



Resource Allocation Sub (Policy and Resources) Committee

Date: THURSDAY, 16 JULY 2015
Time: AT THE RISING OF THE POLICY AND RESOURCES COMMITTEE
(APPROX. 2.45PM)
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Mark Boleat (Chairman)
Roger Chadwick (Deputy Chairman)
Alderman The Lord Moutevans
Stuart Fraser
Marianne Fredericks
George Gillon
Deputy the Revd Stephen Haines
Jeremy Mayhew
Deputy Catherine McGuinness
Edward Lord
Hugh Morris
Deputy Joyce Nash
Deputy Dr Giles Shilson
Sir Michael Snyder
Deputy John Tomlinson
Alderman Sir David Wootton

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NB: Part of this meeting to be the subject of audio visual recording

John Barradell
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**

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

3. **MINUTES**

To agree the public minutes of the Sub-Committee meeting held on 28 May 2015.

For Decision
(Pages 1 - 4)

4. **OPERATIONAL PROPERTY REVIEW**

Joint report of the Chamberlain and the City Surveyor.

For Information
(Pages 5 - 10)

5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

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

7. **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 1 of the Schedule 12A of the Local Government Act.

Part 2 – Non-Public Agenda

8. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the Sub-Committee meeting held on 28 May 2015.

For Decision
(Pages 11 - 12)

9. **BARBICAN CENTRE AND GSMD CAPITAL CAP REPLACEMENT**

Report of the Chamberlain.

For Decision
(Pages 13 - 30)

10. **PROJECT FUNDING UPDATE**

Report of the Chamberlain.

NB: The appendices to this report have been circulated as a separately bound document.

For Decision
(Pages 31 - 62)

11. **POLICE ACCOMMODATION PROJECT - GATEWAY 3 UPDATE**

Joint report of the Chamberlain, City Surveyor and Commissioner.

For Decision
(Pages 63 - 94)

12. **BARBICAN EXHIBITION HALL 1 - ENABLING WORKS**

Report of the City Surveyor.

For Decision
(Pages 95 - 110)

13. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

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

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RESOURCE ALLOCATION SUB (POLICY AND RESOURCES) COMMITTEE

Thursday, 28 May 2015

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 28 May 2015 at 12.00 pm

Present

Members:

Mark Boleat (Chairman)
Roger Chadwick (Deputy Chairman)
Alderman The Lord Mountevans
Stuart Fraser
Marianne Fredericks
Jeremy Mayhew
Deputy Catherine McGuinness
Edward Lord
Hugh Morris
Deputy Joyce Nash
Deputy John Tomlinson

Officers:

John Barradell	Town Clerk and Chief Executive
Peter Kane	Chamberlain
Caroline Al-Beyerty	Financial Services Director
Susan Attard	Deputy Town Clerk
Simon Murrells	Assistant Town Clerk
Michael Dick	Guildhall School of Music & Drama
Hannah Bibbins	Guildhall Schools of Music & Drama
Sue Baxter	Partnerships Advisor
Neil Davies	Town Clerk's Department
Angela Roach	Principal Committee and Members Services Manager

1. APOLOGIES

Apologies for absence were received from George Gillon, Revd Stephen Haines, Giles Shilson, Sir Michael Snyder and Sir David Wootton.

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

There were no declarations.

3. MINUTES

The public minutes of the meeting held on 26 March 2015 were approved.

4. REVIEW OF GRANTS

The Sub-Committee considered a report of the Deputy Town Clerk concerning the outcome of the cross-cutting review of the City Corporation's grant giving activities.

The Sub-Committee commended officers on the review and the content of the report and acknowledged that it was work in progress as there was more work to be done in terms of ensuring consistency. During discussion a number of comments were made which included the following:-

- a further category should be created to accommodate grants made to institutions as part of the City's Heritage e.g. the Reserves Forces and Cadets Association, St Lawrence Jewry and the City Scouts;
- in view of the fact that it was proposed that Finance Grants Sub-Committee's grant giving activity should cease, a Member questioned whether it was necessary for the Sub-Committee to carry on. Members acknowledged that this was a matter for the Finance Committee and supported a suggestion that strategic oversight and performance management should be given to that Committee rather than to its Sub-Committee as this would allow the Finance Committee to determine how best to monitor grant activities;
- reference was made to the Signor Pasquale Favale Bequest. It was noted that it attracted a lot of kudos and publicity in return for the small sums it dispensed each year and therefore it was important to ensure that it continued. Members were advised that how it was dealt with would be a matter for the committee it was allocated to. It was also suggested that the Bequest be considered as party of the poverty relief category.

RESOLVED - That it be recommended to the Grand Committee that:-

1. the proposed change of approach to grant giving as proposed in the report and in Appendix 2 be approved;
2. responsibility for strategic oversight and performance management of the City Corporation's grant giving activities be given to the Finance Committee rather than to its Finance Grants Sub-Committee;
3. the Resource Allocation Sub-Committee be authorised to:-
 - set the annual quantum for each City's Cash and City Fund grants programme (including for City's Cash funded open spaces grants)
 - consider annual performance reports for all grants programmes from the Finance Committee.
4. subject to the approval of (3), above the Sub-Committee's terms of reference be altered accordingly.

