

Committee(s):	Date(s):
Culture, Heritage and Libraries Property Investment Board	22 October 2012 5 November 2012
Subject: Prince Henry's Room: proposals for public access	Public
Report of: Director of Culture, Heritage and Libraries	For Decision

Summary

This report considers the implications for the City Corporation of opening Prince Henry's Room up as a tourist attraction. It documents the extensive consultation and market research programmes that have taken place since these were agreed by your Committee in November 2011 and concludes that the Room should be returned to the Property Investment Board and offered as a commercially let property for business occupiers.

By gauging public interest in the Room and establishing necessary restrictions for potential use with the City Surveyor, the report demonstrates that the Room is not viable as a commercial tourist attraction and that it would require significant financing by the Department of Culture Heritage and Libraries if public access were to be realised. This, in turn, will have a significant and detrimental impact on the visitor development work of the department should funds be diverted.

The report considers the reputational risk for the City Corporation should the Room not be opened to the public but suggests that this is low given the limited public appetite to see the Room, the disappointment in the Room's offer by those that have seen it, and its level of authenticity and historical significance as a justification for investment.

Recommendations

For Culture, Heritage and Libraries

- That the Room be declared surplus and that it is returned to the Property Investment Board to be managed by the City Surveyor on a commercial basis with effect from 24 December 2012.

For the Property Investment Board

- That in the event that the Culture Heritage and Libraries Committee resolve to declare the Room surplus, the contents of this report are noted and the City Surveyor:

- a. determines whether there are any other operational requirements which may be suited to the Room and will report where appropriate any such requirement to the relevant service committee and Corporate Asset Sub Committee;
- b. subject to there being no justifiable operational requirements prior to the hand-back date of 24 December 2012, the City Surveyor be instructed to market the Room to commercially let on the best terms reasonably obtainable.

Main Report

Background

1. Prince Henry's Room is located within a Grade II* Listed Building at 17 Fleet Street. In late 2011, responsibility for the Room passed from the City Surveyor (CS) to the Department of Culture, Heritage and Libraries (CHL) along with a remit for CHL to assess options for opening the Room to visitors. All other parts of the building – including the common parts – remain the responsibility of the City Surveyor and are commercially let generating up to some £107,000 per annum for the City Fund. There is no disabled access.
2. Until 2006, the Room opened as a visitor attraction on weekday afternoons. This was made possible through a mutually-beneficial arrangement between the Room's tenant and the City Surveyor. Since then, the Room has been closed to the public and unoccupied by commercial tenants.
3. The building is a rare survivor from before the Great Fire of 1666 and one of the oldest of its kind in the City. Built as a tavern called *The Prince's Arms* in 1610, the highlight of the Room is its ceiling which displays ornately-decorated plasterwork and a central three-feathered motif dedicated to Prince Henry, Prince of Wales (the eldest son of James I). It is one of the best remaining Jacobean-enriched plaster ceilings in London.
4. A full history of the Room was described in a report to your Committee in November last year. As per the recommendations in that report, your Committee agreed to an evaluation programme that would test the feasibility of – once again – opening the Room as a visitor attraction. This report documents the findings of that evaluation and proposes a series of options which your Committee are requested to consider.

5. These options are informed by a series of assessments that were identified in the last report as essential ahead of any public access proposal. They include health and safety and fire risk assessments, an investigation into public liability insurance obligations, a condition survey, an impact study (assessing impact on other occupants within the building), calculations of potential running costs, market research and an audit of the materials previously displayed in the Room.
6. The market research element of the evaluation programme comprised a series of focus groups to which potential users and partners that were likely to have some interest in the Room and/or expertise in letting opportunities, were invited to the Room to discuss options (a full list is given in appendix 1). The level of acceptances to these invitations was disappointing.
7. Concurrently, an online survey was uploaded to the City Corporation's website and publicised to potential leisure visitors to the Room. The survey attracted a disappointing 310 responses, despite editorial coverage (see appendix 2) in *The Times*, in *cityguide* (the magazine of the City of London Guide Lecturers Association) and through City Corporation publications (including the *eshot*) as well as on third party blogs and other social media sites. The survey was live for two and a half months (30 April to 16 July 2012) and a summary of its findings is given in appendix 3. It is suggested that such a low response calls into question the public's appetite to see the Room at all.

