



Finance Committee 11 March 2014

Date: TUESDAY, 25 MARCH 2014
Time: 1.45pm
Venue: COMMITTEE ROOMS - WEST WING, GUILDHALL

Members:

Roger Chadwick (Chairman)	Sheriff & Alderman Sir Paul Judge
Jeremy Mayhew (Deputy Chairman)	Deputy Alastair King
George Abrahams	Gregory Lawrence
Deputy John Barker	Jamie Ingham Clark
Randall Anderson	Oliver Lodge
Alderman Sir Michael Bear	Robert Merrett
Christopher Boden	Deputy Henry Pollard
Nigel Challis	Alderman Neil Redcliffe
Simon Duckworth	John Scott
Deputy Anthony Eskenzi	Ian Seaton
Kevin Everett	Sir Michael Snyder
John Fletcher	David Thompson
Stuart Fraser	Deputy John Tomlinson
Lucy Frew	Philip Woodhouse
Alderman John Garbutt	Mark Boleat (Ex-Officio Member)
Brian Harris	Deputy Michael Cassidy (Ex-Officio Member)
Ann Holmes	
Tom Hoffman	
Deputy Robert Howard	
Wendy Hyde	
Clare James	

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Lunch will be served in Guildhall Club at 1PM

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes and non-public summary of the meeting held on 18th February 2014.

For Decision
(Pages 1 - 10)
4. **MINUTES OF JOINT RESOURCE ALLOCATION AND PERFORMANCE AND EFFICIENCY SUB COMMITTEES**
To receive the minutes of the meeting held on 23 January 2014

For Information
(Pages 11 - 12)
5. **BUDGET MONITORING REPORT - TO FOLLOW**
Report of the Chamberlain
6. **REVENUES COLLECTION INSOURCING UPDATE**
Report of the Chamberlain

For Information
7. **COUNCIL TAX DISCOUNTS ON EMPTY PROPERTIES**
Report of the Chamberlain

For Information
(Pages 13 - 16)
8. **LOCAL GOVERNMENT PENSION SCHEME 2014**
Joint report of the Chamberlain and the Corporate Director of HR

For Decision
(Pages 17 - 20)
9. **LOCAL GOVERNMENT PENSION SCHEME 2014**
Joint report of the Chamberlain and the Corporate Director of HR

For Decision
(Pages 21 - 34)
9. **CORPORATE CLOTHING, UNIFORMS AND SAFETY APPAREL (E-CATALOGUE)**
Report of the Chamberlain

For Decision
(Pages 35 - 38)

10. **GUILDHALL CLUB 2013/14 BUDGET MONITORING REPORT**

A resolution from the House Committee of the Guildhall Club

For Decision
(Pages 39 - 40)

11. **CITY RE LTD - GOVERNANCE CHANGES**

Report of the Chamberlain

For Decision
(Pages 41 - 42)

12. **THE CREATION OF THE EDUCATION BOARD**

Report of the Town Clerk

For Decision
(Pages 43 - 54)

13. **QUEEN STREET PILOT PROJECT - OUTCOME REPORT - GATEWAY 7**

Report of the Director of the Built Environment

For Decision
(Pages 55 - 70)

14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

16. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

17. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

To agree the non-public minutes of the meeting held on 18th February 2014.

For Decision
(Pages 71 - 72)

18. **NON-PUBLIC MINUTES OF JOINT RESOURCE ALLOCATION AND PERFORMANCE AND EFFICIENCY SUB COMMITTEES**

To receive the non-public minutes of the meeting held on 23rd January 2014

For Information

(Pages 73 - 76)

19. **FORMER TENANT RENT ETC ARREARS WRITE OFFS**
Report of the Comptroller and City Solicitor

For Decision
(Pages 77 - 82)

20. **COUNCIL TAX - CLAIM FOR A REDUCTION IN THE AMOUNT OF COUNCIL TAX PAYABLE**
Report of the Chamberlain

For Decision
(Pages 83 - 88)

21. **UPGRADE OF PENSIONS ADMINISTRATION SOFTWARE**
Report of the Chamberlain

For Decision
(Pages 89 - 92)

22. **BARBICAN CINEMAS - ISSUE REPORT 2**
Report of the City Surveyor

For Decision
(Pages 93 - 100)

23. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
Report of the Town Clerk

For Information
(Pages 101 - 104)

24. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

25. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

Part 3 - Confidential Agenda

26. **MUSEUM OF LONDON - APPOINTMENT OF TREASURER**
Report of the Chamberlain

For Decision

27. **DECISION TAKEN UNDER URGENCY**
Town Clerk to be heard regarding action taken to approve additional expenditure in respect of the Guildhall Club

Agenda Item 3

FINANCE COMMITTEE

Tuesday, 18 February 2014

Minutes of the meeting of the Finance Committee held at Guildhall on Tuesday, 18 February 2014 at 1.45pm

Present

Members:

Roger Chadwick (Chairman)	Deputy Robert Howard
Jeremy Mayhew (Deputy Chairman)	Wendy Hyde
George Abrahams	Clare James
Deputy John Barker	Deputy Alastair King
Randall Anderson	Jamie Ingham Clark
Nigel Challis	Robert Merrett
Simon Duckworth	Ian Seaton
Deputy Anthony Eskenzi	Sir Michael Snyder
Kevin Everett	David Thompson
Stuart Fraser	Deputy John Tomlinson
Lucy Frew	Philip Woodhouse
Alderman John Garbutt	Christopher Boden
Brian Harris	Gregory Lawrence
Ann Holmes	
Tom Hoffman	

In Attendance:

George Gillon, Chief Commoner

Officers:

Simon Murrells	- Assistant Town Clerk
Julie Mayer	- Town Clerk's Department
Chris Bilsland	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Suzanne Jones	- Chamberlain's Department
Steve Telling	- Chamberlain's Department
Richard Jeffrey	- Comptroller and City Solicitor's Department
Peter Bennett	- City Surveyor
Adrian Leppard	- Commissioner, City of London Police
Eric Nisbett	- City of London Police

1. APOLOGIES

Apologies were received from John Fletcher, Sheriff and Alderman Sir Paul Judge, Oliver Lodge, Deputy Henry Pollard, Alderman Neil Redcliffe, John Scott and Mark Boleat

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

Mr Mayhew and Mr Hoffman declared general interests in respect of item 13 (City of London Festival) by virtue of their position as trustees of the City of London Festival

Mr Harris declared a general interest in respect of item 11 (NNDR Review of Discretionary Rate Relief) by virtue of his position as Vice President of the Council of the London Chamber of Commerce and Industry.

Mr Mayhew declared a general interest in respect of item 11 (NNDR Review of Discretionary Rate Relief) by virtue of his position as a member of the Council of the London Chamber of Commerce and Industry.

Mr Mayhew declared a general interest in respect of item 22 (Free Travel for Regular Officers – ATOC Contract) by virtue of his role as a non-executive adviser to MOPAC.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED: that, the public minutes and non-public summary of the meeting held on 21st January 2014 were approved as an accurate record, subject to an amendment recording a declarable pecuniary interest for Mr Ian Seaton in respect of agenda item 13 (Council Tax Discount for Second Homes). Mr Seaton had declared an interest and left the room when the item was discussed.

4. **MINUTES OF THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE**

RESOLVED: That the public minutes and non-public summary of the Efficiency & Performance Sub Committee meeting held on 22 January 2014 be noted.

Matter arising

Members noted that the vacancy to this sub committee would be filled after the Annual Meeting of the Court on 1st May 2014.

5. **MINUTES OF THE INFORMATION SYSTEMS SUB-COMMITTEE**

RESOLVED: That the public minutes and non-public summary of the Information Systems Sub Committee meeting held on 21 January 2014 be noted.

6. **CITY OF LONDON PROCUREMENT SERVICE (CLPS) - PURCHASE ORDER COMPLIANCE**

The Committee received a report of the Chamberlain in respect of the CLPS, which provided an update on the measures being introduced to improve purchase order (PO) compliance at a departmental level.

In response to a question about officers at the Barbican Centre experiencing some issues with system compatibility, the Director advised that she was not aware of this and would follow it up with the centre.

RESOLVED, that:

1. The proposed change of focus within the CLPS be noted; and
2. the activities undertaken to date be noted.

7. **BUDGET MONITORING REPORT**

This report was deferred to the next meeting of the Committee. The Town Clerk would email the current draft to members.

8. **REVENUE AND CAPITAL BUDGETS 2013/14 AND 2014/15**

The Committee considered the Chamberlain's Revenue and Capital Budgets report for 2013/14 and 2014/15. Members were advised to read the report in conjunction with agenda item 9, City Fund: 2014/15 Budget report and Medium Term Financial Strategy.

RESOLVED, that:

1. The latest approved revenue budgets for 2013/14 be noted.
2. The 2014/15 budget be approved.
3. The capital budgets be approved
4. Authority be delegated to the Chamberlain, to determine the financial of the capital budgets.
5. The report be recommended to the Court of Common Council for approval,

9. **CITY FUND: 2014/15 BUDGET REPORT AND MEDIUM TERM FINANCIAL STRATEGY**

The Committee received a report of the Chamberlain, which presented the 21014/15 Budget Report and Medium Term Financial Strategy. It also recommended setting the levels of business rates and council tax.

In response to a question about the forthcoming service based reviews, the Chamberlain advised that any new Government in 2015 would be likely to inherit the spending reviews. It would therefore be prudent to assume that all savings would be permanent and irreversible. A member suggested that officers should not presume future assistance from City's Cash.

The Chairman of the Financial Investment Board advised members that the last meeting of the Board had approved the Treasury Management Statement and Annual Investment Strategy 2014/15.

RESOLVED, that: The Court of Common Council be requested to approve the following:

- Approve the overall financial framework and the revised Medium Term Financial Strategy for the City Fund
- Approve the City Fund Net Budget Requirement of £110.4m Note the change in anticipated earnings from cash deposits to
- 0.75% across the planning period
- Continue the policy of allowing City Police to draw from its reserves over the medium term on a managed basis, subject to a minimum £4.5m being retained
- Note that no provision in the revenue estimates is made for growth or reduction in business rates, any changes being met from the use of balances

- Approve that the annual uprating of applicable amounts, premiums, disregarded income, or capital in relation to the Local Council Tax Reduction Scheme 2014-2015 as it applies to working age claimants, be in accordance with the uprating to be applied under the Housing Benefit Regulations which take effect from 1 April each year; and the annual uprating of non-dependent income and deductions, and income levels relating to Alternative Council Tax Reduction, or any other uprating as it applies to working age claimants, shall be adjusted in line with inflation levels by reference to relevant annual uprating in the Housing Benefit Scheme, or The Prescribed Council Tax Reduction Scheme for Pensioners.

Key decisions

The key decisions are in setting the levels of Non Domestic Rates and Council Tax. The recommendations provide for the continuation of the City's business rate premium at 0.4p in the £ and for the City's Council Tax (excluding the Greater London Authority precept) to remain unchanged.

Business Rates

- Retain the City Business Rate Premium at 0.4p in the pound in 2014/15, but advise ratepayers of a possibility of an increase in 2015/16 if there is a further reduction in in the specific government grant for the Police's capital city responsibilities
- Set, inclusive of this premium, a Non-Domestic Rate multiplier of 48.6p for 2014/15 together with a Small Business Non-Domestic Rate multiplier of 47.5p
- Note that the Greater London Authority is in addition levying a Business Rate Supplement in 2014/15 of 2p in the £ on properties with a rateable value greater than £55,000
- Delegate to the Chamberlain the award of the following discretionary rate reliefs awarded under Section 47 of the Local Government Finance Act 1988: relief of up to £1,000 to retail premises; 50% relief from non-domestic rates for up to 18 months between 1st April 2014 and 31st March 2016 on retail premises that become occupied, having been empty for at least one year; and exemption from empty rate for new rating assessments completed between 1st October 2013 and 30th September 2016 for up to 18 months

Council Tax

- Based on a zero increase over 2013/14, determine the provisional amounts of Council Tax for the three areas of the City to which are added the precept of the Greater London Authority
- Determine that the relevant (net of local precepts and levies) basic amount of Council tax for 2014/15 will not be excessive in relation to the requirements for referendum
- Approve that the cost of highways, transportation planning, waste disposal, drains and sewers, open spaces and street lighting functions for

2014/15 be treated as special expenses to be borne by the City's residents outside the Temples

Other recommendations:

All other recommendations are largely of a technical and statutory nature; the only one to highlight for particular attention is that it is proposed that the City of London Corporation remains debt free, although this is to be reviewed.

Recommendations

Following the Committee's consideration of this report, it is recommended that the Court of Common Council is requested to:

Capital expenditure

- Note the proposed financing methodology of the capital programme in 2014/15
- Approve the Prudential Code indicators
- Approve the following resolutions for the purpose of the Local Government Act 2003, that:
 - At this stage the affordable borrowing limit (which is the maximum amount which the Corporation may have outstanding by way of borrowing) be zero
 - The prudent amount of Minimum Revenue Provision is zero
 - Any potential borrowing requirement and associated implications will be subject to a further report to Finance Committee and the Court of Common Council
- Note the continued pursuit of the approved financing methodology for the Corporation's funding commitment towards the cost of Crossrail, in particular each future year's budget report will give an update on funding progress

Chamberlain's assessment

To take account of the Chamberlain's assessment of the robustness of estimates and the adequacy of reserves

10. IRRECOVERABLE NON-DOMESTIC RATES AND COUNCIL TAX

The Committee considered an annual report of the Chamberlain, which sought to write off irrecoverable Non-Domestic Rates and Council Tax. The Finance Committee had delegated authority to the Chamberlain to write off amounts up to £5,000 for Non Domestic Rates and £1,000 for Council Tax.

