

Committee(s):	Date(s):
Culture, Heritage & Libraries	27/10/2014
Subject: Clockmakers' Museum	Public
Report of: Director of Culture, Heritage & Libraries	For Information
Summary	
<p>Despite the agreement in principle of new terms for the lease arrangements of the Clockmakers' Museum from 2015 onwards, the Company announced at the end of August that they would be moving to the Science Museum. The Museum was closed to the public with effect from 1 September and the space is being cleared. This unexpected end to a very lengthy set of negotiations is regrettable to some extent but creates an opportunity to reconsider the use of the space for alternative cultural or Corporate benefit. The Science Museum will provide a platform for many more people to see the clocks and we wish the Clockmakers well in their new home.</p>	
Recommendation(s)	
Members are asked to:	
<ul style="list-style-type: none"> • Note the content of this report. 	

Main Report

Background

1. In October 2013 your Committee received and approved a report setting out proposed terms for a new lease to the Clockmakers' Museum and Educational Trust, to commence in January 2015, in relation to the Clockmakers' Museum adjacent to Guildhall Library.
2. This was the conclusion to a very long running set of negotiations which commenced in 2004 when the Corporation resolved that rent-free occupation of the Museum was no longer tenable. A service charge of circa. £9000 p.a. was levied between 2008 and 2014 on condition that a more financially realistic settlement was achieved from 2015 onwards. Following an independent assessment of the rental value of the space, a discounted tariff based on this figure was proposed and agreed in principle. The Clockmakers would be given a 20 year lease charged at 75% of the estimated rental value (£21,000 instead of £28,000), plus a service charge of £10,000 per annum.
3. Following your Committee's agreement, officers from the City Surveyor's and City Solicitor's departments pursued the necessary discussions and exchanges of paperwork towards the finalising and signing of the new lease.

Current Position

4. On 29 August 2014 the Clockmakers circulated an announcement that they were entering into partnership with the Science Museum and that the collection was to be moved there, to be part of a new gallery alongside the Science Museum's Measuring Time gallery, to be opened in summer 2015. They closed the Museum at Guildhall a few days later, on 1 September, and have since then been moving the collections and cases out.
5. The possibility that the Clockmakers might choose to move out was trailed in a letter from the Master of the Company which was circulated to all livery companies, and others, in July. That letter expressed unhappiness about various aspects of their experience of dealing with the Corporation, although from our perspective much of this was either inaccurate or based on misperception. The Director of Culture, Heritage & Libraries wrote to the Master of the Clockmakers' Company on 30 July regretting the tone of his letter, clarifying the City's position, and offering to help with any misunderstandings. Meanwhile, on 25 July, the Secretary of the Museum Trust sent an email to the City Surveyor implying that negotiations over the new lease were coming to an acceptable conclusion, subject to ratification at a Trustees' meeting on 11 August. The news that they would definitely be moving was first given to us informally on 21 August.
6. The departure of the Museum is a fait accompli and the Clockmakers have not broken any formal terms of their existing lease in moving out. The abrupt nature of the closing of the Museum is regrettable and we have had to make it clear that the decision, and the short notice of closure, is theirs. There is a long history of dissatisfaction, among the Museum Trustees, about the City's relationship with them, as was reflected in the Master's letter, and which no doubt informs to some extent the manner of their leaving. The entirely reasonable nature of the Corporation's expectations around the continued presence of the Museum in Guildhall, underpinned by recognition of the cultural value of the Museum and its collections, is however documented in numerous Committee reports over the last decade and more.

Options

7. The immediate priorities are around facilitating the move out of the Museum, which is proceeding smoothly, and attending to any dilapidations work. Officers are considering options for future use of the space; in the context of addressing the aims of the cultural and visitor strategies to develop Guildhall and its Yard as welcoming places of great historic significance, it is highly desirable that such an externally-facing ground floor part of the complex is used to deliver some kind of cultural or public facility whilst also considering the wider requirements of the City.
8. Any options for the future use of the space will be reviewed under Standing Order 55 set out below;

55. Identification of Property Assets Surplus to Departmental Requirements

1. Committees are required to consider the effective and efficient use of all operational property assets. This will be monitored by the Corporate Asset Sub-Committee.

2. Where assets are no longer required, in whole or in part, for the provision of operational services for which they are currently held, a report on the circumstances must be made to the Corporate Asset Sub-Committee.

Corporate & Strategic Implications

9. The Clock Museum has been perceived as a valued component of the overall visitor offer of the Guildhall complex, complementing such other elements as the Art Gallery, the Church, and Guildhall Library. In that sense their departure is regrettable, but the visitor footfall of the Museum was only circa 10,000 p.a. so the impact on overall visitor traffic is not huge. From the Clockmakers' perspective, there can be little doubt that more people will view the clocks in the Science Museum, so there is a benefit to them as long as they find the arrangements of their tenancy satisfactory. Their collection will complement the already significant horological holdings of the Science Museum.
10. The Clockmakers' press release states that "it has not been possible, despite extensive negotiations, to agree affordable terms for renewal [with the City]", but it also refers to the expiry of the lease and their sadness in leaving Guildhall, so the Corporation is not explicitly criticised. It is not anticipated that there will be significant reputational damage following on from their departure but should questions be asked, there is, as stated above, a narrative of lengthy negotiations and reasonable expectations to be told from the City side.

Implications

11. The 2014 annual service charge to the Clockmakers of £9000 will be paid by them in full, under the terms of the existing lease although there will be a shortfall of anticipated service charge recovery for the 14/15 financial year of £2,250 and £9000 per annum thereafter as well as the loss of the proposed income of £21,000 p.a from 1 January 2015. It must be noted that the lease carries no repairing obligations for the Clockmakers so once vacated it is likely that minor works of repair and redecoration will be required at the City's expense. The need to make best use of the space from a financial as well as a cultural perspective will be taken into account in considering new proposals and other current requirements of the City.

Conclusion

12. The sudden departure of the Clockmakers' Museum from Guildhall was unexpected, as officers' negotiations up until July led them to expect that a new lease for 2015 onwards was about to be signed. We did not want them to go, but could not allow them to dictate terms which were unacceptable to the Corporation. We wish them well in the Science Museum and will bring proposals for a new use of the space in due course.

Background Papers:

Clockmakers' Museum: Proposed Lease Terms from 2015, non-public report to the Culture, Heritage & Libraries Committee, 28 October 2013

David Pearson

Culture, Heritage & Libraries

T: 020 7332 1850

E: david.pearson@cityoflondon.gov.uk