Launch event

8. The 400th anniversary of the death of the Room's eponym (Prince Henry) will take place on 6 November 2012. It has been suggested that this should be marked by some occasion within the Room. This date falls only two weeks after your Committee has received this report and – given the existing constraints and necessary investment before an event in the Room could take place (see items 11 to 20) – would be impossible to realise. It is therefore suggested that this date be used to announce your decision to open the Room, should your Committee opt for Model 3, described under items 48 to 56.

Samuel Pepys Club

9. During the evaluation period, temporary and free use of the Room was granted to the Samuel Pepys Club. This highlighted the challenges of short-term and one-off letting arrangements and informs the proposals offered here. The continuation of such an arrangement with the Club will be subject to your decision regarding future use of the Room, previous arrangements with the Club being superseded by this report.

10. If use of the Room by the Club is to continue, it should be governed by the terms laid out in a Letter of Understanding that has been drafted in consultation with the City Surveyor and Chamberlain (see appendix 4). Such a “contract” is necessary in order to protect the City Corporation’s investment in the property and to avoid disturbance of the commercial tenants in other parts of the building. The Letter will also help to reduce the staff resource required of your Visitor Development Team to manage such use. Failure of the Club to adhere to these terms will result in termination of the agreement.

Current Position

Restrictions on use

11. As part of the evaluation and in consultation with the City Surveyor, the following restrictions on the Room’s use have been established:
 - a. A maximum of 20 persons may be present in the Room at any one time (as per the Fire Risk Assessment).
 - b. Activity within the Room must not impact on commercial tenants. This precludes the Room being used for any activity during work hours that will generate a level of noise that tenants may find disturbing and includes social gatherings such as private luncheons or drinks receptions (but not meetings as these are likely to be of low impact), public events such as lectures or music recitals, and the admittance of school parties to the Room¹.
 - c. All short-term lets of the Room must be governed by contract (a license), the contract having been agreed by the City Surveyor in consultation with the Comptroller and City Solicitor.
 - d. The kitchen and common parts of the building (excepting the stairs, and hallway in front of the Room) may not be accessed by the public nor by any contracted, short-term licensee, lest they disturb the other tenants and/or pose a security risk to tenants’ offices.
 - e. The first floor toilets may be used by short-term, contracted licensees for the period of their contract only on condition that City Corporation appointed security or a City Corporation staff member manages access and ensures that the toilets are left in a clean and tidy condition for use by commercial tenants; the cost of personnel must be met by the licensee.

¹ In the focus groups, this was something offered by Dr Johnson’s House (20 school trips per annum with an income of £50 per trip)

- f. The option of a key pad entry system to the toilets has been examined but discarded by the City Surveyor as it would allow free and unmanaged access to the rest of the building. The possibility of developing access to the toilets without the need of a security presence is currently being assessed; this would involve some building work (alterations to access routes) and cost £25,000. This cost would need to be met by CHL.
- g. In any circumstance, the first floor toilets may be not be used by the general public, because they may be perceived as a public convenience without reference to the Room (increasing user numbers) and because unmanaged access may generate significant mess, impacting on commercial tenants.
- h. The hosting of receptions and events in the Room during weekday evenings and at weekends might be accommodated as commercial tenants are unlikely to be present. This, however, would not be possible without a toilet facility for staff, guests and/or paying audience. The first floor toilets may therefore be used at these times by these parties but only on condition of security being present as outlined in 11e or if the solution proposed in 11f is funded and realised. The host (be that CHL or a third party) would need to meet the costs of cleaning the toilets after the event and cover the cost of altering the existing evening cleaning schedule.
- i. At all public events and during any time that the Room is open to visitors, a responsible City Corporation employee, as appointed by CHL, must be present to manage guests/public, protect the fabric of the Room, set and unset the alarm, lock and unlock the Room (and building as appropriate) and ensure public safety. That individual will also assume the role of Fire Marshal and familiarise him/herself with the requirements of the Fire Emergency Plan. With no employee present to undertake these duties, the insurance for the Room is invalid.

