

Committee(s): Policy and Resources Committee Finance Committee General Purposes Committee of Aldermen	Dated: 3 June 2021 15 June 2021 July 2021(date tbc)
Subject: Lord Mayor's Show	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	Corporate Plan outcomes 3b, 4a, 8a,10d and 10e
Does this proposal require extra revenue and/or capital spending?	Yes
If so, how much?	£210,000
What is the source of Funding?	City's Cash Finance Contingency
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of: City Remembrancer	For Decision
Report author:	

Summary

This report seeks approval for financial support to be provided to the Lord Mayor's Show.

Substitute funding is sought by means of an ongoing payment to the Lord Mayor's Show Limited to reflect the services which have previously been paid from City Corporation departments' local risk budgets in the joint delivery of the annual civic event. The contributing departments are no longer able to fund these services as an unexpected result of the last spending round and the income derived from the Show is not able to meet their cost. Funding is therefore being sought from City's Cash Finance Contingency in respect of a sum of £210,000 for the 2021 Lord Mayor's Show. If the recommendations are agreed, a further report on the mechanism for future payments will be brought forward.

The COVID-19 pandemic resulted in cancellation of last year's Show and depletion of the reserves built up by the Lord Mayor's Show Limited from surpluses in previous years. Underwriting by the City Corporation on a contingent basis is sought for this year's and any future Show were a deficit to arise. Additional promotion of the Show and increased income is planned, with surpluses generated by the Show being transferred from the Lord Mayor's Show Limited to the City Corporation in future years once a small reserve is established.

Recommendation(s)

Members are asked to approve:

- (a) In principle funding by means of an ongoing payment to the Lord Mayor's Show Limited to reflect services hitherto paid for from local risk budgets principally by the Department of the Built Environment, the Town Clerk (Communications) and the City Surveyor, in support of the Lord Mayor's

Show, to be used exclusively to meet the costs of those services. For the 2021 Show, assuming it proceeds in its customary form, the total funding need in the current financial year would be approximately £210,000 and a payment of this amount would be made out of City's Cash Finance Contingency. If agreed in principle, a further report would be provided setting out the proposed payment mechanism for future years;

- (b) In the exceptional circumstances of this year, underwriting of potential losses in the operation of this year's Show (and any losses from a future Show were they to arise), noting that surpluses in delivery of the Show in future years will be transferred by the Lord Mayor's Show Limited to the City Corporation once a reserve of approximately £30,000 is established; and
- (c) The appointment of the Chairman of the Finance Committee to the Board of the Lord Mayor's Show Limited, the Board of the company and the General Purposes Committee of Aldermen having agreed the appointment, as a prerequisite for this Committee agreeing to the funding arrangement set out in this report.

Main Report

Background

1. The Lord Mayor's Show can be traced back to King John's Charter of 1215, which granted to the City the right annually to choose the City's Mayor on condition that the person chosen would be presented to the monarch at Westminster to pledge allegiance. The journey from the City to Westminster grew into a civic procession by the fourteenth century and by the early sixteenth century it had become a day of public celebration and entertainment. With rare exceptions, including for the Plague in the seventeenth century and last year because of the Covid-19 public health restrictions, the Show has taken place for over 800 years. The presentation and swearing in of the Lord Mayor before Her Majesty's Judges (but not the Lord Mayor's Show itself) is now regulated by Act of Parliament and takes place on the second Saturday in November.
2. The current Lord Mayor's Show is a vibrant event, with 7,000 participants, some 140 floats and over 20 marching bands, that attracts half a million people to watch the procession as it travels the three miles from Mansion House to the Royal Courts of Justice on the Strand and then back. It is broadcast by the BBC with a domestic television audience of two million.
3. The Lord Mayor's Show is administered by the Lord Mayor's Show Limited (Company Reg. No. 04800489), a company established in 2003 to provide oversight of the Show, with a Board comprising the Lord Mayor, Aldermen and the Remembrancer. The development of the programme and management of the day-to-day operation of each year's Show is carried out on behalf of the company by the Pageantmaster. In the Pageantmaster's absence this responsibility would devolve to the City Remembrancer. The company is a named insured body on the City Corporation's insurance policies and is administered with the support of central

support departments. Delivery of the Show involves, in addition to the Pageantmaster, a wide range of City Corporation departments, principally DBE (Highways), Town Clerk's (Communications) and City Surveyor. The City of London Police and external bodies such as TfL, Westminster City Council and the emergency services are also involved.