RESOLVED, that:

1. Irrecoverable non-domestic rates in the sum of £1,144,960 be written-off, noting that £328,375 will be met by the City Corporation and £9,906 from the premium; and
2. Irrecoverable Council Tax in the Sum of £3,111 be written off.

11. **NON-DOMESTIC RATES - REVIEW OF DISCRETIONARY RATE RELIEF**

The Committee considered a report of the Chamberlain, which set out the results of this year's annual review of discretionary non-domestic rate relief, currently granted under Section 47 of the Local Government Finance Act 1988. The report asked members to consider whether any changes from the present levels of relief were required.

RESOLVED, that:

Discretionary relief be continued at the levels previously determined for all the organisations reported, noting that the estimated cost of £100,200 be borne by the City Fund and £2,770 be met from the premium for 2014/15.

12. **COUNCIL TAX CHARGES FOR EMPTY PROPERTIES**

The Committee considered a report of the Chamberlain, which advised members of the various options for discounts for council tax, for empty properties, and the possible consequences of changing the current level of discounts.

The Business Support Director agreed to review the criteria for empty property discount and to bring back a further report on the options for standardising or reducing discounts in some cases.

RESOLVED, that: the current level of discount be maintained, subject to the Finance Committee receiving a further report on the timescales for removing the discretion.

13. **CITY OF LONDON FESTIVAL FUNDING**

The Committee considered a report of the Director of Culture, Heritage and Libraries in respect of the City of London Festival, which organises a diverse range of performances and events across the Square Mile every summer. Members were assured that the Festival Board fully understood its liability to the City of London Corporation.

RESOLVED, that:

A loan of £150,000 to the City Arts Trust be approved, to cover the costs of a temporary pop-up venue, to be repaid over not more than five years, subject to formal terms to be drawn up by the City Comptroller, the money to come from the Finance Committee City's Cash Contingency Funds.

14. **PUBLIC HEALTH CONTRACT**

The Committee considered a report of the Director of Community and Children's Services, which proposed two waivers for public health commissioned services. The report advised members on the arrangements for commissioning public health services in 2013/14 and the results of an initial review of these commissioned services, including a full review of five services and full tender of others. In order to ensure continuity of service, whilst these actions were being completed, it was proposed that the current contracts be extended, and therefore waivers were sought for granting these contracts.

RESOLVED, that:

1. The waiver for the Boots smoking cessation contract be approved.
2. The waiver for the London Borough of Hackney SLA be approved.

15. CORPORATE GOVERNANCE - SCHEME OF DELEGATIONS AND THE PROJECT PROCEDURE

The Committee considered a report of the Town Clerk in respect of the Scheme of Delegations and the Project Procedure. Members noted that the Scheme of Delegation to Chief Officers had been reviewed and a number of changes proposed. Members noted that the scheme would also be presented to the Court of Common Council. Several amendments had been made since the publication of the agenda and these had been tabled.

In response to a question, the Chamberlain advised that there were no changes proposed to his scheme of delegation. Members suggested that this could have been expressed more clearly in the appendix.

RESOLVED, that:

1. The delegation relating to the Chamberlain, as set out in the appendix to the report be approved.
2. The Policy and Resources' Committees agreement to a number of revisions to the Projects Procedure be noted, one of which being that the Finance Committee will now receive periodic updates on the City's capital expenditure, rather than being part of the routine approval process for projects over £2m.
3. The upper threshold for categorising projects be noted as having increased from £2m to £5m.

16. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

17. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The Chairman agreed to accept an item of urgent business as follows:

London Councils: Local Government Pension Scheme Collective Investment Vehicle – report of the Chamberlain

The Committee considered a report of the Chamberlain in respect of the Local Government Pension Scheme. This report followed on from work undertaken at London Councils on the potential for more collaboration between boroughs that wished to be included, in the management and investment of pension funds. In response to questions, the Chamberlain advised that the City of London Corporation would not be putting its investments through the CIV at this stage, just seeking approval to participate in the scheme.

RESOLVED, that:

The Court of Common Council be recommended to:

1. Note the work being undertaken to establish a collective investment vehicle, in the form of an authorised contractual scheme (the "ACS"), and the incorporation of a private company limited by shares, to act as the Authorised Contractual Scheme Operator (the "ACS Operator"), for local authority pensions in London ("the Arrangements");

2. Endorse that a London Local Government Pensions Scheme Collective Investment Vehicle be established, structured and governed as outlined in this report;
3. Agree to become a shareholder in the ACS Operator, and to contribute £1 to the ACS Operator as initial capital;
4. Appoint the Chairman of Policy and Resources Committee as the elected member who will have power to act for the City Corporation in exercising its rights as a shareholder of the ACS Operator;
5. Appoint the Chairman of the Financial Investments Board to act as the nominate deputy in this shareholder capacity.
6. Agree that the Chamberlain be appointed as one of the interim Directors of the ACS Operator;
7. Agree that a representative body, in the form of a new sectoral joint committee (the "Pensions CIV Joint Committee"), is established pursuant to the existing London Councils Joint Agreement to act as a representative body for those local authorities that resolve to participate in the Arrangements; and
8. Agree that, in the event that all local authorities resolve to participate in the Arrangements, that the Leaders Committee will undertake the role described as being for the Joint Committee.

18. EXCLUSION OF THE PUBLIC

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Item No.	Paragraph(s) in Schedule 12A
19-25	3

19. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the non-public minutes of the meeting held on 21 January 2014 be approved as an accurate record.

20. NON-PUBLIC MINUTES OF THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE

RESOLVED: That the non-public minutes of the Efficiency & Performance Sub Committee meeting held on 22 January 2014 be noted.

21. NON-PUBLIC MINUTES OF THE INFORMATION SYSTEMS SUB-COMMITTEE

RESOLVED: that the non-public minutes of the Information Systems Sub Committee meeting held on 21 January 2014 be noted.

22. FREE TRAVEL FOR REGULAR OFFICERS- ATOC CONTRACT

The Committee considered a report of the Commissioner of Police in respect of a new formal agreement between the City of London Police and the Association of Train Operating Companies (ATOC) and agreed a number of recommendations thereon.

23. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no non-public questions relating to the work of the Committee.

24. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

The Committee considered an item of urgent business, from the City Surveyor, in respect of 4/14 Tabernacle Street and agreed a recommendation thereon.

The meeting ended at 3.10 pm

Chairman

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Agenda Item 4

JOINT RESOURCE ALLOCATION AND EFFICIENCY AND PERFORMANCE SUB-COMMITTEE MEETING WITH COMMITTEE CHAIRMEN

Thursday, 23 January 2014

Minutes of the joint meeting of the Resource Allocation and Efficiency and Performance Sub-Committee meeting with Committee Chairmen held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 23 January 2014 at 12.00pm

Present

Members:

Roger Chadwick (Deputy Chairman and Chairman of Efficiency and Performance Sub) - In the Chair	Jeremy Mayhew
Randall Anderson	Deputy Catherine McGuinness
Deputy John Barker	Deputy Joyce Nash
Deputy John Bennett	Ian Seaton
Deputy Michael Cassidy	Deputy Dr Giles Shilson
Nigel Challis	Deputy John Tomlinson
Simon Duckworth	
John Fletcher	
George Gillon (Chief Commoner)	

In Attendance

Deputy Billy Dove
Marianne Fredericks
Deputy Stanley Ginsburg
Alderman David Graves
Tom Hoffman
Jamie Ingham Clark
Oliver Lodge
Hugh Morris
Deputy Henry Pollard
Henrika Priest
John Scott
Jeremy Simons
Angela Starling

Officers:

John Barradell	- Town Clerk and Chief Executive
Chris Bilsland	- Chamberlain
Susan Attard	- Deputy Town Clerk
Caroline Al-Beyerty	- Chamberlains
Simon Murrells	- Assistant Town Clerk
Peter Lisley	- Assistant Town Clerk
Neil Davies	- Town Clerk's Department
Angela Roach	- Committee and Members Services Manager

1. **APOLOGIES**
Apologies were received from the Chairman, Doug Barrow, Sir Michael Snyder, Sir David Wootton and Alan Yarrow.
2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
There were no declarations.
3. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEES**
There were no questions.
4. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no urgent items.
5. **EXCLUSION OF THE PUBLIC**
RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

Item Nos.	Paragraph(s) in Schedule 12A
6	3

Part 2 – Non-Public Agenda

6. **OVERALL FINANCIAL POSITION AND MEDIUM TERM FINANCIAL PLANNING**
The Sub-Committees considered a joint report of the Town Clerk and the Chamberlain concerning the City Corporation's overall financial position and agreed a number of recommendations thereon.
7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEES**
There were no questions.
8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEES AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were no urgent items.

The meeting ended at 12.35pm

Chairman
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Agenda Item 6

Committee:	Date:
Finance Committee	27 th March 2014
Subject:	Public
Revenues Collection Insourcing Update	
Report of:	For Information
Chamberlain	

Summary

Following the decision of this Committee in May 2013, approving a strategy to return the Revenues Collection service to an in-house service, this report provides members with an update on the programme of work being undertaken to complete this.

The report includes updates on the proposed organisational structure that will be adopted (when the staff of 30 full time equivalents from the current service provider (Liberata), join the current City Corporation staff to create a single team), the progress made to date on the IT solution and the proposed accommodation approach.

As referred to in the May report to this Committee, there will be a cost to transition the current applications (notably Capita and Northgate) to a new provider and an ongoing cost to host and support these applications.

The May report provided an estimated transition cost of £460,000, subject to detailed planning. The final costs to migrate the technology to a new provider, the ongoing support costs and accommodation costs have yet to be agreed.

The estimated transition costs did not include the cost of office works required to accommodate the additional personnel expected to join from Liberata and so it might be difficult to contain the overall costs. Nevertheless this will not be a material difference and it will still be the case that these costs will be more than offset by the service provider costs and bonuses avoided following the end of the contract with Liberata.

Recommendation

Members are asked to:

- Note the overall progress of the project and the key risks identified; and
- Note that the one-off cost to transition the service will now need to cover accommodation works

Main Report

Background

1. In May 2013, this committee approved the strategy for the future provision of the Business Rates and Council Tax collection service to be returned to an in-house service. And to allow detailed transition plans to

be developed and discussions about effective management of the end of the contract to commence with the current provider Liberata (the current contract with Liberata, expires on October 4th, 2014).

2. A report to Establishment Committee in July set out the approach and potential staffing impacts of the decision of the Finance Committee to internalise the service.
3. The November Establishment Committee provided approval to commence professional consultation based on a draft structure presented in the report.
4. The results of professional consultation were reported to February Establishment Committee where approval was given to move to personal consultation.

Current Position

5. The overall programme is constrained by the end date of the current contract with Liberata (October 4th, 2014) which cannot be extended. The insourcing programme started in September 2013 and is being delivered as a number of interdependent projects.

6. *IS – Output: the migration, provisioning and hosting of the Business Rates (Capita) and Document Management (Northgate) Systems*

Work is ongoing with Agilisys to finalise the requirements and complete detailed planning. This will provide an accurate assessment of the costs and timeline. (NB the Agilisys contract will need to be varied to accommodate this additional scope of work)

7. *HR – Output: the design and implementation of a new structure required to deliver an in-house revenues collection service.*

Following professional consultation, where both City of London and Liberata staff were invited to comment on a proposed future structure, a revised future structure (based on the feedback received) was presented to Establishment Committee in February 2014.

Following the approval of the structure by Establishment Committee, the Job Descriptions and Person Specifications for the new roles are being written to allow the Job Evaluation team to grade the posts.

Once the posts have been graded a job matching exercise will be undertaken to determine which individuals currently perform the same or similar roles or where an assessment or interview process might be required.

8. *Accommodation – Output: provide office accommodation for the combined Revenues Collection team.*

An additional 30 staff will join the City of London revenues team from Liberata. The combined team will all be located at Walbrook Wharf. Small scale accommodation works will be required to prepare the office space ie removal of walls/partitions, adding or upgrading data/telephone points.

9. *Processes – Output: review and update of processes to reflect one combined team, as opposed to the current client/service provider processes.*

An inventory has been created of all work under the scope of the Revenues Collection service. This will be assessed to determine which processes will need to change in the future state.

10. *Exit Management – Output: details of the information and support required from Liberata.*

Our IS team are working closely with Liberata to specify what information we will require from them, in what format and at what date to support a smooth transition to a new provider.

11. *Business as Usual – Output: Processes are in place to assure the current level of service does not decrease during the programme.*

To date there have been no indications of a reduced level of commitment from Liberata to the standards they currently maintain.

12. Good progress has been made against the programme calendar (included as Appendix A) and key risks have been identified and mitigated (see below).

Key Risks

13. There are two key risks to highlight.
- i. *IS Timeline:* We are working with Agilisys to finalise requirements and complete detailed planning. Until this work is complete we cannot be certain the service termination date of 4th October can be met.

To mitigate the risk we have confirmed that the current service provider could continue to host the required applications after the service termination date.
 - ii. *Displacement of staff:* We are currently undertaking a job evaluation exercise for the posts in the proposed structure to determine the appropriate grading of roles. There is a risk that when we compare the grades of available roles to the mix of grades/pay within the current teams that some individuals could be at risk of redundancy.

Following job evaluation and reconciliation with the incoming staff, we will consider all options to minimize the degree of risk, for example specific responsibilities could be moved between roles to lower or increase the grade to better match the existing workforce.