Costs

12. In the current climate, it is unlikely that any proposal for opening the Room as a visitor attraction will find favour if it is a drain on already-stretched resources. The models given below must therefore consider the running costs of the Room and how these may be offset by admission charges or other income generation schemes (eg short-term lets). Each proposal will, of course, attract its own unique costs depending on the nature and frequency of the activity proposed (eg staffing) but before these are considered, it is useful to understand the basic cost of the Room if any of the activities proposed are to take place.

13. It should be noted that should your Committee decide to opt for any proposal other than Model 4 (see item 57), CHL will become immediately liable for the costs in Table A, item 17, in this and in future financial years.
14. The CHL will also be liable for a number of costs given in Table B, item 18, these being essential, one-off start-up costs. For example, the requisition of a new fire (the existing fire has been condemned) would be essential for any activity because the Room would need to be heated in the winter months. Similarly, replacing the existing chairs would be essential because those currently occupying the Room are anachronistic, deterring potential licensees and destroying the Room's ambience for visitors.
15. While the £20,000 suggested for marketing the Room to would-be visitors may seem high, this is the minimum spend recommended in the first year, whatever the frequency of opening. Except the few addresses captured from the survey and the limited City Corporation outputs in which the Room's openings could be included (but which are not targeted to our core audience), there is no real scope for driving footfall. A leaflet alone will cost around £5,000 (including distribution) and a supporting campaign of display advertising, advertorial and press is strongly recommended if visitors are to come in any number – this would also ensure reputational benefit for the City Corporation.
16. Optional costs in Table B include the mounting of an exhibition in the Room (be that returning the Pepysian artefacts or delivering a new exhibition altogether) with expense being taken up by the requisition of display cases and/or presentation boards in-keeping with the Room, curatorial costs, exhibit captions and translations, and additional insurance (that could include a requirement to install CCTV).

17. TABLE A: per annum running costs

Item	Cost p.a (£)	Source: notes
Business rates	738.00	Chamberlain: correct as of report date
Service Charge	2588.00	City Surveyor: 2011/12 charge but variable ²
Public liability	00.00	Chamberlain: City Corporation has blanket cover for all of its properties
Insurance	1674.00	CHB Insurance Team: includes £904 for contents now housed at LMA
Additional insurance	(up to) 1700.00	CHB Insurance Team: it is likely that the City Corporation will need to up its premium should the Room be opened to the public as the risk of damage is greater
Cleaning	(up to) 3640.00	City Surveyor – Cleansing & Security Contract Manager: variable depending on frequency of use but unlikely to reduce below £2,340 ³
Window cleaning	1000.00	City Surveyor – Cleansing & Security Contract: four cleans of internal windows p.a., external cleaning covered by service charge
TOTAL	(up to) 11340.00	

18. TABLE B: potential start-up costs

Item	Allow (£)	Essential / optional
Replacement fire	1000.00	Essential
8 replacement chairs	2000.00	Essential
Publicity to advertise public openings (see item 15)	20000.00	Essential
Essential costs (sub-total)	23000.00	
Reconfiguration of access routes to toilets	25000.00	Optional (see item 11f): required if Room is to be considered for evening events, or to be let as a meeting space
Exhibition	25000.00	Optional: figure as advised by Tower Bridge Exhibition staff and Guildhall Art Gallery. Cost will increase if valuable items are displayed requiring installation of CCTV and/or security presence
TOTAL	73000.00	

² **Service charge:** the service charge is payable by all tenants of the building and covers cleaning of the common parts, building security, general repairs and maintenance etc. The Room is liable for 15.07% of the total charge. This charge will be levied to CHL, whether the Room is used or not

³ **Cleaning:** whether cleaning is once a week or daily, cleaning costs tend to remain the same (the fewer the visits, the longer the clean required). Based on the floor space of the Room and looking at past quotes for the Queen Elizabeth's Hunting Lodge (the historic building angle) as well as for offices within the City which are of a similar size to the Room, the Guildhall Facilities Team have estimated the cost shown. This is subject to a final quote

19. If public access in any degree is to be realised for the Room, CHL would therefore need to identify funds of up to £11,340 per annum and start-up costs of £23,000. If the Room is to realise its full potential as a visitor attraction the start-up costs would increase to £73,000
20. In addition to these costs, a budget for staffing and utilities would also need to be found. Based on the City Information Centre staffing the Room, a cost of £12 per hour should be considered. The cost of utilities is likely to be nominal (light and heat) but would be higher in the winter months and vary considerably depending on frequency of use.

