

Committee(s): Finance Committee Corporate Asset Sub (Finance) Committee	Date(s): 12 November 2019 29 January 2020
Subject: FM arrangements for Guildhall events	Public
Report of: Joint report of the Remembrancer, Chamberlain and City Surveyor	For information
Report author: Nigel Lefton, Director, Remembrancer's Office	

Summary

The current funding arrangements for the maintenance and capital needs of Guildhall's event spaces need to be reviewed.

It is proposed that there should be:

- a single Chief Officer with responsibility for a facilities business plan for the Guildhall event spaces;
- a single profit and loss expenditure account;
- charges for commercial events (but including those subject to a charity discount) calculated so as to exceed direct and indirect costs of the events.

Recommendation(s)

Members are asked to note this report.

Main Report

1. It is proposed that the Remembrancer will lead on a facilities business plan for the Guildhall event spaces and 'own' the profit and loss trading account. Funding arrangements will be introduced directly related to income generated through the commercial hire of Guildhall.
2. Once implemented, it is envisaged that the shared business strategy will:
 - Align investment in improved facilities for the event spaces with the commercial income obtained from their use;
 - Enable the delivery of a first-class venue, offering flexible spaces and facilities needed to generate increased income;
 - Allow Guildhall to respond to new market opportunities.
3. The maintenance and capital needs of Guildhall's eleven event spaces reflect their primary use for the City Corporation's own purposes, comprising major ceremonial and policy-related events and departmental uses, in addition to commercial lettings. There are three principal current sources of funding:

1. Cyclical maintenance requirements, drawn from the 20-year plan, are bid for within the Cyclical Works Programme (CWP), along with the rest of the City Corporation Operational portfolio.
2. Any individual works or projects valued over £250,000 or forming a group of related works that, when combined, total over £250,000, form part of the capital projects bid process. Subject to approval and available budget, these are taken through the Gateway stages.
3. Day-to-day maintenance is addressed by Guildhall FM's fixed and reactive budgets for the event spaces (£2.2m in 2019/20).
4. At present, an annual assessment is made of City Surveyor costs to run events, including fixed and variable maintenance costs, and this is used to set charges for commercial and other events. The income from paid-for events goes into Guildhall Admin accounts and the overall net balance of Guildhall Admin costs are recharged across all the departments within the Guildhall complex.
5. In response to the recommendations of the Finance Committee and Corporate Asset Sub Committee and following consultation between the Remembrancer, City Surveyor and Chamberlain, it is proposed that the Remembrancer is responsible for a facilities event-related business plan for the Guildhall event spaces and that a designated account be established to enable the Guildhall to be maintained to the appropriate standard for event use.
6. It is proposed that a proportion of the income generated by the venue (initial thoughts are a cap of 10%) be paid into this designated account, to be directed specifically towards event-related operational requirements. This new mechanism would be designed to ensure that the specific costs for events are captured in the trading account and not charged to Guildhall Admin. Expenditure that would need to be met independently of whether or not paid-for events took place in the venue would continue to be met in the usual way through the current funding sources.
7. Members' views are invited and, subject to views expressed, a report will be prepared for the next Finance Committee setting out detailed arrangements in line with the approach set out in this report.

Appendices

None.

Nigel Lefton

Director, Remembrancer's Office

T: 020 7332 1028

E: nigel.lefton@cityoflondon.gov.uk