Key Milestones for the next 3 months

14. Key milestones for the next three months are:
- i. Completion of job descriptions and the job evaluation process;
 - ii. Concluding the provision of the IS systems and any relevant procurement required;
 - iii. Job matching to enable the personal consultations to commence; and
 - iv. Business as usual – preparing and issuing the 2014/15 Rates bills and Council Tax bills

Conclusion

15. The insourcing of the Revenues Collection service from Liberata is on track to be completed before the service termination date of 4th October 2014.
16. The final costs for transition of the technology and ongoing hosting and support is being calculated in conjunction with our IS provider, Agilisys. And the cost of accommodation works is being provided by the City Surveyors department.
17. These costs and the additional payroll costs are expected to be offset over time by the fees and bonuses no longer payable to Liberata.
18. The main risks to the programme are to the overall timeline caused by the IS solution and potential redundancy risks as a result of a different mix of grades in the new structure compared to the current grades and pay of staff providing the service. These are being monitored and mitigated where possible.

Background Papers:

Future of Collection Service for Business Rates and Council Tax - (Finance Committee 21/05/13)

Revenue Collection Group Structure Changes (Establishment Committee – 25/07/13)

Insourcing of Revenues Service – Structure (Establishment Committee - 28/11/2013)

Insourcing of Revenues Service – Structure Update (Establishment Committee - 27/02/2014)

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Agenda Item 7

Committee(s):	Date(s):
Finance	18 th February 2014
Subject: Council Tax – Discounts for Empty Properties	Public
Report of: The Chamberlain	For Decision
Summary	
<p>This report advises members of the various options for discounts from council tax for empty properties and of the possible consequences of changing the current level of discounts. For council tax purposes, empty is defined as unoccupied and substantially unfurnished. It does not include second homes.</p> <p>Each billing authority has the discretion to give a discount of any amount from 0% to 100% in respect of empty properties or to levy a premium of up to 50% for properties that are empty for more than two years.</p>	
Recommendation	
<p>Members are asked to agree that the current level of discounts is maintained.</p>	

Main Report

Background

1. When council tax was introduced in 1993, empty properties were exempt from council tax for the first 6 months they were empty. After that period, a discount of 50% was awarded. The Local Government Act 2003 gave local authorities the power from 1st April 2004 to remove the 50% discount from full council tax.
2. The Local Government Finance Act 2012 gave greater flexibility and from April 2013, local authorities can remove all discounts or exemptions from empty property however short a period it is empty, or award any discount up to 100%. Discounts can be for any period. Additionally, a discretion was introduced to levy a premium of up to 50% above full council tax on empty property that has been empty for more than two years.
3. For council tax purposes a property is defined as empty if it is unoccupied and substantially unfurnished. Property that is furnished is treated as a second home.

Current Position

4. Although the discounts for second homes have varied over time, discounts and exemptions for empty dwellings in the City have remained unchanged, i.e. a discount of 100% is awarded to property empty for up to 6 months and a discount of 50% is awarded to property that has been empty for more than 6 months.
5. Historically the City has few empty properties, currently 54 that have been empty for less than 6 months and 51 that have been empty more than 6 months. Of these, 17 have been empty for more than 2 years; hence it has always been considered that there would be little gain achieved by changing the level of discounts.

Options

6. The options for empty properties are to leave the situation as it is, to vary the current level of discounts and/or periods of discounts and/or to charge a premium on property empty for more than 2 years. Any change would be effective from April 2015.

Implications

7. Most domestic property is empty for a short time only, frequently between lets or because it is a newly constructed property which is completed and remains empty before the first resident moves in. Although the actual properties change, the number empty is fairly constant at around 100, with about half empty for less than 6 months. Those empty for less than 6 months are often empty only for a few days or weeks. The additional income from removing or reducing the current 100% discount (exemption) for the first 6 months would be quite small but could lead to collection difficulties generally as it would damage relationships with tax payers and landlords who would be less willing to provide information about when tenants move in or out.
8. The number of properties continuously empty for more than 2 years is extremely low, currently 17. The majority of these consist of flats awaiting redevelopment as part of a non-domestic development scheme and two are the liability of a company in liquidation with no assets. If we were to attempt to charge a premium on these properties, they would almost inevitably become furnished if not actually lived in and there would be no additional income at all in insolvency cases where any debit raised would have to be written off.
9. It is important to distinguish between empty property and second homes. To be considered empty, a property must be both unoccupied and substantially unfurnished. A property where there is no permanent resident but where there is furniture present is treated as a second home. From April 2014, all second homes in the City will be liable for 100% council tax. There have been considerable new domestic developments in the City in recent years and undoubtedly some dwellings have been bought for investment purposes. These have subsequently been sold on or let or occupied on an occasional basis. Little of such property is technically empty. There are also a number of

serviced apartments in the City. These are continuously furnished and occupied on a temporary basis. The Valuation Office Agency is currently considering whether these should be more properly considered to be non-domestic and subject to business rates. Meanwhile, in accordance with council tax legislation, these properties are to be treated as second homes.

10. Given the number of empty properties in the City, even if all the additional income were to be retained by the City, this is likely not to be significant. Many properties are empty for a very short period between lets or when property is sold before the new owner moves in. With long term empty properties, the administration in dealing with a premium could outweigh any financial gain as owners would seek to avoid the additional tax, by moving a minimal amount of furniture in either permanently or for more than six weeks in order to break the empty period.

Conclusion

11. As there is not a significant problem regarding empty residential dwellings, whether short or long term empty, no changes to the current discounts are proposed.

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Agenda Item 8

Committees:		Dates:
Finance Committee	For decision	25 th March 2014
Establishment Committee	For decision	27 th March 2014
Subject: Local Government Pension Scheme (LGPS) 2014		Public
Report of: Chamberlain & Director of Corporate HR		For Decision

Summary

In March 2011, the Independent Public Service Pensions Commission, chaired by Lord Hutton, published its final report of the review of public service pensions. The report made clear that change is needed to “make public service pension schemes simpler and more transparent, fairer to those on low and moderate earnings”.

Subsequently, following discussions between the Government and the Trades Union Congress and submissions from the Local Government Association it was decided that the Local Government Pension Scheme (LGPS) should be reformed and that the effective date for such reform should be 1st April 2014. Separate discussions are in progress for the other schemes provided by the City of London (Teachers and Uniformed Police Officers Scheme); the effective date for the changes to these schemes will be 1st April 2015.

The main scheme Regulations were made 19th September 2013, with the Transitional Provisions, Savings and Amendment Regulations passed on 5th March 2014.

This report highlights the scheme changes and also sets out the discretions within the scheme that require policy decisions from the City of London as both the Employer and as the Administering Authority. The 2008 final salary scheme is replaced with a Career Average scheme, while this is a significant change to the administration and calculation of benefits, many of the discretions are retained within the new regulations and so there are relatively few points within existing policy that require amendment.

Recommendations

- Members are asked to note the report.
- Establishment Committee is asked to approve the Employer policy decisions and recommendations outlined in paragraph 26, namely:
 - i. Existing Policy is retained where regulations are unchanged.
 - ii. Employee contribution rates for existing scheme members will be set on 1st April 2014 on the basis of the prior year’s pensionable pay (under the 2014 definition).
 - iii. Employee contribution rates for new starters will be set on the basis of

estimated pensionable pay (under the 2014 definition), with the exception of variable time employees, where this will be set initially at 6.5%, the average contribution rate.

- iv. Contribution rates will be reviewed at six-monthly intervals (October and April) or in the event of a material change in contractual pay.
- v. In cases of early retirement or flexible retirement, decisions taken to waive reductions to pension benefits should be taken by the relevant Chief Officer in agreement with the Director of Corporate HR and the Chamberlain.

▪ **Finance Committee is asked to approve the Administering Authority policy decisions and recommendations outlined in paragraph 27, namely:**

- i. Existing Policy is retained where regulations are unchanged.
- ii. The pension benefits of all existing retirees that are currently abated, the individual having been re-employed in further LGPS service before 1st April 2014, will continue to be subject to abatement.
- iii. The pension benefits of retirees from 1st April 2014 will not be subject to abatement where the individual is subsequently re-employed in further LGPS service.
- iv. The City of London, as the Administering Authority, will support the decision of the Employer to extend the one year period in which new and existing scheme members may transfer pension rights from other schemes, rejecting this only in exceptional circumstances.

Main Report

Background

1. The Hutton Report principles were agreed by employers, unions and Government which have guided the development of the LGPS 2014. A single solution to both short and long term issues was agreed where, through the introduction of the new scheme from April 2014 (as opposed to 2015 for all other public sector schemes, including those provided for Teachers and Uniformed Police Officers) the need for short-term scheme solutions in the current scheme, such as higher member contributions, was negated.
2. In addition to changes to the scheme benefits, the public services pension reform includes a number of amendments to the administration, financial management and governance of public service pension schemes. Proposals on these changes have been the subject of earlier reports to both Finance and Establishment Committees, as referenced below.
3. The main scheme Regulations and Transitional Provisions, Savings and Amendment Regulations (Transitional Regulations) are now published so the impact of these can be considered in full.

Current Position

4. This report includes information on the changes to the scheme and the discretions that are available to the City Corporation as both the Employer and Administering Authority. It should be noted that, while the 2014 scheme is considerably different to the existing 2008 scheme, many of the discretions are consistent across both. The regulations can be read in full on the following web site: www.lgpsregs.org
5. The City Corporation's interpretation and proposed application of the scheme discretions is presented as recommendations in this report. These proposed amendments to existing policy are consolidated in two policy statements, LGPS 2014 Employer Policy Statement and LGPS 2014 Administering Authority Policy Statement, shown as Appendix 2 and 3 to this report.
6. The recommendations made in this report are the outcome of a working party of Corporate HR, Pensions Administration and Payroll.

Key Elements of the LGPS 2014

A pension scheme design based on career average and actual pay

7. The 2014 LGPS will be a career average scheme, most commonly referred to as a Career Average Revalued Earnings (CARE) scheme which retains the defined benefit nature of the scheme. The CARE scheme will have an accrual rate of 1/49th of pensionable earnings and a revaluation rate in line with a price index (currently set as the Consumer Price Index). All benefits accrued to 31st March 2014 will retain the final salary link.
8. CARE benefits will be based on a new definition of pensionable pay with the revised definition having an effect on both part-time staff, where actual pay replaces whole-time equivalent pay and staff who receive payment for non-contractual overtime or additional hours, which will be considered pensionable from 1st April 2014. Members should also note that Employer contributions will also be payable on non-contractual overtime and additional hours payments at 17.5%. Considering the value of non-contractual overtime currently paid to employees across all departments, this represents a future cost to the City Corporation of approximately £500,000.

Pension Age

9. Normal Pension Age has been aligned with the State Pension Age, which applies both to active members and deferred members (new scheme service only). If a member's State Pension Age rises, then Normal Pension Age will do so too for all post-2014 benefits only.

Employee Contributions

10. Average member contribution yield remains at 6.5%, with a tiered contribution arrangement as at present, revised contribution levels result in higher paid scheme members paying a higher rate. Revised contribution rates are shown at Appendix 1; the 2014 scheme has nine contribution bands, compared to seven in the 2008 scheme.

11. In accordance with the new definition of pensionable pay, described above, part-time staff will pay according to the tier their actual pay falls within and not the whole-time equivalent tier as it stands currently. Consequently some part-time staff will pay a lower rate of contribution. All staff will pay contributions on any payments that they receive for non-contractual overtime or additional hours.

Contribution Flexibility – 50/50 Scheme

12. A low cost optional arrangement has been introduced; allowing scheme members to receive 50% of main scheme benefits in return for a 50% reduced contribution.

Vesting Period

13. The current vesting period of three months reverts to the pre 2004 position of a vesting period of two years. A refund of contributions will be allowed where membership does not exceed two years thus eliminating the possibility of large numbers of small deferred benefits.

Early Retirement

14. The 2014 scheme introduces further early retirement options with members able to retire and access benefits from age 55, without the consent of the employer. Where this is the case, this will be on an actuarially neutral basis, that is, at no cost to the employer, with the retiree receiving reduced benefits. Benefits payable following redundancy or efficiency will be payable in full with a potential cost to the employer.

Transitional Protection

15. All accrued rights are protected. Benefits in respect of membership to 31st March 2014 will remain linked to the members' final salary when they leave the scheme or reach Normal Pension Age: note that this is their final salary on retirement/leaving the LGPS, not as at 31st March 2014.
16. Specific protection - the 'underpin' - is proposed to apply to members who were within 10 years of age 65 in April 2012, some of these members would see their Normal Pension Age increase due to movements in the State Pension Age. So for these members a calculation will be based upon retirement at 65 to ensure they will get a pension at least equal to that which they would have received in the LGPS 2008.
17. Rule of 85 protection will continue as in the current scheme for those members with protected service under the transitional protection arrangements made in 2006.

Other Scheme Benefits

18. Regulations regarding the optional lump sum commutation, ill health benefits, death benefits and survivor benefits remain unchanged, as does the discretion enabling the employer to award additional pension.