Options

Income

21. When asked if they were prepared to pay to visit the Room, 34% of respondents to the online survey said that they would not, while a further 32% would only pay an admission charge of less than £2. This suggests that the City Corporation should offer free access to the Room if the limited interest shown in it is to be harnessed.
22. However, if a levy at a maximum cost of £2 per person were made, 66% of respondents are likely to pay it. If the Room included an exhibition, 68% would be prepared to pay between £2 and £5 per head.
23. Comparisons with similar attractions in the area or elsewhere help us to understand potential footfall for the Room. However, calculations must be tempered with the knowledge that other attractions are immaculately-presented historic houses (not just rooms) or small museums, so footfall is likely to be greater.
24. A City attraction (which cannot be ascribed due to confidentiality agreements) has welcomed 12,159 visitors in the last 12 months. It is open six days a week and charges a small admission fee. The attraction is significantly larger than a room, has historic furnishings, and presents exhibitions and events.
25. Based on this example, if the Room were to open six days per week (upping staff and utility costs) but no exhibition were mounted and a £2 admission charge levied, the Room would attract no more than 8,024 visitors per annum (66% x 12,159)⁴. It is likely, however, that this figure would be substantially lower given the Room's comparative size and offering.

⁴ If comparing footfall statistics with other attractions, total footfall of the attraction should be multiplied by the percentage of respondents (66% here) willing to pay so to provide a more realistic indication of potential audiences.

26. At its maximum, this number of visitors would raise revenue of no more than £16,048 per annum which would not even offset required staffing costs of £26,208⁵, leaving utility bills and running costs of £11,340 to be found and no dent made in the £23,000 investment required as start-up.
27. If an exhibition (with a draw) were mounted in the Room, it is suggested that an admission charge of £3.50 could be levied (the mean of £2-£5). Based on the same round of assumptions but with a visitor figure of 8,268 (68% of respondents who are prepared to pay), the Room would generate a revenue of not more than £28,938. This upper figure would offset staff costs, but still leaves a shortfall in the utility bills and running costs with no dent made in the increased start-up investment of £48,000 (£25,000 being added for the mounting of the exhibition).

Supplementary revenue

28. Through the focus groups, a number of options for supplementary income were investigated – these included offering the Room as a film location. In consultation with the City Corporation’s Film Office, it was established that while wood-panelled rooms are popular locations for filmmakers, the paucity of on-street parking, level of noise from traffic that can be heard within the Room and lack of access to toilet and kitchen facilities would deter would-be users. It is therefore suggested that no more than £400 per annum is likely to be made through filming.
29. Letting the Room to external tenants (eg local companies) for meetings has also been considered and may generate a significant £500 a day or more. However, access to toilets would be an obstacle (unless the building works described in item 11f were undertaken) and a significant allowance would need to be made for marketing the Room to potential clients (allow £20,000). It is unlikely these investments could be recouped, yet they are needed given the current economic climate, the practice of companies now looking in-house to host meetings and so save costs, and the quality of the competition against which the Room would be bidding for business.
30. The commercial tenants in other parts of the property (three government departments of the Region of Catalonia) have expressed an interest in using the Room for meetings when they have visiting ministers or other dignitaries. This could be up to three times per month, generating an income of £200 per day (price resistance having already been tested with these parties in an aborted letting agreement over the Olympics).
31. The Remembrancer has also expressed an interest in using the Room for talks and lectures for a small invited audience. For this, he is prepared to

⁵ £12 per hour x 7 hours per day x 6 days per week x 52 weeks = £26,208

pay a small fee, but not a commercial rate. Access to toilets would be a prerequisite.

