenue funding was made simultaneously. As a result, a significant number of commitments were made preopening to contribute to future revenue costs.

As an operating museum, there is now a focus on individual giving as part of a number of other revenue streams that will support fundraising. These include schemes for corporate membership, patrons and membership as well as legacies and gifts in wills, and sponsorship opportunities.

Role of communications and marketing

A communications strategy was developed early on in the project to position V&A Dundee strongly and engage audiences in its story, using photography, video and social media to share its journey. This has led to significant national and international media coverage, including CNN, Vogue magazine, Bloomberg, The Economist, and The Financial Times.

A number of projects were developed to build brand awareness and engagement with V&A Dundee in its pre-opening period including displays at the Dundee Design Festival, an exhibition at the London Design Festival and an exhibition showcasing Scottish design at the XXI Milan Design Triennale.

V&A Dundee has also worked closely with the city, the region, VisitScotland and Visit Britain to develop the area's profile as a visitor destination. The museum is at the forefront of both VisitScotland's Scotland Is Now global campaign and included in the UK Government's GREAT Britain campaign, which both promote Scotland as a must-visit destination for overseas tourists and an exciting location for business investment.

Planning for operation

Heritage Portfolio was appointed in September 2016 to run the café, restaurant and events for V&A Dundee. The museum also tendered for the provision of security and cleaning services.

Following the launch of a recruitment drive for visitor assistants in May 2018, V&A Dundee was inundated with applications and had to close the applications early. The Visitor Assistants were selected through an assessment centre and then received two weeks of orientation training inside the museum, plus WorldHost customer service training and training from disability access charities including Advocating Together and Capability Scotland.

Opening of the museum

The opening was marked by the 3D Festival in Slessor Gardens. It was headlined on Friday 14 September by Primal Scream and included a sound and light finale that used the museum building to create an immersive experience. The evening event was broadcast live as a 90-minute BBC Two Scotland programme.

The Saturday part of the festival included mass collaborative dance and musical performances involving school pupils and students, professional dance companies, Sistema choir, and Dundee musical icon Gary Clark. 22,600 people attended the 3D Festival over two days.

The day before publicly opening, 2,155 community guests visited the museum for a special 'sneak peek' tour on Dundee Day, including those who had taken part in V&A Dundee projects, community groups, family groups, nursery and school children, students and youth groups.

V&A Dundee's decision to adopt a 'hide-to-reveal' strategy, developed in 2015, was hugely successful in building anticipation among media, audiences and stakeholders ahead of opening. Two press preview days were attended by around 300 journalists, bloggers and vloggers from across the world.

Outcomes for Heritage

The creation of the Scottish Design Galleries and the accompanying publication, The Story of Scottish Design, has brought to the forefront Scottish design heritage telling the story of Scottish design and its place in the world for the first time.

In the V&A collection, there are around 12,000 objects that are classified as examples of Scottish design. The Scottish Design Galleries now tell Scottish design heritage's unique story across three thematic chapters, which are brought to life by interactives, talks and tours, an exciting series of commissions and a Designer in Residence programme that makes the galleries and design accessible, fun and inspiring, and provide new opportunities for the creative industries.

An Exit Survey commissioned by V&A Dundee during the first three months of opening found that 91% of respondents rated the information about the objects/exhibits as very good or good, while 89% positively rated the galleries as providing an understanding of Scottish design and 86% for providing an understanding of Scotland's place in the world of design.

Research carried out among groups of visitors to the museum also indicates that there are improved learning outcomes after visiting the Scottish Design Galleries and exhibition gallery.

Almost all of the V&A objects featured in the Scottish Design Galleries, around 200 objects, received some conservation work, while the conservation of around 20 loaned objects was further undertaken. Lost from public view for nearly 50 years, the conservation, restoration and reconstruction of Charles Rennie Mackintosh's Oak Room provides a stunning example of his work that visitors to V&A Dundee can now experience first-hand.

V&A Dundee's second national outreach project, the Scottish Design Relay, has helped to capture a record of the significance of local heritage to particular Scottish areas, its relevancy to design today and demonstrate design processes. This was showcased in the museum's first exhibition in the Michelin Design Gallery.

Outcomes for People

V&A Dundee's ambitious pre-opening engagement activities have included a number of projects that have helped to raise awareness of local heritage and equip people with the skills, knowledge and confidence to use design in their daily lives.

This has included the Bonnetmakers school project, supported by the Nine Incorporated Trades of Dundee, that shared with school children Dundee's local heritage of bonnet-making. As part of the project, Scottish milliners supported the pupils in designing their very own hats. Pupils

who took part demonstrated improved confidence in their abilities to solve design problems in real-life.

V&A Dundee's first national touring exhibition, Design in Motion, took the designs of seven of Scotland's most exciting contemporary designers across Scotland in the Travelling Gallery. It combined digital technology and design heritage to appeal to both 'traditional' museum visitors and engage with new and younger audiences. The exhibition was visited by nearly 12,000 people across 85 locations, including 40 schools and colleges.

The Schools Design Challenge, V&A Dundee's first major schools project, engaged all S1 pupils in Dundee and Angus in developing exciting and creative design solutions to real problems relevant to them. Professional designers went on to work with ten school teams at a design jam using the design process and a range of materials to develop their idea and create a prototype. The skills and confidence developed by the pupils were captured on film and shared in a public exhibition and on-line.