Amendments to Discretions and Policy within LGPS 2014

Employee Contributions

19. Existing members of the LGPS will transfer automatically to the new scheme. It should be noted, however, that the contribution rate for many will change from 1st April 2014 by virtue of the fact that there will be a further two bandings across the salary range and also as a result of the revised definition of pensionable pay.
20. The existing policy of the City of London as the Employer is to reassess contribution rates at the start of each financial year and to not reflect changes during the year. The transition from a final salary to a CARE scheme combined with the 2014 definition of pensionable pay requires a more responsive solution, with contributions based on actual pay and including variable, non-contractual payments. It is proposed that, in all cases where sufficient historical pay data exists, contribution rates be based on the prior year's pensionable pay with formal review at six-monthly intervals or in the event of material changes to contractual pay (e.g. change in grade or contract hours).
21. For new starters, it is proposed that rates be set in accordance with contractual pay, with the exception of variable time employees where this be set at 6.5%, the average rate. Again this will be subject to review as for all existing employees.

Early and Flexible Retirement

22. As described above, the 2014 scheme introduces further options for early retirement, albeit on a reduced basis, regulations allow the Employer to waive, in part or in full, any reduction to pension benefits. This also applies in considering requests for flexible retirement. Existing policy states that this discretion will only be applied where there is of no financial or operational disadvantage to the City Corporation, with each case considered on its merits by the relevant Chief Officer and the Director of Corporate HR. It is recommended that this be retained but in agreement with the Chamberlain.

Abatement of Pension on Re-employment

23. The 2008 and earlier schemes included the provision to abate pension benefits on re-employment with any LGPS employer, requiring that pension in payment be reduced or suspended if the current pension plus pay in re-employment exceeds the pay received at the time of retirement. This provision is removed from the 2014 scheme, although the discretion remains to allow the Administering Authority to distinguish between pre and post 2014 service, abating benefits in respect of earlier service while paying in full those benefits accrued since 1st April 2014.
24. The application of this discretion adds considerable complexity to the administration and calculation of pension benefits of those individuals affected and conflicts with regulations in respect of flexible retirement, where abatement does not apply. As such, it is recommended that the pension benefits of those individuals that retire after 31st March 2014 and are subsequently re-employed are not subject to abatement.

Transfers

25. Existing policy states that the City Corporation, as the Employer, will allow only in exceptional circumstances, an extension to the one year period in which new and existing scheme members may elect to transfer pension rights from other schemes. This discretion is retained, although it is proposed that the Administering Authority policy reflects this and states that the decision of the Employer will be supported, rejecting this only where material justification exists.

Recommendations

26. Establishment Committee is asked to approve the following Employer policy decisions:
 - i. Existing Policy is retained where regulations are unchanged.
 - ii. Employee contribution rates for existing scheme members will be set on 1st April 2014 on the basis of the prior year's pensionable pay (under the 2014 definition).
 - iii. Employee contribution rates for new starters will be set on the basis of estimated pensionable pay (under the 2014 definition), with the exception of variable time employees, where this will be set initially at 6.5%, the average contribution rate.
 - iv. Contribution rates will be reviewed at six-monthly intervals (October and April) or in the event of a material change in contractual pay.
 - v. In cases of early retirement or flexible retirement, decisions taken to waive reductions to pension benefits should be taken by the relevant Chief Officer in agreement with the Director of Corporate HR and the Chamberlain.
27. Finance Committee is asked to approve the following Administering Authority policy decisions:
 - i. Existing Policy is retained where regulations are unchanged.
 - ii. The pension benefits of all existing retirees that are currently abated, the individual having been re-employed in further LGPS service before 1st April 2014, will continue to be subject to abatement.
 - iii. The pension benefits of retirees from 1st April 2014 will not be subject to abatement where the individual is subsequently re-employed in further LGPS service.
 - iv. The City of London, as the Administering Authority, will support the decision of the Employer to extend the one year period in which new and existing scheme members may transfer pension rights from other schemes, rejecting this only in exceptional circumstances.

Financial Implications

28. The intention behind introducing the CARE scheme was that it should be more affordable than the final salary scheme, leading to savings on the employer contribution. The 2013 Actuarial valuation affirms that for the immediate future, the impact on the City scheme is essentially cost neutral; that may change in future years.

Equality Impact

29. The changes in employee contributions are intended to make the scheme affordable for lower paid workers. Nationally, it is still the case that there are more females than males in this category, so these changes should have a positive impact in terms of gender equality.

Conclusion

30. The key elements of the 2014 scheme are as follows:
- A career Average Revalued Earnings (CARE) scheme replaces the final salary scheme.
 - Normal Pension Age is aligned to the State Pension Age for all post-2014 benefits.
 - A new definition of Pensionable Pay, based on actual pay, including non-contractual overtime.
 - Tiered pension contributions for members as at present although revised with higher paid members paying a higher contribution although average contribution yield is expected to remain at 6.5%.
 - Early Retirement will be available from age 55 on an actuarially reduced basis.
 - A 50/50 scheme is included, allowing accrual of 50% of main benefits in return for 50% of normal contribution rate.
31. A comparison of the main differences between the 2014 and 2008 scheme benefits is shown as Appendix 1, together with and a breakdown of the employee contribution rates.
32. Many of the existing discretions have been replicated within the 2014 Local Government Pension Scheme; it is recommended that these be retained as at present within existing City of London policy. There are a small number of regulations where policy requires amendment or inclusion of additional statements, these are itemised in the recommendations above.

Appendices

- Appendix 1 – Comparison of 2014 Scheme to Current Scheme
- Appendix 2 – Employer Policy Statement
- Appendix 3 – Administering Authority Policy Statement

Background Papers:

- Report to Establishment and Finance Committees May 2011: Consultation on the report of the Independent Public Services Pensions Commission Final Report
- Report to Establishment and Finance Committees July 2012: Local Government Pension Scheme 2014 Employer Consultation
- Report to Establishment Committee 31st January 2013: The Local Government Pension Scheme 2014 – Draft Regulations on Membership, Contributions and Benefits
- Report to Establishment and Finance Committees July 2012: Local Government Pension Scheme (LGPS) 2014 Implementation

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2008/ 2014 Local Government Pension Scheme Comparison

	LGPS 2014	LGPS 2008
Scheme Type	CARE	Final Salary
Build up rate	1/49th	1/60th
Revaluation rate	CPI	n/a
Normal Pension Age	Equal to the individual member's State Pension Age (minimum 65)	65
Voluntary retirement from age	55	60
Contributions	5.5%-12.5% (average 6.5%)	5.5%-7.5% (average 6.5%)
Contribution Flexibility	Yes, members can pay 50% contributions for 50% of the pension benefit.	None
Death in service Lump Sum	3 x pensionable pay	3 x pensionable pay
Death in service Survivor Benefits	1/160 th accrual based on Tier 1 ill health pension enhancement	1/160 th accrual based on Tier 1 ill health pension enhancement
Ill Health Provision	<p>Tier 1 – immediate payment with service enhanced to Normal Pension Age</p> <p>Tier 2 – immediate payment of pension with 25% service enhancement to Normal Pension Age</p> <p>Tier 3 – temporary payment of accrued pension for up to 3 years</p>	<p>Tier 1 – immediate payment with service enhanced to Normal Pension Age</p> <p>Tier 2 – immediate payment of pension with 25% service enhancement to Normal Pension Age</p> <p>Tier 3 – temporary payment of accrued pension for up to 3 years</p>
Indexation of Pension in Payment	CPI	CPI (RPI for pre 2011 increase)
Minimum Membership period	2 years	3 months

LGPS 2014 Contribution Rates		
Pensionable Pay	Gross Contribution	Average Contribution after tax relief
Up to £13,500	5.5%	4.40%
£13,501 - £21,000	5.8%	4.64%
£21,001 - £34,000	6.5%	5.20%
£34,001 - £43,000	6.8%	5.44%
£43,001 - £60,000	8.5%	5.10%
£60,001 - £85,000	9.9%	5.94%
£85,001 - £100,000	10.5%	6.30%
£100,001 - £150,000	11.4%	6.84%
More than £150,001	12.5%	6.88%

LGPS 2014 Employer Policy Statement - Use of Employers Discretions That Apply to Employees of The City of London Corporation

Employee Contributions (Paragraphs 19-21 relate)

1. The City of London will determine the appropriate contribution band for an employee by using the pensionable pay from the previous year as a basis for the determination (ignoring reductions due to sickness, child related leave, reserve forces service leave or other absences from work).
2. A reassessment will take place every six months for all employees (i.e. at each 1st October based on pensionable pay received to date) or where there is a material change to an employee's contractual pay. A material change is defined as a change in grade or a change in hours.
3. Variable time employees will have their initial contribution rate set at 6.5% with a reassessment every six months.

Augmentation – Additional Pension (no change to existing policy)

4. The City of London resolves to make use of this discretion only where there are financial or operational reasons for doing so. Each case is to be considered on its merits by the Director of Corporate HR following a report from the relevant Chief Officer.

Flexible Retirement (Paragraph 22 relates)

5. The City of London will make use of the discretion to consider flexible retirement requests only where there are clear financial or operational advantages to the organisation.
6. The City of London will not make use of the discretion to waive any actuarial reduction unless there are exceptional circumstances.
7. Each case will be considered on its merits by the relevant Chief Officer in agreement with the Director of Corporate HR and the Chamberlain.

Early Payment of Pension (Paragraph 22 relates)

8. The City of London resolves to make use of the discretion to waive in full or in part, any reduction to the member's benefits only where there is no financial or operational disadvantage to the City of London. Each case will be considered on its merits by the relevant Chief Officer in agreement with the Director of Corporate HR and the Chamberlain.
9. The City of London resolves to make use of the discretion to retain the 85 year rule option to allow benefits to be paid before age 60, only where there are operational or financial reasons for doing so. Each case will be considered on its merits by the relevant Chief Officer in agreement with the Director of Corporate HR and the Chamberlain.

Shared Cost AVC's and Additional Pension Contributions (no change to existing policy)

10. The City of London, as an employer, resolves not to use the discretion to set up and maintain a Shared Cost AVC arrangement. It further resolves not to voluntarily fund in part or in full a member's option to pay an Additional Pension Contribution.

Right to Aggregate Previous LGPS Membership (no change to existing policy)

11. The City of London, as an employer, will only allow an extension of the one year period for new scheme members in exceptional circumstances. Each case is to be considered on its merits by the Head of Corporate HR following a report from the Head of Payments and Support services.

Transfers (no change to existing policy)

12. The City of London, as an employer, will only allow an extension of the one year period for new scheme members in exceptional circumstances. Each case is to be considered on its merits by the Director of Corporate HR following a report from the Head of Payments and Support services.

LGPS 2014 Administering Authority Policy Statement - Use of Administering Authorities Discretions That Apply to Members of The City of London Pension Fund

Abatement of Pension on Re-Employment (Paragraphs 23-24 relate)

1. The City of London resolves that any pensioner who retired after 31st March 2014 who is subsequently re-employed in further LGPS employment after 1st April 2014 will not have any element of their pension abated.
2. Existing pre 1st April 2014 retirees who have been re-employed prior to 1st April 2014 will continue to be subject to abatement. Such cases shall not receive any pension which, when added to pay received from the new LGPS employment, exceeds their rate of pensionable pay at retirement (adjusted for inflation). Pay received will be reviewed over a calendar year and the pension adjusted accordingly.

Death Grants (no change to existing policy)

3. The City of London, as the Administering Authority, delegates authority to the Business Support Director to determine payments of Death Grants, following a recommendation from the Head of Payments and Support Services.

Children's Pensions (no change to existing policy)

4. The City of London, as the Administering Authority, will suspend payment of a child's pension during a break in education and will consider re-instatement of the pension following the return to full time education. If application for a child's pension to be re-instated following a break in education is received, the Head of Payments and Support Services and the Director of Corporate HR will consider if education or training can be treated as continuous despite the break. Normally no more than a year's break will be allowed.

Transfers (Paragraph 25 relates)

5. The City of London as the Administering Authority, will only object to an employer's extension of the one year period for new and existing scheme members in exceptional circumstances.

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Agenda Item 9

Committee:	Date:
Finance	25 th March 2014
Subject: Corporate clothing, uniforms and safety apparel (e-catalogue)	Public
Report of: Chamberlain	For Decision

Summary

The Corporate Clothing, Uniforms and Safety Apparel contract covers a proportion of the items which we purchase for various staff. The current contracts for Corporate Clothing, Uniforms and Safety Apparel with Denny's Uniforms Ltd (formerly Wood Harris Ltd) and PCL Corporatewear Ltd. These were let with effect from 1st April 2009 for 3 years with an option to extend for a further two years. The extension was taken and the contract expires at the end of March 2014.

The annual spend for the two contracts (Jan 2013 – Jan 2014) is as follows:

Provider	Contract Value £
Denny's Uniforms Ltd [Formerly Wood Harris Ltd]	99,140
PCL Corporatewear Ltd	95,800
Grand Total	194,940

There is not enough time to carry out a full procurement exercise. However we propose to negotiate a short term contract extension before the expiry of the current contract. Such an extension is usually for a period of 12 months to allow for a full procurement exercise to be carried out and new contracts put in place. It is considered that the proposed negotiation for the extension complies with Regulations 14 and 17 of the Public Contracts Regulations 2006.

This requires a waiver of Regulation 16.1 of the Corporation's Procurement Regulations and must be referred to your Committee for approval.

Recommendations

Members are asked to:

- Approve the waiver of Regulation 16.1 of the Corporation's Procurement Regulations subject to a full procurement exercise being undertaken; and
- Approve the extension to these contracts for a period of 12 months from 1st April 2014

Main Report

Background

1. The contract for corporate clothing was awarded to Denny's Uniforms Ltd (formerly Wood Harris Ltd) and PCL Corporatewear Ltd on 1st April 2009 after an OJEU Tender process. The contract duration was for a period 3 years with an option to extend for an additional 2 years. This extension was taken as approved by Establishment Committee on 20th July 2012.