32. The Room could also be used as part of a walking tour led by the City of London Guides and they have indicated a willingness to do this. While generating around five visits a week on average across the year, the Guides do not believe that the Room would warrant any additional charge on top of the usual tour fee and they do not anticipate that it would add significant interest in their tours. While allowing this option would not create revenue and would incur the running and start-up costs detailed above, it would answer the need to ensure that the Room is publicly accessible. A staff member would be required to meet the Guide at each visit for the reasons given in item 11i.
33. Tower Bridge caterers Seasoned Events are located just opposite the Room at the Royal Courts of Justice. While they believe that there is potential in the Room being used for private dinners or drinks receptions for local businesses (such as law firms) and that, typically, a room hire fee would be in the order of £800 - £1000 for an evening, lack of access to toilets would be an issue and there is uncertainty about the likely interest in the current economic climate in which corporate events and hospitality have suffered significantly. If the Room were used for these events, investment in the reconfiguration of access routes to the toilets would be a prerequisite. Food preparation could take place off-site.
34. As part of the focus group discussions, the option of letting the Room in its totality to a third party who would undertake to open it as a visitor attraction was investigated (eg as an extension or satellite site for museums and/or other attractions). There was no interest identified in this option.

Perceptions

35. In general, the reaction of focus groups to the Room varied between pleasant surprise at its appearance to disappointment that its historic integrity has not been well-maintained. There was a general view that there are many other more significant buildings in the City that are not open to the public, and that the Room should not be the priority.
36. City Corporation staff expert in heritage management and promotion (eg Guildhall Art Gallery) highlighted that the process of developing and promoting a heritage attraction requires high levels of spend and that the Room does not justify such costs in terms of its historical significance and its lack of authenticity.
37. During the focus group process, a number of visitors chanced upon the Room. When questioned, they were disappointed at its appearance and did not believe that it would be of interest as a visitor attraction without a

strong exhibition or other significant addition. They indicated that they would not be willing to pay for access or to make a repeat visit.

Models requiring significant central or external funding

MODEL 1: full public access

38. The option of full public access to the Room six-days-a-week with a full exhibition with CoL evening events (eg lectures) is not feasible without an additional and significant funding stream, as costs could not be found within local risk budgets.
39. The exhibition is included within this model because it would increase the draw for visitors and so achieves greater public access (as well as a higher income, albeit that its cost is not offset). However, the exhibition limits the potential for supplementary income generated through lets for dinners and meetings from fee-paying clients. From the online survey, it is suggested that an exhibition on a theme of the Great Fire and/or Samuel Pepys would be the most favoured.
40. In such a scenario, if funding were identified, the Samuel Pepys Club could only be granted use of the Room in the evenings, fitting around other bookings. Costs and projected income are given below:

Item	Costs year 1 (£)	Costs per annum year 2 onwards (£)	Maximum income per annum (£)
Running costs (see item 17)	11340.00	11340.00	
Essential start-up costs (see item 18)	23000.00	00.00	
Reconfiguration of access to toilets	25000.00	0.00	
Staffing	26208.00	26208.00	
Utilities	<i>(allow)</i> 3000.00	<i>(allow)</i> 3000.00	
Exhibition	25000.00	00.00	
CoL evening events	<i>Self-funding</i>	<i>Self-funding</i>	
On-going publicity	-	10000.00	
TOTAL COST / EXPOSURE TO CHL	113548.00	50548.00	
MAXIMUM income from admission charges (based on £3.50 charge per head)	-	-	-28938.00
TOTAL INCOME			-28938.00
COST OF THIS OPTION TO CHL (income subtracted)	84610.00	21610.00	

MODEL 2: public access 2 days a week (no exhibition), with supplementary income derived from lets

41. The online survey has indicated that the most popular days for opening are Thursday and Saturday. To open on these days only will significantly reduce staff costs (as well as income), but would allow more latitude for generating income via other means. In this scenario, the arrangement with the Pepys Club could continue.
42. While it is not an exact science, it is suggested that projected footfall would decrease by two thirds if the Room is open for only two days rather than six. Given though, that the restricted opening would direct those who may visit on another day to the days the Room is open, these calculations consider the drop to be a third only.
43. It is not suggested that an exhibition is mounted in the Room under this option as it will limit the potential use of the Room by local businesses (for meetings), filmmakers and/or the other commercial tenants within the building. Costs are given below:

Item	Costs year 1 (£)	Costs per annum year 2 onwards (£)	Maximum income per annum (£)
Running costs (see item 17)	11340.00	11340.00	
Essential start-up costs (see item 18)	23000.00	00.00	
Reconfiguration of access to toilets	25000.00	0.00	
Staffing	8736.00	8736.0	
Utilities	<i>(allow)</i> 1000.00	<i>(allow)</i> 1000.00	
CoL evening events	<i>Self-funding</i>	<i>Self-funding</i>	
Promotion to business clients (see item 29)	20000.00	10000.00	
On-going publicity	-	5000.00	
TOTAL COST / EXPOSURE TO CHL	89076.00	36076.00	
MAXIMUM income from admission charges (£2 charge per head)	-	-	-10829.00
MAXIMUM income from evening dinner lets (albeit this may mean early closing to the public), allow 6 per year	-	-	-6000.00
MAXIMUM income from lets to existing tenants (3 lets per month)	-	-	-7200.00
Suggested filming income	-	-	-400.00
Suggested income from external lets during first year, based on £500 a day fee, one let per month	-	-	-6000.00
TOTAL INCOME			-30429.00
COST OF THIS OPTION TO CHL (income subtracted)	58647.00	5647.00	

44. While this model shows a far more manageable year-on-year cost that could be met from the visitor development budget, the year 1 cost is prohibitive and the potential exposure to CHL too great (if lets and other income sources were not realised in full). This model is therefore not proposed.

Proposals

45. The following two proposals (Models 3 and 4) are considered the only realistic options for the Room and are proposed to your Committee here.
46. Given the findings outlined above, Model 4 (return of the Room to the Property Investment Board) is the preferred and recommended route. As a reminder, this is because:
- a. There is no commercial incentive to open the Room (as demonstrated by the above models)
 - b. The market research has shown that there is not significant interest in the Room by potential visitors, licensees and stakeholders
 - c. Those who have visited the Room have expressed disappointment
 - d. Those expert in historic buildings assert the Room lacks enough authenticity and historical significance to warrant investment
47. Should your Committee consider not granting public access to the Room too high a reputational risk for the City Corporation, Model 3 is suggested.

Model 3: occasional public access

48. This model suggests public access to the Room is granted freely (income from admission fees would be nominal) once a month on specific, predetermined and advertised dates, and that the Room is opened (in addition to these dates) for special events that may generate significant footfall (eg Open House Weekend and the Lord Mayor's Show).
49. In such a scenario, the Pepys Club may continue to use the Room outside of the public dates and supplementary income can be generated through lets to existing commercial tenants. It is not suggested that any further supplementary income schemes are implemented due to the required investment (eg the reconfiguration of access routes to the toilets and the costs of promoting the Room as a meetings facility to local businesses). Nor is it suggested that an exhibition is mounted within the Room as this will attract additional investment of up to £25,000.

50. In this model, limited frequency of public access will also marginally reduce the annual running costs for cleaning and additional insurance. These savings are reflected in the costs given below:

Item	Costs year 1 (£)	Costs per annum year 2 onwards (£)	Maximum income per annum (£)
Reduced running costs	8690.005	8690.00	
Essential start-up costs	23000.00	00.00	
Staffing	1176.00	1176.00	
Utilities	<i>nominal</i>	<i>nominal</i>	
On-going publicity	-	5000.00	
TOTAL COST / EXPOSURE	32866.00	14866.00	
MAXIMUM income from lets to existing tenants (max 3 lets per months generating £600)	-	-	-7200.00
Suggested filming income	-	-	-400.00
TOTAL INCOME			-7600.00
COST OF THIS OPTION TO CHL (income subtracted)	25266.00	7266.00	

51. In this model, running costs are higher year-on-year than Model 2 but the initial investment is substantially lower (by almost £25,000).

52. The visitor development local risk budget in this financial year cannot meet the year 1 costs of this model as all leeway has been eaten up by Game-time activity. **It is therefore suggested that this model could only be implemented in the financial year 2013/14.** Even then, start-up costs are approximately one third of the annual visitor development spend (excludes staff costs) and so significant savings would need to be identified, as they would year-on-year to cover the on-going running costs.

53. Whatever year this model is started, your decision to opt for it will make the CHL immediately liable for the service charge and insurance costs for this year (and rates, if the Pepys Club are to use the Room before 2013/14). This amounts to just over £5,000. While this could be met locally, it will have significant impact on your Visitor Development Team's ability to respond to unforeseen but necessary activity before April 2013.

