



## Resource Allocation Sub (Policy and Resources) Committee

**Date:** THURSDAY, 19 MAY 2016

**Time:** At 3pm OR ON THE RISING OF THE PUBLIC RELATIONS AND ECONOMIC DEVELOPMENT SUB-COMMITTEE (WHICHEVER IS THE LATER)

**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:** Chairman of the Policy and Resources Committee (Chairman)  
Jeremy Mayhew (Deputy Chairman)  
Deputy Roger Chadwick  
Stuart Fraser  
Deputy the Revd Stephen Haines  
Alderman Dr Andrew Parmley  
Sir Michael Snyder  
Deputy John Tomlinson  
Alderman Sir David Wootton  
*6 Members of the Policy and Resources Committee, appointed this day*

**Enquiries:** Angela Roach  
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angela.roach@cityoflondon.gov.uk

Lunch will be served in the Guildhall Club at 1pm  
NB: part of this could 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 17 March 2016.

**For Decision**  
(Pages 1 - 6)

4. **PROJECT FUNDING UPDATE**

To note the content of the report and, in particular, the decision of the Grand Committee earlier this day, in relation to the projects referred to in the report and the sum to be set aside for the provision of new schemes in 2019/20.

**For Information**  
(Pages 7 - 14)

5. **ALL CHANGE AT BANK - LONGER TERM FUNDING UPDATE**

Report of the Director of the Built Environment.

**NB: This report has been considered and approved by the Streets and Walkways Sub-Committee.**

**For Information**  
(Pages 15 - 22)

6. **TRANSPORTATION AND PUBLIC REALM DIVISION PROJECTS**

Report of the Director of the Built Environment.

**NB: This report has been approved by both the Planning and Transportation Committee and the Projects Sub-Committee. The appendices to the report have been circulated as a separately bound electronic document only. Hard copies of the appendices are available on request.**

**For Information**  
(Pages 23 - 28)

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

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

9. **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**

10. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the Sub-Committee meeting held on 17 March 2016.

**For Decision**  
(Pages 29 - 34)

11. **GUILDHALL SCHOOL OF MUSIC AND DRAMA - UPDATE ON CAPITAL CAP WORKS**

Report of the Principal of the Guildhall School of Music and Drama.

**NB: This report has been considered and approved by the Board of Governors of the Guildhall School of Music and Drama.**

**For Decision**  
(Pages 35 - 52)

12. **POLICE ACCOMMODATION STRATEGY PROJECT**

Joint report of the City Surveyor, Chamberlain and the Commissioner of the City of London Police.

**NB: This report will have been considered by the Projects Sub-Committee. Its decision will be reported verbally at the meeting.**

**For Information**  
(Pages 53 - 66)

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

Report of the Town Clerk.

**For Information**  
(Pages 67 - 68)

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

15. **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, 17 March 2016

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 17 March 2016 at 12.00 pm

### Present

#### Members:

Jeremy Mayhew (in the chair)  
Stuart Fraser  
George Gillon  
Deputy Catherine McGuinness  
Edward Lord  
Hugh Morris  
Deputy Joyce Nash  
Deputy Dr Giles Shilson  
Sir Michael Snyder  
Alderman Dr Andrew Parmley  
Deputy John Tomlinson  
Alderman Sir David Wootton

#### In Attendance

Ian Seaton

#### Officers:

John Barradell	- Town Clerk and Chief Executive
Peter Kane	- Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Caroline Al-Beyerty	- Chamberlain's Officer
Paul Nagal	- Chamberlain's Officer
Susan Attard	- Deputy Town Clerk
David Farnsworth	- Chief Grants Officer
Peter Lisle	- Assistant Town Clerk
Peter Young	- City Surveyor's Department
Iain Simmons	- Department of the Built Environment
Neil Davies	- Town Clerk's Department
Scott Nixon	- Town Clerk's Department
Angela Roach	- Principal Committee and Members Services Manager.

#### 1. APOLOGIES

Apologies were received from Mark Boleat, Roger Chadwick, Marianne Fredericks and Revd Stephen Haines.

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

There were no declarations.

**3. MINUTES**

3a. The minutes of the meeting held on 14 January 2016 were approved.