Current Position

2. The contract will expire on 31st March 2014 and there is insufficient time to conduct a compliant OJEU tender. Not having a Corporate Contract leaves the City exposed to:
 - Inability to secure a supply of items previously available under the contract;
 - un-regulated price increases that would previously have been controlled under the contract ; and
 - maverick spend of stakeholders to purchase items from any supplier without a corporate contract to comply with.
3. The items purchased under this contract are external wear (fleeces, hi-visibility jackets and safety footwear) and suits for security personnel
4. The annual value for the combined contract is approximately £195,000 per annum as set out in the table below

Provider	Contract Value £
Denny's Uniforms Ltd [Formerly Wood Harris Ltd]	99,140
PCL Corporatewear Ltd	95,800
Grand Total	194,940

Options

5. The following are proposed options for consideration:
 - a. Extend the contract indefinitely. This is contrary to the EU Procurement Regulations Best Value principles.
 - b. Revert to devolved procurement i.e. allow departments to buy items on an ad hoc basis. This would negate the City's ability to ensure Best Value across the organisation.

- c. Extend the existing contract to allow a corporate retender, by negotiation for a short period 12 months. This will ensure continuity of supply and allow a fair and transparent OJEU procurement process to be conducted. The current suppliers have indicated that they are willing to agree to this contract variation.

6. Option c is the preferred option.

Consultation

7. The Comptroller and City Solicitor has been consulted and concur with the recommendation and will arrange the relevant deed of variation subject to the approval of the recommendation to this Committee.
8. The HR Category Board have been consulted and are also in support of option c

Recommendation

9. It is recommended that a waiver of Regulation 16.1 is agreed in order that a short term extension is made to the existing contract to allow time for a full procurement exercise to be carried out.

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Background Papers:

Establishment Committee Report on 20th July 2012

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TO: **FINANCE COMMITTEE**

25th March 2014

FROM: **HOUSE COMMITTEE OF GUILDHALL CLUB**

14th March 2014

5. 2013/14 BUDGET MONITORING REPORT

The Honorary Treasurer reported that a potential overspend of £65,000 was forecasted for the current year 2013/14. This was largely owing to unbudgeted consultancy costs (£44,000) combined with employee costs of £11,000 (from the retention of the Assistant Manager, additional agency staff, and sickness absence cover from earlier in the year) and from an overspend in provisions (£5,000).

Members queried the effect rising food costs were having and the Honorary Treasurer reported that this averaged a 5% inflation of overall provision costs. Although most of this should be passed on through charges, income had not risen proportionately and was £4,000 under budget.

The Honorary Secretary advised Members that the Deputy Chairman of Finance, who had early sight of the matter, was informally seeking assurances that this overspend would not continue in the future, and Members responded strongly that this was a result of extraordinary circumstances and would not happen again.

RESOLVED- That the House Committee of Guildhall Club seek a budget increase of £65,000 from the Finance Committee.

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Committee(s):	Date(s):
Finance Committee	25 March 2014
Subject: City Re Limited – Governance Changes	Public
Report of: The Chamberlain	For Decision
Summary	
<p>The City established a Reinsurance Captive Insurance Company, City Re Limited, which allows the City to share in the risks and benefits of insuring its property portfolio, whilst controlling the financial exposure.</p> <p>This report provides information on the financial performance of City Re Limited since its creation on 24 December 2010, for information, and also recommends some governance changes for agreement.</p> <p>The Chairman of the Finance Committee and the Chamberlain, whilst remaining in their positions, act as the City’s Directors on the Board of City Re Limited. The Corporate Treasurer acts as the ‘Alternate Director’ to both in case they are unable to act. With the pending retirement of both the Chamberlain and the Corporate Treasurer, Members are being recommended to agree their replacements.</p> <p>Recommendation:</p> <p>It is recommended that the Finance Committee agrees to the replacement of Chris Bilsland and Paul Mathews with their successors, Peter Kane and Kate Limna, as Director and Alternate Director respectively, effective from the date of their retirements.</p>	

Main Report

Introduction

1. The Finance Committee, at its meeting on 26 October 2010 approved the principle of establishing a Reinsurance Captive Insurance Company (the Captive), and on 24 December 2010 such an entity, City Re Limited, was created, based in Guernsey where the management expertise for running such operations exist.
2. Members may recall that the Captive provides a separate legal structure which allows the City to share in the risks and benefits of insuring its property portfolio, whilst controlling the financial exposure. Effectively, the Captive allows the City to participate in its own insurance placement and to capture underwriting profits with a known, capped downside financial risk.

Main Characteristics and Financial Performance

3. The main elements of the Captive are that:
 - The City Captive covers the first £250,000 of each and every property claim, effectively leaving the main insurers to cover any greater loss.
 - The Captive receives a reinsurance premium of approximately £1.7m per annum.
 - The maximum payable (downside) by the City Captive is limited to £250,000 per annum above the insurance premium received.
 - Based on an actuarial analysis of the last 10 years' claims experience of the City, the value of claims likely to be met by the Captive in an average year would be £1.1m.
 - The Captive does not cover any terrorism risk which continues to be covered by the insurers and re-issued with Pool Re.

4. The actual financial performance in the initial accounting period, from 24 December 2010 to 31 March 2012 was a net profit of £997,747 and a dividend of this amount was paid over to the City. For the second accounting period from 1 April 2012 to 31 March 2013 a dividend of £810,833 was declared by the Board of Directors of City Re Ltd and paid over to the City in September 2013. The financial performance for 2013/14 will be reported to the Finance Committee in July 2014.

Governance

5. The Chairman of the Finance Committee and the Chamberlain are the City's Directors of the Board of City Re Limited, both appointments being operative 'for the time being' whilst the positions are held. The Chamberlain's Corporate Treasurer acts as an 'Alternative Director' to cover as necessary for the Chairman or Chamberlain.

6. With the pending retirements of the present Chamberlain (on 5 May 2014) and Corporate Treasurer (on 31 March 2014) it is now necessary for Members to agree that their successors be appointed in their place, with Chris Bilisland and Paul Mathews being replaced by Peter Kane and Kate Limna respectively

Chris Bilisland
Chamberlain

Agenda Item 12

Committee(s):	Date(s):
Education Strategy Working Party (For information)	20 th February 2014
Community & Children's Services (For Decision)	14 th March 2014
Policy & Resources Committee (For Decision)	20 th March 2014
Finance Committee (For Decision)	25 th March 2014
Court of Common Council (For Decision)	1 st May 2014
Subject: The creation of the Education Board	Public
Report of: Town Clerk	For Decision
<p>Summary</p> <ol style="list-style-type: none"> 1. The recently approved Education Strategy 2013-15 recommended that the City Corporation creates an education body that would have oversight of its education offer, and have greater central coordination of the wide variety of education-related provision being undertaken across the organisation. 2. The report brings together the views of the Education Strategy Working Party (ESWP) as to the proposed terms of reference, responsibilities and membership of the new committee, which will have oversight of the Education Strategy. 3. Subject to Court approval, the majority of work to be undertaken by the proposed new 'Education Board' will be to review and have oversight of the City Corporation's education-related activities and liaise with departments and committees that have responsibilities for its delivery. It will be responsible for reviewing the strategy and making recommendations to the various Committees and the Court as to the delivery of the City Corporation's vision and strategic objectives in this area. The work of the City independent school governing bodies will not change or be transferred to the Education Board. 4. There are several responsibilities proposed that will require the Board power to have power to act. The first is to transfer the responsibility for the City academy schools and the City Corporation's role as a school sponsor from the Community & Children's Services Committee. Currently the Committee has the power to appoint City sponsor governors to the governing bodies of these schools, and this responsibility is included in the terms of reference of the Education Board. The City Corporation is being allocated a representative on the governing body of Prior Weston Primary School. It is therefore also proposed that the Court delegates responsibility for appointing this representative to the Education Board. 5. In addition the Board will also have the power to allocate the new City's Cash provision for education-related activities proposed in the 2015/16 City Corporation financial forecasts. Existing committee responsibilities for direct school funding and funding support will remain as is. To ensure that provision is available for 2014/15 it is further proposed that £700,000 is allocated for the following purposes: 	

- a. A combined pot of £450,000 to be allocated to the three City academies.
- b. £100,000 allocated to Redriff Primary School should it become a City of London academy.
- c. £150,000 allocated to provide central resources to continue the implementation of the strategy.

This allocation will be met from any underspent City's Cash budgets in 2013/14 which would otherwise be retained centrally or, should there be insufficient underspends, from City's Cash reserves.

6. If the establishment of the Education Board is approved then it will be constituted for the 2014/15 civic year and beyond. It will hold its first meeting on the 24th June 2014. To provide continuity with the work already underway by the ESWP, it is proposed that two places on the Education Board be reserved for existing Common Council Members of the ESWP, as set out in paragraph 24 of the main report. These Members would be appointed by the ESWP and would serve for one year during the first year of the Board's operation only.
7. The ESWP has already begun monitoring the implementation of the recommendations in the Education Strategy, such as the review of the City's governance framework. To allow governor terms of office to include whole academic years, and to prevent a situation where terms expire midway through the school year, it is proposed that Members endorse that the appointment of governors follows the academic rather than the civic year. As a consequence, appointments made now and thereafter will end on the 31st July in the year of expiry. New terms will begin on the 1st August. Appointments will continue to be made in the first Court of the civic year for terms beginning on the 1st August of that year.

Recommendation(s)

Members of the Community & Children's Services Committee and the Policy & Resources Committee are asked to:

1. Recommend to the Court of Common Council to:
 - a. Establish a grand committee of the Court of Common Council, to be known as the Education Board;
 - b. Set the terms of reference of the Education Board as set out in paragraph 12 of the report, including to:
 - i. Transfer responsibility for the City Corporation's academy schools and appointment of academy school governors from the Community & Children's Services Committee to the Education Board.
 - ii. Delegate responsibility to the Education Board to appoint the City of London Corporation's representative on school governing bodies where nomination rights are granted and which do not fall within the remit of any other committee.
 - iii. Delegate responsibility to the Education Board to distribute the funds allocated for educational purposes.
 - c. Establish the membership of the Board as set out in paragraph 14 of the main report, including reserving two places on the Education Board

for existing Common Council Members of the Education Strategy Working Party for one year only.

2. Delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Education Strategy Working Party, Community & Children's Services Committee, Finance Committee (if of a financial nature) and the Policy & Resources Committee, to agree any necessary minor changes to the proposals in advance of them being presented to the Court of Common Council.
3. Approve City-school governor appointments to follow the academic rather than the civic year. Terms will end on the 31st July in the year of expiry, with new terms beginning on the 1st August.

Members of the Finance Committee and the Policy and Resources Committee are asked to:

4. Allocate £550,000 to the Education Board in its first year to support the City Academy schools, including Redriff Primary Academy if City sponsorship is approved, for the 2014/15 academic year. The financial support will be for projects approved by the Education Board.
5. Allocate £150,000 for central education resources to implement the education reforms as set out in the Education Strategy.
6. Agree that the total of £700,000 is met from any underspent City's Cash budgets in 2013/14 which would otherwise be retained centrally or, should there be insufficient underspends, from City's Cash reserves.

Main Report

Background

1. The recently adopted Education Strategy recommended that the City Corporation establishes *an overarching education body with responsibility for providing strategic oversight and monitoring of the education strategy. The body should be distinct from other City committees and have a regular cycle of reporting on the performance of City schools, governance and enrichment opportunities.*
2. It further recommended that the City Corporation should *create terms of reference that appropriately differentiate the responsibilities of the education body and other City committees such as the Community and Children's Services Committee and the service committees providing the wider educational opportunities.*
3. The City Corporation previously had an Education Committee that had responsibility for overseeing the City Corporation's role as a local authority (LA). These statutory responsibilities were amalgamated into the work of the Community and Children's Services Committee when that committee was established.
4. The LA function is, however, only one part of the City's much wider education offer. This includes education at primary, secondary and higher levels in the maintained, independent and academy sectors. It also includes non-academic education through its cultural and historical institutions, learning programmes in its open spaces, and training and employability services through the City Corporation itself and via a range of partner organisations and businesses.

5. This wealth of opportunity is spread across the City Corporation, with oversight resting with different committees. For example, the oversight of the performance of the independent schools rest solely with the respective governing bodies, but the academy schools feed into the Community & Children's Services Committee. Moreover the work undertaken with schools by the London Metropolitan Archives, linking in to the national curriculum, feeds into the Culture, Heritage and Libraries Committee; by the Barbican Guildhall Creative Learning Department into the boards of those two institutions; and of the various open spaces into the committees managing the respective spaces.
6. As the education strategy highlighted, there has hitherto been no central oversight of these activities that has the ability to identify links, bring these activities together, and maximise their contribution to the City's corporate strategy.

Current Position

7. The Education Strategy Working Party (ESWP) has been considering proposals for the new education body. These discussions have been undertaken with a view to submitting the final proposals to Court in May 2014.
8. The proposals set out in this report represent the culmination of these discussions, which have focused on:
 - the proposed role of the body;
 - its functions;
 - the level of oversight of the City Corporation's education offer;
 - its interaction with other City Corporation committees;
 - its membership; and
 - how information would flow to the body.
9. It is suggested that the body is called the "Education Board". The ESWP expressed concern that an 'Education Committee' has connotations with the discharging of the City Corporation's functions as an LA. Calling it a Board would differentiate it from the City Corporation's previous Education Committee. The proposals in this document and in the strategy make it clear that there should be a distinction between the statutory and non-statutory functions. The Board would have responsibility for the City academies together with oversight and review of the wider education offer; that of a provider, proprietor and sponsor of non-LA obligations and functions. Where there are discussions around LA education-related activities, these will be in consultation with the relevant committee with responsibilities in these areas.
10. The primary purpose of the new body is to have oversight of the education strategy, its implementation and review. The strategy is split into five parts: developing the portfolio, the City community, the City schools, educational outreach, and the education to employment link. To ensure that the new body can effectively discharge its function as custodian of the strategy it should be incorporated into the review process for activities within these parts.