5. PROJECTS FUNDING UPDATE

The Sub-Committee considered a report of the Chamberlain concerning the proposed funding of projects involving refreshment points at the Barbican Centre and the feasibility and planning of the transformation of Barbican and Shoe Lane libraries, which now required the allocation of resources to progress them to the next stage.

Reference was made to the need for a better mechanism for evaluating and differentiating projects with a payback period falling within the spend to save and income generation category.

RESOLVED – that it be recommended to the Grand Committee that:-

1. the content of the report in respect of the allocation of the 2014/15 provisions for new schemes be noted;
2. the 2014/15 unallocated balances of £0.486m for City Fund and £0.125m for City's Cash be carried forward to bolster support for Service Based Review (SBR) investment proposals;
3. the allocation of £154,000 from the 2015/16 City Fund provision to provide funding for SBR investments, comprising:-
 - £130,000 for coffee point and mobile bars at the Barbican Centre; and
 - £24,000 towards the cost of feasibility and planning for the transformation of the Barbican and Shoe Lane libraries.
4. the allocation of a total of £6m to be set aside in 2018/19 as a provision for new schemes (£3m each for City Fund and City's Cash) be approved.

6. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE

There were no questions.

7. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no items of urgent business.

8. 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:-

Item Nos.	Paragraph(s) in Schedule 12A
9 -10	3

Part 2 - Non-Public Agenda

9. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 26 March 2015 were approved.

10. **GUILDHALL SCHOOL - EXTENSION OF CAPITAL/SUPPLEMENTARY REVENUE PROGRAMME**

The Sub-Committee considered and agreed a report of the Principal of the Guildhall School concerning the proposed extension of the School's Capital and Supplementary Revenue Programme (Cap 3) to 2016/17 and other associated matters.

11. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS**

The Sub-Committee considered a report of the Town Clerk detailing a decision which had been taken the under urgency procedures since the last meeting relating to the Guildhall School's Capital and Supplementary Revenue Programme (Cap 2).

RESOLVED – that the report be received and its content noted.

12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

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

There were no items of urgent business.

The meeting ended at 12.30pm

Chairman

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Committee(s)	Dated:
Resource Allocation Sub-Committee	16 th July 2015
Subject: Operational Property Review – update report	Public
Report of: The Chamberlain and the City Surveyor	For Information

Summary

Resource Allocation Sub-Committee agreed in January 2015 to take on a more formal role in relation to the current operational property resources that support service delivery by becoming the reporting and oversight body for the review of Operational Property. This report provides an update on the Operational Property Review Project.

The first phase of workshops covering the Markets and Consumer Protection, Open Spaces, Community and Children’s Services (DCCS) and Built Environment (DBE) Departments held over the period April 2015 to June 2015 are now complete. These workshops have reviewed at a strategic level the operational properties owned and operated by Departments and identified potential opportunities in the short, medium and longer term to enable rationalisation and/or more effective utilisation of existing property assets. The following key themes have emerged:

- Housing – commercial units and in-fill opportunities
- Car parking- review of overall provision
- Rationalising Central London staff accommodation to release surplus space or potentially buildings
- Rationalising Local offices, workshops and storage facilities
- Rationalisation of similar facilities, e.g. ports
- Land
- Staff residential accommodation

Proposals developed may entail the relocation of people and operations, with resulting costs in order to facilitate the freeing up of property assets. Proposals that have been identified from these workshops are now being assessed to prioritise those proposals which are likely to deliver the greatest value for money (VFM) benefits.

The existing Barbican and GSMD Capital Caps programmes used primarily for cyclical repair works, have been reviewed and a detailed report making recommendations for the replacement of the Cap funding arrangements is included separately on this agenda.

Recommendation

Members are asked to note the progress on the Operational Property Review to date and that a further report including prioritised opportunities will be provided at the October 2015 meeting.

Main Report

Background

1. Last year Corporate Asset Sub Committee requested a review into how well our property assets are maintained. Until this point we had no central and overall picture of the management of the operational estate. The review established that there is a funding gap each year, compounding and creating a cumulative shortfall of funding for cyclical maintenance and renewal. Effectively this is creating a 'bow wave' of postponed maintenance costs which we will, at some point, need to meet. This funding gap is unsustainable in the long term.
2. This work has also exposed that the current management of operational property assets is fragmented.
3. The Sub-Committee considered a joint report of the Chamberlain and the City Surveyor concerning the review of operational property, the governance responsibilities associated with it and the allocation of resources to support service delivery at the 22nd January 2015 meeting.
4. It was resolved that the Resource Allocation Sub-Committee takes on a more formal role in relation to the current operational property resources to support service delivery by:-
 - considering the allocation of operational property resources for service delivery, following Corporate Asset Sub Committee's consideration of effective use; and
 - becoming the reporting and oversight body for the review of Operational Property.
5. As part of the review, Chief Officers have been asked to review their operational asset base portfolio through a series of workshops to identify opportunities for rationalisation and improved efficiency. The aim has been to identify proposals for property rationalisation which are likely to deliver the greatest VFM benefits. A series of specific projects will then progress these proposals to completion seeking appropriate resources to facilitate disposals, and obtaining approval through current project processes.