3b. The minutes of the joint meeting of the Resource Allocation and the Efficiency and Performance Sub-Committees with Committee Chairmen held on 14 January 2016 were approved.

**4. IMPLEMENTATION OF THE GRANTS REVIEW**

The Sub-Committee considered a report of the Deputy Town Clerk concerning the implementation of the grants review.

A Member referred to the list of on-going grants and payments agreed by the previous Finance Grants Sub-Committee and questioned whether it was still necessary to retain the Finance Committee Chairman's Discretionary Fund. It was felt that, in view of the City Corporation's ability to respond to suitable unforeseen requests for funding, this Discretionary Fund should now be abolished.

RESOLVED – That the following be recommended to the Policy and Resources Committee that:-

1. the grant programmes identified as in scope for immediate centralised administration, those under review, and those not in scope be noted;
2. the following be agreed:-
  - transfer of funding commitments from Finance Grants Sub-Committee to the relevant Committees for on-going administration and request that each commitment be reviewed and reported back to this Committee no later than December 2016, except in cases where a specific review date had already been agreed;
  - the staffing resources for a new Central Grants Unit, to be funded from the individual grant programmes;
  - the grant programme arrangements are reviewed in 2017/18 to align with City Bridge Trust's next quinquennial review;
  - the four overarching funding themes for the grant programme (for 2016-2018) i.e. Stronger Communities; Education and Employment Support; Enjoying Open Spaces and the Natural Environment; and Inspiring London through Culture; and
  - the allocation of funding across the four funding themes as set out in the report.
3. The Finance Committee Chairman's Discretionary Fund of £10,000 be abolished.

5. **TRANSPORT FOR LONDON FUNDING 2015/16 - UPDATE**

The Sub-Committee considered a report of the Director of the Built Environment concerning the allocation of the funding totalling £954,000 received from Transport for London in 2015/16.

RESOLVED – That the report be noted.

6. **COUSINS LANE STREET ENHANCEMENTS - SECTION 278 FUNDING**

The Sub-Committee considered a report of the Director of the Built Environment concerning proposed street enhancements to Cousins Lane and the use of Section 278 funding to cover the costs.

Discussion ensued on whether the schemes to be funded from resources provided by developers via a Section 278 or Section 106 agreement should be noted or agreed by the Resource Allocation Sub-Committee. Members were reminded that, when the community infrastructure levy (CIL) was created, it was agreed that the Sub-Committee should take more of a strategic role by approving the overall percentage of funding to be utilised from the various budgets falling under its remit, but that the actual allocation of resources from those budgets for individual projects would be dealt with by the relevant service committee. A Member questioned whether the Sub-Committee had the ability to make a judgement or apply intelligence at such an early stage. After further discussion, the Chairman suggested that the report be noted and that officers be requested to submit a paper clarifying the process for considering and utilising this type of funding. Members supported his suggestion.

RESOLVED – That the content of the report be noted and that the Chamberlain be requested to submit a report clarifying the process for considering and utilising resources provided by developers via a Section 278, Section 106 and CIL agreements.

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

There were no questions.

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

There were no items of urgent business.

9. **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:-

<b>Item Nos.</b>	<b>Paragraph(s) in Schedule 12A</b>
10 - 16	1, 2 and 3

**10. NON-PUBLIC MINUTES**

10a. The non-public minutes of the meeting held on 14 January 2016 were approved.

10b. The non-public minutes of the joint meeting of the Resource Allocation and the Efficiency and Performance Sub-Committees with Committee Chairmen held on 14 January 2016 were approved.

**11. PROJECT FUNDING UPDATE**

The Sub-Committee considered and approved a report of the Chamberlain concerning the allocation of funding to three projects, namely, the One Safe City; Contact Centre Relocation and the Museum of London.

**12. STAFF RESOURCES IN THE COMPTROLLER AND CITY SOLICITOR'S DEPARTMENT - CONTRACTS AND PROCUREMENT**

The Sub-Committee considered and agreed a joint report of the Comptroller and City Solicitor and the Chamberlain proposing an increase in the Comptroller's base budget to cover additional staffing requirements.

**13. POLICE ACCOMMODATION PROJECT**

The Sub-Committee considered and approved a joint report of the Chamberlain, City Surveyor and the Commissioner of the City of London Police concerning the progress of the Police accommodation project and, in particular, the decant plan for the project.