Terms of reference

11. Except where specific responsibilities are recommended for transfer to it, the Board will not take over the role of other City Corporation committees. Rather, it is proposed as a vehicle for taking a strategic overview and looking holistically at the City's overall education offer, to ensure that the City's spending in this area is being used in

accordance with the City's education strategy and more generally its corporate strategy. These are reflected in the following terms of reference which are recommended for adoption.

12. It is proposed that the following terms of reference are adopted for the Education Board:

- To monitor and review the City of London Education Strategy, and to oversee its implementation in consultation with the appropriate City of London Committees; referring any proposed changes to the Court of Common Council for approval.
- To oversee generally the City of London Corporation's education activities; consulting with those Committees where education responsibilities are expressly provided for within the terms of reference of these Committees; and liaising with the City's affiliated schools.
- To be responsible for the oversight and monitoring of the City of London's sponsorship of its Academies, including the appointment of governors.
- To appoint the City of London Corporation's representative on school governing bodies where nomination rights are granted and which do not fall within the remit of any other committee.
- To monitor the frameworks for effective accountability, challenge and support in the City schools*.
- To be responsible for the distribution of funds specifically allocated for education purposes, in accordance with the City of London Corporation's strategic policies.
- Oversight of the City of London Corporation's education-business link activities.

**In this report the expression "the City schools" means, as stated in the education strategy, those schools for which the City has direct responsibility, as proprietor, sponsor or LA, namely : The Sir John Cass Foundation Primary School, The City Academy Hackney, the City of London Academy Southwark, the City of London Academy Islington, the City of London School, the City of London School for Girls, and the City of London Freeman's School, and, when the federation with the City of London Academy Southwark is approved, Redriff Primary School.*

Responsibilities

13. Through exercising its responsibilities the Board will have oversight of the City's wider education offer. This is particularly true of its responsibility to implement, monitor and review the Education Strategy. Below is an assessment of those responsibilities and a guide on how these would be discharged:

Implementing, monitoring and reviewing the Education Strategy

The Board would monitor the implementation of the recommendations and undertake the review of the strategy after 18 months. It would also consider how the City's educational activities for under-4 and post-18 could be incorporated into the strategy.

To oversee generally the City of London Corporation's education activities and liaising with the City's affiliated schools.

The Board would feed into the City's education activities across the organisation. Where these activities fall within the remit of other City committees the Board will seek to consult with these Committees on these areas. The Board will also have

oversight of the City's relationship with the affiliated schools, such as King Edward's School Witley and Christ's Hospital School.

Promoting opportunities for children resident in the City

The strategy outlined the City Corporation's vision for ensuring that every child resident in the City has access to high quality education and opportunities. The primary responsibility for children resident in the City rests with the Community & Children's Services Committee. The new Board would liaise with this committee to ensure that the vision is being realised.

Oversight of the City's role as a sponsor of academies

The expectation placed on academy sponsors has changed significantly since the City Corporation opened its first academy in 2003. There is more scrutiny from government and leadership and governance has become one quarter of the Ofsted inspection framework. Additionally there are proposals that OFSTED should inspect sponsors themselves. The City Corporation must ensure that it exercises its responsibilities as an academy sponsor so that it continues to strive for academic excellence whilst providing the effective leadership, scrutiny and support expected of it. It is therefore proposed that the Board will have responsibility for the appointment of City academy school governors and for liaising with those governors to monitor progress and contribution to the Education Strategy. If approved, this responsibility will be transferred from the Community & Children's Services Committee.

Appoint the City of London Corporation's representative on school governing bodies where nomination rights are granted and which do not fall within the remit of any other committee.

The City Corporation may be awarded nomination rights to school governing bodies based on factors such as association, support and sponsorship. For example, the City Corporation has been granted a position on the governing body of Prior Weston Primary School, located on the edge of the City in Islington. In addition to appointing governors to the City academies, the Education Board will appoint these City representative governors.

Ensuring that the City's contribution to governance of the schools is effective

The scrutiny of school governance arrangements has increased and the City will be under pressure from government to ensure that it has effective governance arrangements in its schools. It is proposed that more comprehensive arrangements are developed to ensure that City governors are appropriately appointed, inducted, trained and have the necessary support to be effective in their roles. This would include feeding into the process for appointing City governors to the City schools, although only directly appointing sponsor governors to the City academy schools through its role as a sponsor.

Liaising with City-appointed governors at the City's family of schools to monitor progress and contribution towards the education strategy

Besides the City's responsibility as an academy sponsor, its responsibilities as an independent school proprietor are as equally important. It must ensure that the schools are academically strong and provide the opportunities to fee-paying pupils expected of a top independent school. The governing bodies of these schools are well-established in the City's corporate governance framework. To ensure that the City continues to provide the effective leadership, scrutiny and support expected of an independent school proprietor, the Board should review this through liaising with the respective governing bodies.

Oversight of the City's support of and liaison with the City's family of schools and their contribution to the City's education offer, and foster collaboration between the schools

The body would bring together the activities directed through the Heads Forum outlined below to coordinate the City Corporation's education offer and provide a central point for activities being promoted and taken by the City schools. It will also promote areas and activities where the City schools can collaborate, share knowledge and support each other.

To have responsibility for the distribution of the City's education funding allocation.

It is proposed that the new body is responsible for the new City's Cash funding provision for schools. This funding allocation will include provision for central education-related resources. This funding will not be confined to one aspect of the education offer but will be made available for educational purposes. It will be for the new body to decide how much will be allocated and for what purpose.

Reviewing the City's Cash funding allocations and criteria for funding to the City schools

The City contributes funding from City's Cash across its education offer. It is delivered to a variety of organisations through a myriad of funding streams and under different criteria. The Education Board will advise the Resource Allocation Sub-Committee on how existing funds are spent in line with City priorities. As part of this the Board would take responsibility for reviewing the criteria for funding allocated from this provision.

Oversight of proposals for expanding the City schools offer

One of the strategy's strategic objectives is to explore opportunities to expand the City's education portfolio. To achieve this, a mechanism needs to be created to assess opportunities to increase the number of City schools. The responsibility for reviewing the results of this process will fall under the remit of the Board.

Reviewing the City's educational outreach offer

The Board would have oversight of the activities directed through the officer Outreach Forum to coordinate the City's educational enrichment offer and provide central coordination and monitoring of the opportunities being made available to both City schools and schools across London. It would receive reports from the group and be made aware of any new opportunities that the City will take advantage of in this area.

Reviewing the City's activities to support the transition from education to employment and education-business link activities

The oversight of employability activities of the Economic Development Office would remain within the remit of the Policy & Resources Committee. The Education Board would, however, review those activities that directly link to the transition from full-time education to employment. The Education Board would have oversight of those activities that link education with businesses through training programmes, apprenticeships, and work experience amongst others, through its link to the Employability Group. The scrutiny of work of individual departments is already contained within the terms of reference of some committees, such as: adult services within the responsibility of the Community & Children's Services Committee; and economic development activity within the responsibility of the Policy & Resources Committee. Where there is crossover, the Education Board will work in consultation with these committees.

Membership

14. Following an assessment of the membership of other City Corporation committees and the recommendations of the last City Corporation governance review, the following membership is proposed:

A Non-Ward Committee consisting of,

- eight Members elected by the Court of Common Council, at least two of whom shall have fewer than five years' service on the Court at the time of their appointment
- up to four external representatives, appointed by the Education Board, with appropriate expertise in the field of education (i.e. non-Members of the Court of Common Council, who shall have voting rights)
- one member appointed by the Policy & Resources Committee
- one member appointed by the Community & Children's Services Committee
- one representative from each of the other sponsors from the co-sponsored City academies*, who will not have voting rights.

Quorum

The quorum to consist of any five Common Council Members and one of the four external representatives.

Meetings

The Education Board will generally meet six times a year.

**Currently City University and KPMG*

15. To provide continuity with the work already underway by the ESWP, it is proposed that for the first year only two places on the Education Board are reserved for existing Common Council Members of the ESWP should they not be elected in the popular vote. These Members would be appointed from within the ESWP and would serve to stagger the appointments of members to the Education Board.

Terms

16. To stagger the membership of the Board and to avoid an all-out election every four years it is proposed to stagger the terms of these Members elected to it in its first year in relation to the number of votes received by the Court in the following way. Of the eight Members appointed:
- The two candidates with the most votes – four year terms.
 - The third and fourth placed candidates – three year terms.
 - The fifth and sixth placed candidates – two year terms.
 - Two places reserved for members of the ESWP, should they not be elected in the popular vote. If two ESWP members are elected in the popular vote in the top six places then this falls to the seventh and eighth placed candidates – 1 year term.

Education Board support – Officer groups

17. The strategy highlighted the need for greater information sharing across the organisation and promoted joint working to improve the provision of education-related services. To achieve this, the work of the Board would be complemented by the

creation of three officer groups that will report to the Board periodically and undertake activities as requested by Members.

- *Heads Forum*
A forum for the Heads of all the City schools to promote partnerships, peer to peer support, and share best practice. This will not replace the Joint Consultative Committee of the three independent schools as this discusses issues relevant and common to these schools alone, such as human resources and staff pay.
- *Outreach Forum*
A forum for officers from the City departments that provide educational outreach and programmes to schools.
- *Employability Group*
The City Corporation already has this group established and its work feeds into the employability framework overseen by the Policy & Resources Committee. The strategy highlighted the need for the City to support effective education to employment arrangements and this group will feed its work and progress back to the Education Board as it implements and monitors the strategy.

18. The establishment of these groups does not need Member approval but Members should be aware of the support being directed to the new Board to ensure it is effective in carrying out its responsibilities.

Proposals

19. It is proposed that an Education Board is established that will have oversight of the City Corporation's education-related activity. It will have responsibility for implementing and monitoring the education strategy and strengthening the City Corporation's education offer. It is further proposed that responsibility for the City academy schools is transferred from the Community & Children's Services Committee to the Education Board and that the Board has responsibility for distributing the City's Cash education funding allocation as set out in the 2015/16 City Corporation financial forecasts.
20. As stated above, it is proposed to give the Board power to allocate the City's Cash funding allocation from 2015/16. To ensure that the City academies are able to benefit for the 2014/15 academic year, and to allow the Board to exercise this responsibility in its first year, it is proposed that up to £150,000 is allocated to each secondary City academy at a total cost of £450,000. It is further proposed that up to £100,000 is allocated to Redriff Primary Academy if it becomes a City-sponsored academy in 2014/15, making a total of £550,000. The Board would allocate this funding at its first meeting in the summer term 2014 based on information from the schools as to what they would spend it on. The schools would be required to report back on the outcomes of the funding after 1 year, from which the Board would then review the following year's allocation from available funds.
21. Furthermore, to implement the education reforms throughout 2014/15, it is proposed to allocate £150,000 to central resources.
22. Agree that the total of £700,000 is met from any underspent City's Cash budgets in 2013/14 which would otherwise be retained centrally or, should there be insufficient underspends, from City's Cash reserves.

23. With reference to paragraph 20 above, funding to the City academies will be subject to conditions set out by the City Corporation. Moreover, receipt of funding will be conditional on the City academies subscribing to the guidance set out in the latest Academies Financial Handbook from the Department for Education; particularly section 1.5.14, which states:
- 1.5.14 *The essence of the role is a personal responsibility for:*
 - **regularity** - *dealing with all items of income and expenditure in accordance with legislation, the terms of the trust's funding agreement and this Handbook, and compliance with internal trust procedures. This includes spending public money for the purposes intended by Parliament;*
 - **propriety** – *the requirement that expenditure and receipts should be dealt with in accordance with Parliament's intentions and the principles of Parliamentary control. This covers standards of conduct, behaviour and corporate governance;*
 - **value for money** – *this is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance, and prudent and economical administration. A key objective is to achieve value for money not only for the academy trust but for taxpayers more generally.*
24. It is proposed that for the first year only two places on the Education Board are reserved for existing Common Council Members of the ESWP. These appointments would provide continuity and serve to stagger the appointments of members to the Education Board.
25. To allow governor terms of office to include whole academic years and to prevent a situation where terms expire midway through the school year, it is proposed that Members approve City school governor appointments to follow the academic, rather than civic, year. As a consequence, terms end on the 31st July in the year of expiry and new terms will begin on the 1st August. Appointments will, however, continue to be made in the first Court of the civic year for terms beginning on the 1st August of that year.

Corporate & Strategic Implications

26. The desire to focus on, improve and strengthen the City Corporation's education offer stems from the corporate aim of providing valued services to London and the nation.
27. If Members choose to establish the Education Board then a new committee would be added to the City Corporation's governance framework. This will require Members to sit on the Board and officers to support it.
28. Its primary activity would be to oversee work that is currently being undertaken within the organisation. It complements the City Corporation's focus on improving its education offer and supports the corporate priority to maximise the opportunities and benefits afforded by our role in supporting London's communities, as set out in the Corporate Plan 2013-2017.
29. Members should also note that through having responsibility for the distribution of a funding allocation the Board would be determining the priorities in this area.