Progress to date

6. The Senior Officer Project Board has now met in February, April and June. Following agreement of project objectives, deliverables and milestones the Board has been monitoring and driving the review work, providing strategic oversight.

7. The first phase of workshops is now complete. These workshops, along with significant preparation work by Departments in collaboration with City Surveyors and Chamberlains Department has reviewed at a strategic level the operational properties occupied and operated by Departments with the aim of identifying proposals in the short, medium and longer term to enable rationalisation and/or more effective utilisation of existing property assets. As a secondary benefit, this review work is assisting in the cleansing of the City's operational property records.
8. The first five discovery workshops focused on the Markets & Consumer Protection, Open Spaces (two workshops), DCCS and DBE. As these Operational Property Review workshops have progressed, relevant issues identified from the Facilities Management and Business Repairs Management contract review workshops will be incorporated into this review.
9. A further workshop is scheduled for July 2015, to review central London staff accommodation – covering Guildhall, Irish Chambers, Walbrook Wharf Offices, and Lauderdale Place (DCCS/Barbican Housing office). The purpose of this workshop will be to review the potential to rationalise central London staff accommodation requirements, through more effective use of space, and considering the extent and pace with which new flexible working methods should be adopted. This workshop will explore the impact on cultural change, working practices and requirement for technology investment.

Emerging Themes from Workshops

10. The following themes have been identified from the first phase of workshops:

Housing – Commercial Units and in-fill opportunities – scope has been identified to review the configuration of local amenities and commercial income generating potential of commercial units situated within City of London Housing Estates. Some in-fill opportunities to increase capacity of Housing Estates are already being progressed with a much wider programme of opportunities currently at feasibility stages and being considered by the work of the Officer Housing Strategy Board.

Car Parking – There is currently underutilisation which could provide opportunities for shorter to medium term alternative use or income opportunities and potential longer term area re-development opportunities. Scope for a further stream of work to review the City's Car Parking provision, covering not only its municipal cap parks, but considering other car parking provision such as at the Barbican and Markets.

Central London Staff Accommodation – Reviewing opportunities to use more effectively Guildhall – North Block and West Wing , Lauderdale Place, Irish Chambers staff accommodation and potentially release surplus offices.

Rationalise Local Offices, workshops and other facilities – review positioning and utilization of local offices and facilities. Opportunities have been

identified in several Open Spaces locations and the operational positioning of offices, inspection and mooring facilities for the Port Health Function along the River Thames reviewed.

Land – reviewing use of land, and whether opportunities for alternative use or disposal.

11. **Staff Residential Accommodation** – the review has identified there are opportunities to rationalise and reduce the number of properties held for the purpose of housing staff in residential accommodation to support the effective performance of their role. A Lodges Review Board has been established to oversee the implementation of this work at Epping Forest and other Open Spaces locations.
12. One of the outcomes from this review is to help inform the overall review of Strategic Asset management, which includes work streams considering contract management and facilities management along with associated organisation responsibilities and structures.

Barbican and GSMD Capital Caps

13. Within the scope of the Operational Property Review is the review of the Barbican and GSMD Capital Caps. This review is now complete, with the findings and recommendations set out on a separate report on this agenda.
14. Revised arrangements for the governance and control of this area of expenditure have been developed in consultation with the Barbican Centre, GSMD and City Surveyors Department. The aim will be to provide a more balanced, consistent, long-term and flexible approach to cyclical work planning across the entire operational portfolio.
15. It is recognised that the Barbican Centre Estate maintenance has been under funded previously and current maintenance spend in buildings is inadequate. For instance the Barbican has identified capital schemes totalling over £12m which are not currently in the Cap or in the Capital Programme. Such cost pressures are part of the £160m bow wave of currently unfounded capital and backlog maintenance work.

Next Steps

16. The next steps for the review is to confirm potential opportunities with Departments and undertake a detailed evaluation to prioritise the opportunities. This evaluation will consider:-
 - impact on reducing 'bow wave' of cyclical and deferred maintenance costs
 - capital receipt or income generation potential
 - Legal title constraints
 - complexity of implementation in terms of operational impact – staffing, service users, local consultation, timescale
 - estimated consequential costs incurred in realising the opportunity

- Departmental, City Surveyor and City Solicitor resources required to implement opportunities
- Impact on achievement of Service Based Review saving forecasts

17. A further update on progress being made with this review will be provided to the next Resource Allocations Sub-Committee on the 19th October including a prioritised list of opportunities for progression into implementation projects. Following RASC consideration of the recommended opportunities, agreement will be sought from relevant Service Committees to initiate implementation projects.

Conclusion

18. Good progress has been made on the Operational Property Review Project, with the first phase of workshops complete. Identified opportunities are now being evaluated in detail so that a prioritised list of opportunities for progression into implementation projects is developed for agreement with members in October 2015.

Background Papers

RASC - Operational Property Review – 22nd January 2015 (Non-Public)

RASC – Operational Property Review – 26th March 2015 – Update report (Public)

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