**14. BARBICAN CENTRE AND GUILDHALL SCHOOL OF MUSIC AND DRAMA CAPITAL CAP REPLACEMENT - DETAILED ARRANGEMENTS**

The Sub-Committee considered resolutions from the Barbican Centre Board, Board of Governors of the Guildhall School and the Corporate Asset Sub-Committee, together with a report of the Chamberlain, concerning the detailed arrangements for the replacement of the Barbican Centre and Guildhall School's capital cap.

**15. NATIONAL LOTTERY FUNDING (NLF) MONITORING REPORT**

The Sub-Committee considered and agreed a monitoring report of the City Surveyor concerning the City of London Corporation's bids for National Lottery Funding.

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

The Sub-Committee noted a report of the Town Clerk reporting action taken since the last meeting of the Sub-Committee in relation to the refurbishment of 4-14 Tabernacle Street in accordance with Standing Order No. 41(a).



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

There were no questions.

**18. 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 time 12.30pm**

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Chairman

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# Agenda Item 4

<b>Committee(s):</b>		<b>Date(s):</b>
Resource Allocation Sub	For Decision	19 May 2016
Policy and Resources Committee	For Information	19 May 2016
<b>Subject:</b> Project Funding Update		<b>Public</b>
<b>Report of:</b> The Chamberlain		<b>For Information</b>
<b>Report author:</b> Caroline Al-Beyerty, Chamberlain's Department		

## Summary

A summary of the allocations approved from the 2015/16 provisions for new schemes is as follows:

	City Fund £m	City's Cash £m
2015/16 provisions	2.486	3.125
Top-up re SBR spend to save investments	0.094	-
Less: Funding requests agreed	(2.580)	(0.816)
Unallocated Balances	-	2.192

It has previously been agreed that any unallocated balances remaining at the end of the year would be retained centrally to partially offset the one-off additional funding of £5.263m provided from central reserves for two critical IT upgrade projects. Therefore Members are asked to note that the remaining City's Cash balance of £2.192m will be retained centrally.

Following the annual roll forward of the planning period to 2019/20, approval is now sought to formalise the provision of £6m for that year (£3m each for City Fund and City's Cash).

Whilst there are a number of schemes in the pipeline which are likely to require funding from the 2016/17 provisions for new schemes, there are no requests for allocations at this time.

However, for 2016/17, approval is sought to funding totalling £4.524m from the On-Street Parking Reserve to allow two proposals to be progressed:

- Urgent works and further surveys to mitigate structural defects to the Minories car park at a cost of £454k.
- Replacement of existing street lighting equipment with LED lights and a new wireless central management system at an estimated cost of £4.070m (a service based review (SBR) proposal). Approval of funding is subject to further development of the solution including widening of the scope to include links to 'Smart City' initiatives.

The five year forecast for the On-Street Parking Reserve shows a fully committed position. Whilst provision for the Minories car park works had already been incorporated in the forecast figures, the inclusion of the street lighting scheme may result in the potential re-profiling of the later phases of the Barbican Highwalks scheme. Given the current level of

uncertainty over the precise details of the highwalk scheme, prioritisation of funds for the street lighting proposal is felt to be an acceptable way forward.

Approval is also sought to the allocation of £216.5k of S106 funding received from the Fann Street Development towards the cost of refurbishing the Golden Lane Estate playground.

### **Recommendations:**

It is recommended that Members:

- i. Note that the unallocated balance of £2.192m from the 2015/16 City's Cash provision for new schemes has been retained centrally to partially offset the one-off additional funding provided from central reserves for two critical IT upgrade projects.
- ii. Formally approve the allocation of a total of £6m to be set aside in 2019/20 as a provision for new schemes (£3m each for City Fund and City's Cash)
- iii. Agree to the allocation of funds totalling £4.524m from the On Street Parking Reserve as follows:
  - £454k to meet the cost of urgent works and additional surveys to mitigate structural defects to the Minorities car park, subject to requisite approvals by other committees;
  - £4.070m to replace existing street lighting equipment with LED lights and a new wireless central management system, subject to further development of the solution including widening of the scope to include links to 'Smart City' initiatives in advance of authority to start work.
- iv. Approve the allocation of an estimated £216.5k of S106 funding received from the Fann Street Development towards the cost of refurbishing the Golden Lane Estate playground.
- v. Note that further phases of the Barbican Highwalks scheme may need to be deferred as a result of prioritising OSPR funds to the street lighting scheme.