Current Position

4. Given the long history of the Show in continuing to take place despite disruption caused by war or other social concerns, the view was taken last year to continue to plan and prepare for a Show in 2020 for as long as possible. As the result of the likelihood of a worsening public health situation in Autumn, at the beginning of September the 2020 Show was cancelled, with the resulting loss of all the income for that Show.
5. The financial consequence of the cancellation has been to deplete more or less in their entirety the reserves held by the Lord Mayor's Show Limited, built up over a number of years. These were sufficient to enable all incurred costs for the 2020 Show to be met. As a result, for a Show to take place this year, financial security needs to be established in an environment in which uncertainty exists over its precise form and hence the income to be derived from it, and for future years it is necessary for the Show's finances to be placed on a secure basis.
6. Income for each Lord Mayor's Show is obtained largely from fees paid by participants. It is broadly sufficient to meet the direct costs of the Show and make a small surplus, but not the costs of services provided by City Corporation departments in supporting the Show's delivery. This is on the basis that, for the time being at least, additional attractions introduced in recent years including the 'engagement zones', a bespoke Lord Mayor's Show Illuminated River installation, and an evening event at Tower Bridge, will not take place. This also assumes that there is no firework display, an event which has in any case become more difficult to deliver given the heightened security situation.
7. Logistical support given by DBE, Town Clerk's and City Surveyor's departments comprises:
 - a. Highways and associated functions including road closures, parked vehicle removals, route stewarding (crowd management), pedestrian barrier supply and street furniture removal;
 - b. Street cleansing and public conveniences;
 - c. Additional security requirements and traffic stewarding responsibilities (transferred from the City of London Police in 2019);
 - d. Communications support for advertising of the Show, in the form of leaflets, posters and photography;
 - e. Provision of State and semi-State Coaches;
 - f. Security at Guildhall on the day of the Show.
8. The contributing departments are no longer able to fund these services as an unexpected result of the last spending round. In previous years, much of the costs for the services was absorbed within departments' local risk budgets. Security costs were met for a time out of specially allocated funds. In addition, for a short

period costs were in part funded from monies that had been put aside for a fireworks display but which was not used following the cancellation of the display as a result of security concerns. The fireworks funding has now ended and it is no longer possible for the relevant services to be provided without specific budgetary adjustments. For the 2021 Show, these are estimated as £99,600 in respect of DBE costs, £26,000 in respect of Town Clerk's (Communications) costs and £71,500 relating to the City Surveyor's costs. An additional £10,000 relates to sums previously paid out of Remembrancer's Office and Mansion House budgets and recharged to the Lord Mayor's Show Limited. This amounts in total to slightly under £210,000.

9. The current objective is for this year's Show to take place in a manner as close as possible to the traditional style of the Show, subject to any Covid-19 related public health restrictions then applying. This may be seen as part of the City Corporation's desire for the business and cultural life of the City to resume as soon as conditions permit, and reflects the recognition that this may require a broad programme of activity promoted by the City Corporation to stimulate the revival of the City together with the initiatives set out in the City Corporation's report on 'London Recharged', the establishment of the Covid Recovery Fund, and the five-year action plan 'The Square Mile: Future City'.
10. The justification for establishing the finances of the Lord Mayor's Show on a secure footing for the long-term rests on the cultural, social and economic value of the Show to the City, London and the country. The Show has a central place in the City's cultural heritage, reinforcing social identity and civic pride. It offers unique opportunities for engagement with the City's heritage for City workers, residents and visitors. The public character of the spectacle, and the range and diversity of participation, leads to a positive impact in building social capital and community cohesion. The substantial contribution made to the Show by the armed forces reflects the City Corporation's commitment as a signatory of the Armed Forces Covenant and an Employer Recognition Scheme Gold Award Winner, recognising its support to armed forces personnel across the organisation and in the community. The use of carriages in the procession supplied by the Royal Mews is illustrative of the City's historic links with the Crown.
11. The success of the Show is partly derived from a long-standing and constructive relationship with the BBC. Live televising of the Show with broadcasting to a large domestic and international audience gives it a high public profile and provides the Show with major reach beyond the City and London. This enables the Show to make a significant contribution to the achievement of Corporate Plan objectives, in particular, providing access to world-class heritage, culture and events, and promoting the City as an attractive and accessible place to live, work and visit.
12. The Show also has the potential to operate as a soft power tool, bringing people together and building connections. An example of this is the Chair of Policy's hosting of diplomats on the morning of the Show. In direct economic terms, the Show has an impact in terms of bringing people into the City, drawing the attention of a wider audience in the UK and internationally, with benefits for job creation and tourism. The cultural and historic attraction of the City is a key element in attracting talented individuals to London and the UK.