30. In agreeing to a funding allocation for the City academies in 2014/15, it is being proposed that the funding is drawn from City's Cash.

Conclusion

31. There is a renewed focus on the City Corporation's education offer that stems from the need to improve the current provision. The plethora of activities falling under this offer has grown considerably without any single central coordination to be able to link these together. The education strategy recommended creating a new education body that would do this and this report represents the culmination of Member-led discussions which proposes a set of responsibilities and membership for a new Education Board.

Background Papers:

- *City of London Education Strategy 2013 – 2015*
- *City of London Education Strategy 2013 – 2015 – Report to the Community and Children's Services Committee (11/10/2013), Policy & Resources Committee (10/10/2013) and the Court of Common Council (24/10/2013).*

Dan Hooper

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Agenda Item 13

Committee(s):	Date(s):	Item no.
Streets and Walkways Sub Committee	10 th March 2014	
Finance Committee	25 th March 2014	
Projects Sub Committee	2 nd April 2014	
Subject: Queen Street Pilot Project Gateway 7 (Outcome Report)		Public
Report of: Director of the Built Environment		For Decision

Summary

Dashboard

Project Status	Green
Timeline	Project Closedown - Gateway 7
Total Estimated Cost and source of funding	TOTAL = £4.28m (£2.5m - City of London, £1.75m - Transport for London, £30K - Arts Council England)
Spend to Date	Current Spend = £4.164m Upcoming Spend = £29K (see Section 14: Outstanding Actions)
Overall project risk	Green

Brief description of project

The Lord Mayor launched the Queen Street Pilot Project in June 2000 as part of the then Street Scene Challenge Initiative. The Pilot was a strategy for a series of phased improvements in the Queen Street area. The project area principally between the Guildhall and Southwark Bridge was chosen to take advantage of the opportunities presented by the closure of sections of Queen Street as part of the City traffic and environment zone (CTZ) cordon. It was intended that the approach taken in improving the street scene of the Queen Street area be adopted in other appropriate parts of the City. In February 2003 following an extensive public consultation exercise, the Queen Street Pilot Project was approved by Planning and Transportation Committee.

The improvements were implemented in a phased manner over a 10 year period and delivered new public spaces which include: a shared space between Queen Victoria Street and College Street, enhanced greenery at St Pancras Church Garden (Pancras Lane), widened footways, public art installations and associated lighting improvements.

This project has pioneered opportunities to improve the City's streetscape for what is an historically important route between the Guildhall and Southwark Bridge. It also facilitated opportunities to test a suite of ideas, solutions and techniques which have been utilised in subsequent and on-going environmental enhancement projects; as part of a programme of public realm improvements.

In total, eighteen schemes have been completed as part of the Queen Street Pilot Project and the details of these are set out in Appendix A table 2, Appendix B Indicative Site Location Plans and summarised in the report.

Summary of funding sources

The total approved funding for the Queen Street Pilot Project is £4.28m. This consists of £2.5m from the City of London On Street Parking Reserve, £1.75m from Transport for London and £30K from Arts Council England.

Awards

The success of the project has been recognised through the achievement of 3 awards:

- Winner of the Urban Transport Design Award 2007 for: Queen Street central plazas project, awarded by Transport Practitioners
- Highly commended for: Queen Street Central Plaza, London Planning Awards 2007
- Highly commended for: the Institution of Highways and Transportation national award for urban design 2007 for the Queen Street Pilot Project street scene scheme.

Recommendations

Outcome Report recommendation

- i) The outcome report is received and actions noted, and the Queen Street Pilot project inclusive of all project elements is formally closed down.
- ii) £29,000 of the remaining funds from the Queen Street Pilot project (On-Street Parking Reserve) is utilised to complete some minor outstanding actions (which include signage and paving alterations) that have yet to be implemented as part of the original St Pancras Church Garden project scope.

Overview

1. Evidence of Need	<p>The closure to sections of Queen Street as part of the City Traffic and Environmental Zone (CTZ) presented pedestrian enhancement opportunities following a significant reduction in local vehicular traffic in the area. This traffic reduction and the increasing numbers of City workers in the area, meant that improvements to the local environment and pedestrian movement could be brought forwards to address identified deficiencies.</p> <p>The Lord Mayor's processional route runs through the heart of the area and the route between the Guildhall and Southwark Bridge is also of historic significance. This project offered the opportunity to enhance these routes to create streets and spaces of a quality that is in keeping with the status of the area.</p> <p>The Queen Street Pilot Project heralded a modal shift in the City's approach to public realm enhancement and the importance of pedestrian movement.</p>
2. Project Scope and Exclusions	<p>The February 2003 Committee approval highlighted a number of streets that would be part of the Queen Street Pilot Project and these are listed in the table below:</p>

	<p>To enable the project to be delivered in such a complex and busy area, Members agreed that the project would be broken down into manageable phases that would be implemented individually and then linked up.</p> <p>Because the project is an area based improvement scheme, as part of the City's Borough Spending Plan funding application to TfL, the project was split into three project areas:</p> <ul style="list-style-type: none"> • Queen Street (including plazas & Watling Street) • King Street (including Ironmonger Lane) • Southwark Bridge (including Southern 'Gateway') 					
	<table border="1" data-bbox="419 692 1393 1458"> <thead> <tr> <th data-bbox="419 692 1393 759">List of Project areas within the Queen Street Pilot (February 2003)</th> </tr> </thead> <tbody> <tr> <td data-bbox="419 759 1393 887"> <ul style="list-style-type: none"> • Entrance to Guildhall Yard • St Pancras Churchyard • Watling Street </td> </tr> <tr> <td data-bbox="419 887 1393 1077"> <ul style="list-style-type: none"> • Queen Street Upper & Lower Plaza • Cannon Street Crossing • Queen Street Gateway • Upper Thames Street Crossing </td> </tr> <tr> <td data-bbox="419 1077 1393 1312"> <ul style="list-style-type: none"> • King Street • Queen Street • Ironmonger lane • St Pancras Lane • Well Court </td> </tr> <tr> <td data-bbox="419 1312 1393 1458"> <ul style="list-style-type: none"> • Queen Street Place • Southwark Bridge • Temple of Mithras </td> </tr> </tbody> </table>	List of Project areas within the Queen Street Pilot (February 2003)	<ul style="list-style-type: none"> • Entrance to Guildhall Yard • St Pancras Churchyard • Watling Street 	<ul style="list-style-type: none"> • Queen Street Upper & Lower Plaza • Cannon Street Crossing • Queen Street Gateway • Upper Thames Street Crossing 	<ul style="list-style-type: none"> • King Street • Queen Street • Ironmonger lane • St Pancras Lane • Well Court 	<ul style="list-style-type: none"> • Queen Street Place • Southwark Bridge • Temple of Mithras
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<ul style="list-style-type: none"> • Queen Street Place • Southwark Bridge • Temple of Mithras 						
<p>3. Link to Strategic Aims</p>	<p>This project has links to the following strategic aim:</p> <ul style="list-style-type: none"> •To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes <p>This project will provide a more accessible, green and attractive street environment that has benefits for walking which is a sustainable mode of transport with other health related outcomes</p>					
<p>4. Within which category does the project fit</p>	<p>Substantially reimbursable Asset enhancement/improvement (capital)</p>					

5. What is the priority of the project?	Desirable																																																																											
6. Resources Expended	<p>The following tables (6.1 – 6.3) are a record of the resources expended. They have been separated into project areas, Queen Street Pilot, King Street Treatment and Southwark Bridge as originally approved in February 2003.</p> <p>Table 6.1: Queen Street Pilot Expenditure</p> <table border="1" data-bbox="432 568 1517 808"> <thead> <tr> <th>Project Code</th> <th>Task Name</th> <th>Approval Amount (Budget)</th> <th>Total</th> <th>Underspend</th> </tr> </thead> <tbody> <tr> <td>16008063</td> <td>Fees</td> <td>328,310.76</td> <td>315,696.09</td> <td>12,614.67</td> </tr> <tr> <td></td> <td>Staff Costs</td> <td>23,115.24</td> <td>23,115.24</td> <td>0.00</td> </tr> <tr> <td></td> <td>Works</td> <td>1,552,025.00</td> <td>1,548,941.32</td> <td>3,083.68</td> </tr> <tr> <td></td> <td>TOTAL</td> <td>1,903,451.00</td> <td>1,887,752.65</td> <td>15,698.35</td> </tr> </tbody> </table> <p>There was a total underspend against budget £15,698.35. This project is now completed. See Section 14 “Outstanding Actions”</p> <p>Table 6.2: King Street Area Treatment Expenditure</p> <table border="1" data-bbox="432 987 1517 1200"> <thead> <tr> <th>Project Code</th> <th>Item</th> <th>Approval Amount (Budget)</th> <th>Total</th> <th>Underspend</th> </tr> </thead> <tbody> <tr> <td>16008064</td> <td>Fees</td> <td>140,381.10</td> <td>140,381.10</td> <td>0.00</td> </tr> <tr> <td></td> <td>Staff Costs</td> <td>11,151.90</td> <td>11,151.90</td> <td>0.00</td> </tr> <tr> <td></td> <td>Works</td> <td>982,394.00</td> <td>950,049.92</td> <td>32,344.08</td> </tr> <tr> <td></td> <td>TOTAL</td> <td>1,133,927.00</td> <td>1,101,582.92</td> <td>32,344.08</td> </tr> </tbody> </table> <p>There was a total underspend against budget of £32,344.08.</p> <p>Table 6.3: Southwark Bridge Area Expenditure</p> <table border="1" data-bbox="432 1341 1490 1556"> <thead> <tr> <th>Project Code</th> <th>Item</th> <th>Approval Amount (Budget)</th> <th>Total</th> <th>Underspend</th> </tr> </thead> <tbody> <tr> <td>16008065</td> <td>Fees</td> <td>189,257.15</td> <td>189,062.97</td> <td>194.18</td> </tr> <tr> <td></td> <td>Staff Costs</td> <td>23,177.67</td> <td>23,177.67</td> <td>0.00</td> </tr> <tr> <td></td> <td>Works</td> <td>1,033,069.00</td> <td>962,625.75</td> <td>70,443.25</td> </tr> <tr> <td></td> <td>TOTAL</td> <td>1,245,503.82</td> <td>1,174,866.39</td> <td>70,637.43</td> </tr> </tbody> </table> <p>There was a total underspend against budget of £70,637.43.</p> <p>The overall underspend against budget amounts is £118,679.86.</p>	Project Code	Task Name	Approval Amount (Budget)	Total	Underspend	16008063	Fees	328,310.76	315,696.09	12,614.67		Staff Costs	23,115.24	23,115.24	0.00		Works	1,552,025.00	1,548,941.32	3,083.68		TOTAL	1,903,451.00	1,887,752.65	15,698.35	Project Code	Item	Approval Amount (Budget)	Total	Underspend	16008064	Fees	140,381.10	140,381.10	0.00		Staff Costs	11,151.90	11,151.90	0.00		Works	982,394.00	950,049.92	32,344.08		TOTAL	1,133,927.00	1,101,582.92	32,344.08	Project Code	Item	Approval Amount (Budget)	Total	Underspend	16008065	Fees	189,257.15	189,062.97	194.18		Staff Costs	23,177.67	23,177.67	0.00		Works	1,033,069.00	962,625.75	70,443.25		TOTAL	1,245,503.82	1,174,866.39	70,637.43
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Outturn Assessment

7. Assessment of project against Success Criteria	<p>The Queen Street Pilot Project was approved prior to the advent of the Project Gateway Reporting system. However, the main aim of the project was to provide a high quality, pedestrian focussed environment by enhancing both appearance and functionality, with innovative and carefully integrated design proposals.</p>
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	<p>The main objectives are summarised below:</p> <ul style="list-style-type: none"> • Create new and enhanced public spaces for the benefit of local workers, residents and visitors whilst promoting access for all. • Reduce street clutter using an integrated approach to street furniture, signposting etc. • Use a consistent palette of selected materials based on durability, low maintenance and value for money • Introduce more green elements such as street trees and pocket parks. • Accentuate streetscape with lighting and integration of public art whilst improving the setting of listed buildings and archaeological sites. • Create a safe and pedestrian friendly environment by means of widening of footways and improvement of crossings. Reduce pedestrian/vehicle conflict. Consideration of the integration of cycle routes. • Rationalise on-street parking, access and service requirements and minimise the detrimental impact of traffic, including noise. • Co-ordinate streetscape proposals with on-going programme of private development proposals. • Develop the Art Strategy, including the idea of curating the public space within the project area with a programme of (temporary) arts events. <p>The Queen Street Pilot Project has improved the appearance of streets and spaces within the area and to date this achievement has been recognised with awards for setting high standards for public realm. These have been summarised in the Project Summary section at the beginning of this report.</p>
<p>8. Programme</p>	<p>Given the broad nature of this project the programme was developed as a series of phases: Please see table below which lists completed schemes:</p>

Table 8.1: Summary of Completed Schemes 2003 - 2013

2003-2005	1) Guildhall Yard Phase 1 –	2) Guildhall Yard Phase 2	3) Gresham Street/King Street junction	4) College Street	5) Watling Street	6) Public Art Phase 1
2005-2007	7) Pancras Lane	8) Public Art Phase 2	9) Whittington Gardens	10) Ironmonger Lane	11) Central Plazas	
2007-2009	12) King Street Connecting Route	13) Queen Street - Connecting Route / Cloak Lane/ College Street	14) Public Art Phase 3 – City of London Festival Installations	15) Upgrading and Improving Lighting – Installation of wall mounted fittings across area		
2009-2011*	16) Guildhall Yard (King Street) – Seating and planting adjacent to crypt	17) Southern Gateway – Planting and cycle route / resurfacing upgrade				
2011-2013*	18) St Pancras Church Garden					

*On September 21st and 22nd 2009 respectively, Members approved a Queen Street Update report to both the Streets & Walkways and Finance Committees. At the time 15 schemes had been completed between 2003 and 2009 (as summarised in table 8.1 above).