### **Main Report**

#### **Background**

1. The Policy and Resources Committee have previously agreed to set aside sums of £21m (£3m per annum) over the period from 2012/13 to 2018/19 in both the City Fund and City's Cash financial forecasts (£42m in total) to provide a degree of flexibility to fund smaller value new capital schemes as they arise.
2. In June 2012, the Policy and Resources Committee agreed that only projects that are considered essential and which fit within the following categories may be approved at Gateways 1-4 of the Project Procedure, until further notice:
  - 1) Health and safety compliance
  - 2) Statutory compliance
  - 3) Fully/substantially reimbursable
  - 4) Spend to save or income generating, generally with a short payback period (as a rule of thumb within 5 years)

In addition, under exceptional circumstances, other projects considered to be a priority by the Resource Allocation Sub-Committee will be allowed to proceed.

3. The majority of projects working their way through the early gateways are to be funded either from internal ring-fenced sources such as the Barbican Centre and GSMD Capital Caps and the City Surveyor's Designated Sales Pools or from external sources such as Section 106 deposits and Government/Transport for London grants which are restricted for specific purposes.

4. Decisions about the allocation of resources for those projects that do not have access to these sources of funding are generally taken when a scheme reaches Gateway 4a – Inclusion in Capital Programme, although requests at earlier gateways are also arising on a more frequent basis. To help members to prioritise the allocation of City resources to projects from a wide range of funding sources, the Priorities Board has been created to provide a more holistic approach to the allocation of project finance, by considering bids for funding from a range of available (less constrained) sources, including in particular future receipts from the unallocated pots of the City's Community Infrastructure Levy (CIL).

#### **Funding Approved from the 2015/16 Provisions for New Schemes**

5. The Policy and Resources Committee agreed to set aside £1m of the £3m City Fund annual provision, to be earmarked for essential capital works to the London Wall premises of the Museum of London. In addition, the unallocated balances from 2014/15 of £486k for City Fund and £125k for City's Cash were allowed to be rolled forward. A top-up of £94k to the City Fund provision in connection with SBR spend to save investment schemes was also recently agreed. This resulted in total 2015/16 provisions of £2.58m for City Fund and £3.125m for City's Cash schemes. Appendix 1 lists the projects for which funding from the 2015/16 allocations was agreed, leaving a zero balance for City Fund and an unallocated balance of £2.192m for City's Cash at the year-end.
6. In January, Members agreed to fund some £5.263m from the central reserves of the three main funds to meet the cost of two essential IT infrastructure upgrade schemes urgently required to provide new local network infrastructure and replacement end user devices. Consequently it was agreed that any unallocated balances remaining from the 2015/16 provisions for new schemes at the end of the year, i.e. the City's Cash balance of £2.192m, should be retained centrally to partially offset these additional costs.

#### **2016/17 Requests for Funding**

##### 2016/17 Provisions for New Schemes

7. The 2016/17 provisions for new schemes amount to £2m for City Fund (£3m less £1m for the existing Museum building) and £3m for City's Cash. Whilst there are a number of schemes in the pipeline which are likely to require funding from these provisions during the year, there are no requests for allocations at this time.

##### On Street Parking Reserve

8. There are two new requests for resources totalling £4.524m and the Corporate Priorities Board has identified the On Street Parking Reserve as the most appropriate source of funding. The two City Fund schemes are as follows:
  - Minorities Car Park - Urgent works and additional surveys at a cost of £454k  
This is classified as an **essential, health and safety** scheme which is necessary to mitigate structural defects. This scheme is subject to the requisite approvals of other committees;
  - Street Lighting Review at an estimated cost of £4.070m  
This scheme comprises the replacement of existing street lighting equipment with LED lights (£3.6m) and a new wireless central management system (£470k). It is classified as an **essential, spend to save** scheme and forms part of the service based review (SBR). Approval of funding is subject to further development of the solution including widening of the scope to include links to 'Smart City' initiatives.
9. The five year forecast for the On-Street Parking Reserve shows a fully committed position. However, this allows for the provisional earmarking of significant sums

towards further phases of the Barbican Highwalk waterproofing works which are expected to extend beyond the current five year planning period at a total estimated cost of some £24m. Whilst provision for the Minorities car park works had already been incorporated in the forecast, the inclusion of the street lighting scheme will result in the potential deferral of the later phases of the Barbican Highwalks scheme. However, given the current uncertainty over timing of the highwalks works, prioritisation of the street lighting proposal is felt to be an acceptable way forward.