54. Suggested future cuts to visitor development activity in order to accommodate this model include the quarterly seasonal events guide (much loved by our stakeholders and visitors alike) – this would free up £14,000 per annum and so cover the running costs year-on-year, but could cause reputational damage amongst partners who have come to rely on the service.

55. While it is very unlikely that external sponsorship for the Room could be found given the limited benefits and exposure, the seasonal guide has been

sponsored this year by Land Securities and so it is possible that the same or another sponsor could be secured in future. Members should, however, consider that no sponsorship and their decision to choose this model may result in termination of the guide.

56. The shortfall in year 1 (£25,265 minus £14,000 = £11,265) could only be achieved by reducing the number of deliverables by the visitor development team in that year. This may include temporary suspension of the tear-off maps at the City Information Centre and of reprints of the self-guided walks leaflets. Again, this brings with it reputational risk and diminishes the level of service we provide.

Model 4: return Room to the Property Investment Board

57. In consultation with the City Surveyor, it has been established that the Room has the potential to generate £7,000 in commercial rental income per annum (as well as full service charge recovery). This rental income would be lost to the City Corporation if the Room were to be opened as a visitor attraction. Members may therefore wish to consider whether the proposals outlined here are of greater value to the City Corporation in terms of PR, services to London and the nation and the extension of its visitor offer than the financial benefit to the City Fund of transferring responsibility for the Room back to the Property Investment Board for commercial letting purposes. This model would preclude use of the Room by such organisations as the Samuel Pepys Club.

Corporate & Strategic Implications

58. Members may wish to consider the perceived obligation that the City Corporation has to grant public access to the historic sites under its guardianship. The reputational risks of not granting access should be balanced against public interest in the Room (as outlined in this report) and the significant financial outlay required (as well as the resulting detriment this will bring to existing services).
59. Should your Committee wish to see an exhibition mounted within the Room, it should be noted that there may be reputational risk to the City Corporation if it is seen to invest in such an enterprise when there is no disabled access. Disabled access issues may also need to be considered when deciding whether to open the Room as a visitor attraction generally.
60. Any use of this Room must be consistent with the investment use in the remainder of the property. Impact on the commercial tenants must be considered and the restrictions imposed by the City Surveyor and contained within this report upheld within proposed activity. If they are not, this may impact on the rental income stream and the recoverability of common part costs.

Corporate Property Implications:

61. Although the Room is of limited public and historic interest, the Comptroller and City Solicitor has confirmed that there are no legal obligations to open the Room to the public. Should Members resolve to accept the recommendation under Model 4 to return the Room to the Property Investment Board:
 - a. It would be necessary for your Committee to declare it surplus to requirements, in which case the property is transferred to the Property Investment Board which has regard to any other potential uses for that property, including operational requirements of other service departments, before deciding on the most appropriate method of disposal. There would be no obligation on the Property Investment Board to make the facility accessible to the public;
 - b. Any remaining artefacts left in the Room would be retained by Culture Heritage and Libraries for safe keeping;
 - c. There would be no budget transfer requirements associated with this transfer; and
 - d. It is recommended that the transfer of the asset would occur on 24 December 2012

Consultation

62. The Chamberlain and City Surveyor have been consulted in the writing of this report and their comments incorporated.

Conclusion

63. To justify investment in developing the Room as a visitor asset in the current economic climate, when cuts to local risk budgets are anticipated year-on-year and public appetite for the Room is evidenced as low, would be difficult.
64. Any decision must be balanced with the potential reputational risk to the City Corporation were it not to grant access, but should also be considered with the consequential impact on the visitor development operation if funds are diverted, and the reputational risks that that might bring.
65. If the Room is returned to the Property Investment Board, the City Corporation can continue to invest in its upkeep and maintenance (so remaining guardian of the Room for future generations) while realising income for the City Fund.

Background Papers:

66. Prince Henry's Room: evaluation of potential use, report to the Culture, Heritage and Libraries Committee, 18 November 2011

Appendices

- APPENDIX 1: focus groups
- APPENDIX 2: Times and *cityguide* coverage
- APPENDIX 3: Summary of online survey findings
- APPENDIX 4: Draft letter of understanding for the Samuel Pepys Club

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