The report highlighted that although the majority of the Queen Street schemes had been completed, 3 schemes (**16**, **17** and **18**) were outstanding and would be progressed as part of a subsequent revised programme of remaining works. These schemes have recently been completed and were as follows:

- St Pancras Churchyard,
- King Street Treatment (Guildhall Area)
- Southwark Bridge - Upper Thames Street/Southern Gateway

9. Budget

The total funding available for this project is £4,28m comprised of: £2,5m (On Street Parking Reserve - OSPR), £1,75m (Transport for London - TfL) and £30,000 (Arts Council).

The anticipated outturn cost, including the outstanding signage and paving for St Pancras Garden estimated at £29,000, is £4,193,202, a net reduction of £89,798 against the total budget. After taking account of additional funding from TfL of £60,000 secured in 2010/11, there was a net reduction in the call on the OSPR of £149,798. This reduced requirement has been largely factored in to the latest forecast of the reserve and has assisted in mitigating a potential shortfall.

10. Risk

The main project risks were as follows:

Table 10.1 : Main Project Risks

Risk	Mitigating Action
Ground conditions impact on design	Liaised with City Engineers, consultants, developer and other stakeholders with an interest (such as TfL and Utilities companies) early on to ensure designs were robust and fit for purpose.
Closures to implement works and impact on traffic	Liaised with the consultant CDM Co-ordinator, City's Engineers and the City Parking Service to ensure that closures were programmed in a timely manner. This ensured works were delivered to programme, did not impact on public safety and vehicular access was appropriately managed.
Legal Agreements impact on the programme and delivery of the St Pancras Church Garden scheme	Agreed a long lease agreement with the owners of the site and engaged with the Comptroller & City Solicitor, City Planning Officer and City Surveyor to ensure the project met the programme of delivery. Note: The City's acquisition of the garden space was part of an extensive legal process which spanned many years of negotiation as the ownership of the development site changed hands.
English Heritage require approvals for design/method statements	Met with the Inspector of Monuments (English Heritage) to ensure that designs were sensitive to the underlying archaeology on the site and artefacts remained undisturbed.
Programme shifts as a result of neighbouring redevelopments	The programme was extended to take account of the neighbouring redevelopments. The use of the City's term contractor was beneficial in this respect as they could be pulled off the site without incurring any cost penalties.
Bespoke granite from China not delivered on time.	There was a delay in receiving the bespoke granite planters from China. However, they were considerably cheaper than European alternatives and as a result this element came in under budget (Southern Gateway planters).
Proposed cost estimates exceed the budget tolerance	Design to budget. In the case of the St Pancras Church Garden scheme it was agreed that a partnership with the City and Guilds School would deliver the level of quality required at a competitive price compared to other consultant expressions of interest.

<p>11. Communications</p>	<p>Officers from the then Department Planning and Transportation worked closely with colleagues from the then Department of Environmental Services and the Open Spaces Department to deliver the extensive Queen Street project programme. Working with the Highways maintenance Term Contractor also assisted with continuity of communication across the various projects. The current Term Contractor has increased their communications role in projects with the use of a dedicated staff member for this purpose.</p> <p>Communication was managed in a number of ways to enable all interested parties to engage with the project development. There were regular update reports to Committee informing Members of the various stages of scheme development to obtain necessary approvals.</p> <p>Officers worked closely with a number of stakeholders in order to achieve the appropriate level of engagement and buy-in. It was important to engage with landowners and developers to ensure that they were kept informed of all relevant project progress.</p> <p>Public consultations exercises were undertaken by carrying out a series of exhibitions and delivering related consultation material either as leaflets or electronically on the City of London website.</p> <p>Liaison was necessary with stakeholders such as TfL to agree elements of project design. Where work was to be carried out close to TfL streets (Upper Thames Street) engagement was necessary over work permits and Section 159 agreements to agree TfL funding/reporting parameters.</p>
<p>12. Benefits achieved to date</p>	<p><u>Central Plazas at Queen Victoria Street and Cannon Street</u></p> <ul style="list-style-type: none"> • More space for walking • Shared use of space has reduced cycling speeds and no accidents have been reported. • Improved visual environment • Consistent coordinated use of materials as part of the agreed palette within Project area <p><u>Southern Plaza (Southern Gateway/Upper Thames Street)</u></p> <ul style="list-style-type: none"> • More space for walking • Monitoring suggests that the shared use of space has reduced cycling speeds and no accidents have been reported. • Increased green coverage through introduction of planters and associated seating • Segregation of desire lines for pedestrians and cyclists to reduce conflict at the Queen Street / Upper Thames Street junction • Rationalisation of street furniture and introduction of way-finding information

	<p><u>Walking Routes (including: College Street Watling Street and Ironmonger Lane)</u></p> <ul style="list-style-type: none"> • Widening of footways to provide more space for walking • Shared use of space and timed closures have reduced the impact of vehicular traffic, reduced cycling speeds and pedestrian conflict with other road users. • Improved visual environment through a consistent and coordinated use of materials <p><u>Whittington Gardens</u></p> <ul style="list-style-type: none"> • Reconfiguration/re-landscaping of garden space • Improved visual environment through a consistent and coordinated use of materials • Increased/improved opportunities for seating • Introduction of publicly accessible artwork - installation of statues from the Italian Embassy <p><u>St Pancras Church Garden</u></p> <ul style="list-style-type: none"> • Creation of new green public space from a previously disused derelict site • Partnership working with the City and Guilds School and links to educational opportunities to learn about arts and crafts and the City's archaeological heritage • Preservation of the City's Heritage assets <p><u>Guildhall + King St</u></p> <ul style="list-style-type: none"> • Enhancement of the City's processional routes. Namely, a positive improvement to the experience of the Lord Mayor's Show. • Improved crossing points and opportunities for seating close to the City's civic core (Guildhall) • De-cluttering and consistent use of street furniture to highlight the City's local heritage • Upgrading of lighting in King Street/Queen Street and walking routes off the main thoroughfare. <p><u>Light up Queen Street</u></p> <ul style="list-style-type: none"> • A series of temporary lighting installations as part of a wider City of London Festival programme.
<p>13. Strategy for continued achievement of benefits</p>	<p>The success of the Queen Street Pilot Project is typified by the consistent use of materials. This achievement has successfully created a link between spaces which often appeared unrelated in the past.</p> <p>The consistency of these enhancements has led to innovations throughout the Queen Street area and influenced the approach to</p>

	<p>subsequent public realm improvements throughout the City.</p> <p>It is important that an appropriate maintenance regime remains consistent to ensure the continued success and quality of the public realm.</p>										
<p>14. Outstanding actions</p>	<p>The Queen Street Pilot Project is complete. However, there are some minor outstanding actions which have yet to be implemented as part of the original project scope. These minor works consist of signage to highlight the public nature and historic evolution of the space; and some paving alterations.</p> <p>The total cost of carrying out these works is estimated at £29,000 as shown in Table 14.1 below.</p> <p>Table 14.1: Proposed St Pancras Garden Signage and Paving Alterations</p> <table border="1" data-bbox="422 741 887 947"> <thead> <tr> <th data-bbox="422 741 678 801">Item</th> <th data-bbox="678 741 887 801">Estimate</th> </tr> </thead> <tbody> <tr> <td data-bbox="422 801 678 842">Fees</td> <td data-bbox="678 801 887 842">2,000</td> </tr> <tr> <td data-bbox="422 842 678 882">Staff Costs</td> <td data-bbox="678 842 887 882">3,000</td> </tr> <tr> <td data-bbox="422 882 678 922">Works</td> <td data-bbox="678 882 887 922">24,000</td> </tr> <tr> <td data-bbox="422 922 678 947">TOTAL</td> <td data-bbox="678 922 887 947">29,000</td> </tr> </tbody> </table>	Item	Estimate	Fees	2,000	Staff Costs	3,000	Works	24,000	TOTAL	29,000
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Staff Costs	3,000										
Works	24,000										
TOTAL	29,000										

Review of Team Performance

<p>15. Governance arrangements</p>	<p>No project board was used. The project was led by the senior responsible officer, with committee approvals sought for project elements.</p>
<p>16. Key strengths</p>	<ul style="list-style-type: none"> • The successful implementation of various Queen Street pilot project elements was developed through officers working closely with a number of designers and artists to achieve an innovative approach to public realm improvements. • The working relationship between the Environmental Enhancement Division, engineers, consultants, clients and other stakeholders was important to achieve an integrated scheme and preserve its longevity. • The use of the City’s highway maintenance term contractor enabled a more flexible approach to the timing of the works which was necessary given the numerous external factors that influenced the programme over an extended period of time. • The ability to frame agreements with the Comptroller and City Solicitor has enabled an effective change control when priorities/scope of individual schemes was altered. • Utilising the Highways Maintenance Term Contractor to implement the works has provided a more efficient delivery of the projects and enabled changes to be made to programmes and details without incurring penalties.

17. Areas for improvement	<p>A Project board and use of the new Gateway system for a project of this size would have been beneficial. This would have enabled a more structured process for scheme development which would allow for:</p> <ul style="list-style-type: none"> • Agreed priorities and processes • Programme changes • More efficient delivery of phases • Project Advocates/Champions • Clearer response to Issue resolution
18. Special recognition	n/a

Lessons Learnt

19. Key lessons and how they will be used and applied	<ul style="list-style-type: none"> • The success of the project is defined by the importance of a consistent, standard palette of materials. This eases the burden of maintenance by utilising standard commercially available materials that are easily procured. • Shared surfaces have not only improved the appearance of the Queen Street Area but have also improved how people behave in a busy public realm. • Cyclists have had to adapt to the presence of pedestrians particularly in the central and southern plaza areas. This has resulted in reduced cycle speeds and improved safety for all road users. The Southern Gateway is a good example of reducing potential conflict between pedestrians and cyclists. • The use of granite setts is a feature of the Queen Street Pilot Project and has proved to be successful in areas of high pedestrian footfall. However, their use in busy road junctions and areas close to development sites has inadvertently hastened the degradation of the carriageway due to the high frequency of carriageway excavation to accommodate various services in this area. As a consequence of this experience officers have been trialling the use of anti-skid surfacing on raised tables as an alternative to setts and the results of this trial are expected soon. • Going forward, enhanced coordination of utility works and reparations would ensure the integrity of the streets and better preserve enhancements.
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Appendices

Appendix A	Table 1: Final Outturn (November 2013)
	Table2: Completed Schemes to Date (2003-2013) - (to be read in conjunction with Map 1)
Appendix B	Map 1: Site Location Map (to be read in conjunction with Table 2)

Contact

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Appendix A: Queen Street Pilot Project Expenditure Tables

Table 1: Final Outturn (November 2013)

Items	CoL Contributions (£)	Other Contributions (£)	(£) Total
Expenditure to date: -Completed Schemes	2,326,202	1,838,000	4,164,202
Anticipated cost of outstanding signage and paving for St Pancras Church Garden	29,000	-	29,000
Anticipated outturn cost	2,355,202	1,838,000	4,193,202
Budget (as reported September 2009)	2,500,000	1,783,000	4,283,000
Anticipated underspend against budget	-144,798	+55,000	-89,798

Table 2: Completed Schemes to Date (2003-2013)

Scheme	Project Element	(£)
1	Watling St - Timed closure and repaving including seating and planting	528,900
2	College St - Repaving and seating	256,703
3	Guildhall Phase 1 Guildhall Yard - Creation of special paved area, seating and planting	249,583
4	Guildhall Phase 2 King St Junction - Raised table at junction	171,039
5	Public Art (stage1) - Temporary installations in Queen Street Area	103,533
6	Public Art 2 - Light Up Queen Street: a series of temporary lighting installations	231,569
7	Pancras Lane/Sise Lane - Repaving and raised tables	183,348
8	Whittington Garden - Re-landscaping and seating including installation of statues from the Italian Embassy	95,427
9	Ironmonger Lane - Repaving and Raised tables	238,325
10	Central Plaza Areas - Creation of two large plazas with connected crossing to form a large public space. With seating and planting	930,166
11	King Street Connecting Route - Widening footways and repaving	301,868
12	Queen Street - Connecting Route/Cloak Lane/College St - Widening footways and repaving	153,605
13	Queen St Connecting Route Cheapside/Queen Vic St -Widening footways and repaving	242,037
14	Public Art 3 – City of London Festival Installations	8,600
15	Upgrading and Improving Lighting – Installation of wall mounted fittings	51,091
	Sub TOTALS	3,745,794
	Costs of developing approved outstanding schemes in (2009)	9,387
16	King Street Treatment - (Guildhall Area) seating and planting adjacent to St Lawrence Jewry Church	32,656
17	Queen Street Pilot - St Pancras Church Garden	256,183
18	Southwark Bridge Area - (Southern Gateway) – Creation of 2 elliptical planters and reconfiguration of the cycle lane with associated resurfacing	120,182
	Sub-total	413,254
	TOTAL	4,164,202

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Appendix B: Queen Street Pilot Project - Indicative Site Location Plan

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Agenda Item 18

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Agenda Item 19

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Agenda Item 20

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Agenda Item 21

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Agenda Item 22

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