Proposals

13. It is proposed that the City Corporation renews its support for the Lord Mayor's Show in the context of the City Corporation's general support for the City's recovery following the pandemic and in the future in order to maintain one of the most distinctive elements in the City's cultural heritage. This would take the form of ensuring that the costs of the services provided by City Corporation departments out of local risk budgets are fully met, and by underwriting losses that may arise from the Lord Mayor's Show this year and in any future year.
14. For the financial year 2021/22, in order to meet the costs of departmental services provided for this year's Show a payment of £210,000 out of City's Cash Finance Contingency would be made to the Lord Mayor's Show Limited to enable the costs to be reimbursed. Further consideration would be given to the source of funding to meet these costs in future years.
15. The aim for this year's Show is to produce a surplus or at least break even as in previous years. It is recognised that in the current exceptional circumstances it is possible that there will be fewer floatholders taking part, or other issues may arise which will mean the Show can only take place in a reduced format. The latest budget suggests a deficit for this year's Show of just under £100,000 compared to a surplus for the 2019/20 Show of £77,000, but every effort is being made to take advantage of the recent progress in overcoming the pandemic and expand the number of floatholders taking part.
16. For this year's Show to continue, and to provide a secure base for future Shows, it is proposed that the City Corporation underwrites losses arising from the Lord Mayor's Show should there be a shortfall in any year. To date since the formation of the Lord Mayor's Show Limited no loss has been recorded. In recognition of this potential support, and the cost of services provided by City Corporation departments, surplus income from Shows in future years would be transferred to the City Corporation once a modest reserve of approximately £30,000 has been built up. The Lord Mayor's Show Limited will examine ways to take advantage of further commercial opportunities to increase income from the Show. It is envisaged that the Show in future years would aim to expand inclusion and diversity, and extend innovation in its delivery, while retaining its traditional, ceremonial character. The offer of support would be made on the basis of the Board's agreement to the Chairman of the Finance Committee becoming a director of the company.

Corporate & Strategic Implications

Strategic implications – in support of relevant Corporate Plan outcomes to provide access to world-class heritage and events, bring communities together, and promote the City and London as an attractive place to live, work and visit.

Resource/financial implications – none at this stage.

Legal implications - none

Risk implications - none

Equalities implications – none

Climate implications - none

Security implications - none

Conclusion

17. This paper recommends the approval in principle of:

- a. meeting the costs of the services provided for the Lord Mayor's Show by City Corporation departments by means of an ongoing payment to the Lord Mayor's Show Limited. The services are provided principally by DBE, the Town Clerk and the City Surveyor each year in support of the Lord Mayor's Show. It is estimated that, on the assumption that the Show is able to proceed on a near-normal basis consistent with any Covid-19 restrictions, the funding required would amount in this financial year to approximately £210,000 to be made out of City's Cash Finance Contingency. The specific funding mechanism for future years would be the subject of a further report;
- b. underwriting potential losses arising from the delivery of this year's Show in the current exceptional circumstances arising from the pandemic, and any losses, were they to occur, in future years, noting that surpluses arising in future years will be transferred by the Lord Mayor's Show Ltd to the City Corporation once a reserve of approximately £30,000 is established; and
- c. the Chairman of the Finance Committee becoming a director of the Lord Mayor's Show Limited, with the agreement of the Board of the company and the General Purposes Committee of Aldermen.

Background Papers:

Report on the Lord Mayor's Show Arrangements made to the General Purposes Committee of Aldermen and the Policy & Resources Committee on 2 and 4 July 2019 respectively.

Contact

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