

Committee(s):	Date(s):
Risk Committee of the Barbican Centre Board	13 October 2015
Subject: Process for contracting Commercial Clients	Public
Report of: Chief Operating and Financial Officer	For Information
<p style="text-align: center;">Summary</p> <p>This report sets out the process in place for contracting Commercial events.</p> <p>Recommendation(s)</p> <p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the report. 	

Main Report

Background

1. Members previously expressed an interest in understanding the full process that takes place when contracting commercial events, with particular interest around the elements that will help to reduce / eliminate bad debt.
2. This paper provides a brief summary of this process for Members' information.

Current Position

3. When a new Company contacts the Sales team to enquire about a booking, the team investigate them to understand their financial position. If the potential value of the booking is under £15,000 then the Sales team use the Barbican's credit checking service (www.creditsafeuk.com) to review whether they are credit worthy. There is a simple traffic light system used and they should only contract with Companies who have a rating of A or B.
4. If the booking is over £15,000 then the sales team refer the company to the Finance team who will then review their financial statements in more detail.
5. If they pass the above review process, a standard contract is then issued which has been approved by the Comptroller & City Solicitor's Department, along with

a deposit invoice (100% of room hire). In order for the event to go ahead the signed contract and 100% of the hire fee needs to be paid before the event date.

6. When events are booked at short notice this can be changed to 100% of the total invoice (hire and catering).
7. After the event, any additional charges are added to the booking by the event manager and then settled on the system. This should happen within one week of the event. Finance then raises a final invoice, including the catering figures, which is due to be paid within 30 days.
8. Finance review debt on a regular basis, chasing individual debts either direct with the Company or via the event manager, depending on the relationship with them and the size of the debt. Once a month, a full list of Business Events debt is sent over to the Heads of Business Events and Event Management for them to review/action.
9. Any up and coming events within the next month that have outstanding deposits are flagged so that they can liaise with the Companies for payment whilst finalising arrangements.
10. Any debts which remain unpaid after 90 days are provided for in the accounts. Unrecovered debts are passed on to the Comptroller & City Solicitor's Department. The timing of this is dependent on the debt total, any queries attached to the debt, or the risk assessed on each debt.

Appendices

None.

Niki Cornwell

Head of Finance

T: 020 7382 6119

E: Niki.Cornwell@barbican.org.uk