

Committee:	Dated:
Corporate Asset Sub Committee	28 April 2021
Subject: Guildhall & Walbrook Wharf 2021/22 Budget Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,2,5,7,9,10,11,12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	Y
Report of: The City Surveyor	For Information
Report author: Dorian Price, Guildhall Manager	

Summary

Further to Finance Committee approval of Operational Budget Estimates 2021/22, the purpose of this report is to provide an explanation of how the proposed reduction in costs at Guildhall Complex and Walbrook Wharf are to be delivered and the assumptions that were made.

This report also presents a summary of how Guildhall complex and Walbrook Wharf 2021/22 budgets have been realigned to meet the new budget available, shown in Appendix 1 and 2.

Guildhall Complex - £2,069m reduction – comprising:

- £720k local risk reduction in security operational overtime costs, energy, cleaning and building, repairs and maintenance costs due to a lesser anticipated requirement after the Covid-19 pandemic.
- £473k central risk reduction – consisting of a £338k rates reduction which will now be met by a third party occupying 20/21 Aldermanbury, £135k reduction in catering due to removal of the catering subsidy following the termination by the supplier of the catering provision in the Gild.
- £876k for the rephasing of the cyclical works programme (CWP) over a four-year period to smooth expenditure.

Walbrook Wharf - £619k reduction – comprising:

- £72k local risk reduction in building, repairs and maintenance costs due to a lesser anticipated requirement after the Covid-19 pandemic.
- £302k central risk reduction in rates as a new tenant is meeting the office costs as part of the lease agreement.
- £245k for the rephasing of the cyclical works programme (CWP) over a four-year period to smooth expenditure.

The City Surveyor intends to deliver the reduction of costs with little or no effect to the operation of Guildhall complex and Walbrook Wharf, informed by our covid

experience and new ways of working. However, these are significant approved savings amounting to a 15% budget reduction for Guildhall and 34% budget reduction for Walbrook Wharf. Officers will continue to monitor local delivery of these reductions with any changes to the 2021/22 budgets that may have an effect on the operating services, standards and upkeep to be reported back to Members.

Subject to the completion of the Target Operating Model and any further departmental savings required to meet this target; the City Surveyor proposes to reinvest any further efficiencies into the buildings and will also report back to Members.

Recommendations

Members are asked to:

- i) Note the approved Guildhall complex and Walbrook Wharf budget reductions for 2021/22.
- ii) Note that the City Surveyor intends to deliver the budget reductions with little or no effect to the operation of Guildhall complex and Walbrook Wharf, informed by our covid experience and new ways of working.
- iii) Note that subject to completion of the ToM the City Surveyor proposal that any further efficiencies identified will be reinvested into the buildings and reported back to Members.

Main Report

Background

1. This report highlights the 12% reduction required across Corporation budgets in 2021/22, made at Guildhall Complex and Walbrook Wharf and the budget reductions, summarised in Appendix 1 and 2.
2. Members should note that all the budget reductions assume a lower workplace capacity due to new ways of working, and hence less wear and tear on the buildings. It also assumes that the cost to the Guildhall of providing events will be largely recovered through the trading account currently under discussion.

Current Position

3. It is the intention of The City Surveyor to deliver these budget reductions with little or no effect to the operation of Guildhall complex and Walbrook Wharf.
4. However, there are potential risks of overspend and officers will continue to monitor local delivery of these reductions and any changes to the 2021/22 budgets that may have an effect on the operating services, standards and upkeep will be reported to Members.

Proposals

5. The City Surveyor proposes that if any further efficiencies are identified that they will be reinvested into the relevant building and officers will report back to Members.

Corporate & Strategic Implications

- **Strategic implications** – Guildhall Management at the City supports the following objective in the City Surveyors Business Plan:
 - **Property assets and facilities management:** We will ensure buildings are fit for purpose, sustainable, safe and secure, providing access for all, meeting service needs and community expectations and delivering value for money through enhancing our efficiencies; this includes asset management plans, facilities management including hard (planned and reactive maintenance) and soft services (cleaning, security, etc.), cyclical projects and minor improvements and delivery of major capital projects for refurbishments and new builds.
- **Financial implications** - These are significant savings amounting to a 15% budget reduction for Guildhall and 34% reduction for Walbrook Wharf. The City Surveyor will therefore need to monitor the budgets closely. He will continue to review current budget lines and identify how Guildhall Complex and Walbrook Wharf services can be delivered more smartly and efficiently, informed by our COVID experience and new ways of working in order to deliver 2021/22 revenue reductions.
- Members should note that it is planned to spend, after the reductions made, an estimated total of £1.995m at Guildhall Complex and £350k at Walbrook Wharf in 2021/22 from the Cyclical Works Programme (CWP) to tackle the backlog of cyclical repairs. This expenditure is required to prevent further deterioration of the building; and the expenditure is in addition to the City Surveyor's Local Risk budget.

Conclusion

6. The City Surveyor has realigned the proposed new 2021/22 budgets available at Guildhall Complex and Walbrook Wharf in order to meet the 12% savings target.
7. It remains the intention of the City Surveyor to deliver these reductions with little or no effect to the operation of Guildhall complex and Walbrook Wharf, informed by our covid experience and new ways of working. However, officers will continue to monitor local delivery of these reductions and any potential risks to the 2021/22 budgets that may have an effect on the operating services, standards and upkeep will be reported to Members.

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