V&A Dundee's Design for Business programme offers a practical and accessible programme of design-led workshops to help support individuals and Scottish businesses to utilise design innovation and use design thinking in their work. It has exceeded its original three-year objectives set, with an estimated 330 businesses and 604 individuals taking part in the programme between 2016 and 2018.

Volunteers who took part in V&A Dundee's Community Garden project, the museum's first targeted co-design project, gave feedback that their confidence in their own abilities had improved from taking part in the project.

The Young People's Collective has been central to developing V&A Dundee's strategy for young people's engagement – co-designing the young people's programme and collaborating with professional designers and event planners. It offers young people the opportunity to undertake training, develop new skills, and gain valuable work experience.

The majority of visitors to V&A Dundee have enjoyed their visitor experience, according to the first Exit Survey for September to December 2018. 85% of visitors rated their visit to V&A Dundee as very good or good – a rise of 5% since the opening month, while 94% positively rated their visitor experience to the Scottish Design Galleries.

Outcomes for Communities

During the construction of the building, there has been a clear commitment to ensuring that it was delivered in an environmentally sensitive way. The innovative design and installation of a 100% low-carbon heating and cooling system at V&A Dundee is a first in the UK, with the museum recently winning a Carbon Reduction Award at the Scottish Green Energy Awards.

V&A Dundee has also ensured that a wider range of people are engaged with design and heritage. Funded by the Rank Foundation, V&A Dundee has been working with Amina Muslim Women's Resource Centre to develop a two-year training programme to support local women to deliver inclusive tours for BAME communities in their native languages.

V&A Dundee led a project helping palliative care patients redesign their communal space, and has recently received a funding award from Life Changes Trust to support the development and strengthening of networks with community groups and experts in dementia to help V&A Dundee to ensure that it is a "truly dementia friendly environment".

The museum has been designed to be an inclusive and accessible building, with a range of access provisions. This includes regular tours led by trained guides with the support of interpreters and handling resources, and sensory-friendly morning events.

There is further evidence that V&A Dundee is having a positive impact on the local economy and regeneration in the city. Based on the original estimate that the museum would attract 500,000 visitors in its first 12 months from opening, an Economic Impact Assessment

commissioned by V&A Dundee has estimated that the museum's gross value added contribution in its first year will be at least £10.3m for the Dundee economy alone, supporting the equivalent of 178 FTE jobs.

The construction of V&A Dundee has already generated total employment of 501 job years and £35.8m GVA in Dundee – demonstrating the scale of the boost in employment and economic activity in the city over the life of the construction phase.

Exit Survey data for the first opening quarter indicates that the museum is a significant driver in attracting new visitors to the city, with 21% of respondents not having visited the city before and 71% of visitors saying that V&A Dundee was either the sole or main reason for coming to Dundee. Cultural venues in Dundee and attractions in the region have reported an increase in visitor footfall since the opening of V&A Dundee.

The profile of creative industries in Dundee and wider Scotland has been further raised nationally and internationally through V&A Dundee's involvement in the London Design Festival, UNESCO City of Design and its Design Champions project. The museum provides opportunities for designers through its projects, commissions and programmes, alongside having a dedicated Creative Industries programme.

V&A Dundee has been recognised on the shortlist for the prestigious title of Art Fund Museum of the Year 2019, the biggest museum prize in the world.

Key learnings

The V&A Dundee project provides valuable learnings for future projects and for the museum as it continues to develop in its early years.

- 1. The innovative founder model was highly successful and this shared commitment from partners helped to drive the project and contribute to its success.
- 2. Dundee City Council provided critical support in leading the construction project and its ongoing commitment to making the project a success.
- 3. The V&A was integral to supporting the programme for delivery and the development of galleries and exhibitions through curatorial resources, objects, photography, and conservation.
- 4. Additional funding from the Scottish Government, Dundee City Council and the National Lottery Heritage Fund after costs rose in 2014-15 demonstrated commitment in the purpose, value and quality of the project.
- 5. There is a shared acknowledgment among key partners that at the design competition stage the budget and architectural aspirations for the project should have been better aligned.
- 6. The McClelland Review provided an objective framework to review the project, its management and governance giving important reassurance to major funders.
- 7. Robust project management with integrated planning of construction and fit-out contributed to better design integration, flexibility, efficiency and use of time, and the importance of setting a high contingency level was emphasised.
- 8. A major success of the capital fundraising campaign was that a case was made at the same time about the need for revenue funding.
- High impact communications locally, nationally and internationally have been essential in positioning the project, engaging audiences and raising awareness of the importance of design.

- 10. Investing in vibrant pre-opening programme to engage communities in the development of the museum and design generated awareness of design heritage and build significant anticipation towards opening. There is a huge social capital impact of the project that should be further evaluated.
- 11. Now as an open museum, the museum management team are drawing on experience from the capital project a clear vision and framework for decisions to develop its operation.
- 12. It has been widely recognised that the project has helped contribute to wider public perceptions about the city as a place to live, work, visit, study and invest in.

Appendix 2



22,600

Estimated number of people who attended the 3D Festival during the opening weekend

2,429 pre-cast concrete panels hang on the museum's curving walls – if laid end-to-end this would stretch to



people visited the

people visited the museum in the first three weeks



Scottish businesses had already engaged with workshops run by the Design for Business programme before the V&A Dundee opening



of visitors have never been to Dundee before



£35.8m Gross Value Added (GVA) in Dundee during construction

I<mark>,500+</mark>

pupils and teachers have visited the museum since opening

500,000

visitors to the museum in seven months – hugely exceeding visitor projections

V&A Dundee Facts