#### Allocation of S106 Funding

10. Golden Lane Estate Playground – estimated funding requirement of £216.5k from the Fann Street S106 deposit

Allocation of S106 funding to most environmental enhancement projects identified within Member-approved area strategies is within the remit of the Streets and Walkways Sub Committee. However, the Golden Lane Estate playground refurbishment, which is included as a high priority scheme within the Barbican and Golden Lane Area Strategy, is located on housing land. The Priorities Board concurs with the prioritisation of S106 funding to this scheme and the approval of Members is sought to the allocation of these funds.

#### **Extending the annual provisions by a year**

11. Based on the four years of operation, the annual provisions continue to provide adequate resources to enable essential schemes to be progressed:

- For City Fund, the provisions have been underspent in all previous years, with the exception of a small shortfall in 2015/16 – from a combined provision of £9m since 2012/13, a total of £1.4m has been unallocated.
- For City's Cash, the provision was fully allocated in 2012/13 but was underspent in subsequent years to date – from a combined provision of £12m, a total of £2.2m has been unallocated.

12. It is proposed that the current level of provisions be maintained going forward.

13. During the preparation of the budgets approved in March, the financial planning period was subject to the usual roll forward and additional sums of £3m were included in each of the financial forecasts for 2019/20. Formal agreement to these 2019/20 provisions is now sought.

14. In addition, maximum value for money from the resources set aside for new schemes should be achieved by continuing the following agreed approach:

- Ensuring that the project budgets are at the lower end of the predicted range, applying pressure via effective value engineering and restricting scope where possible.
- Instructing officers to develop options that distinguish between 'critical' and the more 'desirable' elements of a project to ensure that costs can be contained.

#### **Conclusion**

15. There is an unallocated balance of £2.192m remaining from the 2015/16 City's Cash provision for new schemes which will be retained centrally to partially offset the cost of two new IT infrastructure schemes. The City Fund provision was fully allocated.

16. Formal approval is sought to a total of £6m to be set aside in 2019/20 as a provision for new schemes (£3m each for City Fund and City's Cash).

17. There are no currently new bids for funding from the 2016/17 City Fund and City's Cash provision for new schemes.

18. There are two requests for funding from the On Street Parking Reserve totalling £4.524m which are recommended for approval. This may result in the need to re-profile waterproofing works to the Barbican Highwalk., but given the uncertainty over timing, the prioritisation of funding for the street lighting review is considered to be an acceptable way forward..
19. Member approval to the allocation of S106 resources of an estimated £216.5k towards the cost of the Golden Lane Estate playground refurbishment is sought.
- 20.

**Appendix** – Projects Funding from the 2015/16 Provisions for New Schemes

Caroline Al-Beyerty

Financial Services Director, Chamberlain's Department

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<b>CITY FUND</b>		
<b>Project</b>	<b>Total provision of £2.58m (comprising £3m original less £1m earmarked for Museum plus £0.486m re 2014/15 unallocated balance and £0.094m top-up re SBR)</b>	<b>Category and Priority</b>
Barbican Library Transformation (Initial funding to formulate plan)	0.012	6. Improvements in productivity / efficiency b. Advisable
Shoe Lane Library Transformation (Initial funding to formulate plan)	0.012	6. Improvements in productivity / efficiency b. Advisable
London Metropolitan Archives Future Accommodation Planning	0.014	7.(b) Major Renewals B. Advisable
Libraries and London Metropolitan Archives IT and Infrastructure	0.100	7.(a) Asset Enhancement/Improvement B. Advisable
Barbican Centre - SBR spend to save proposals (Coffee Points and Mobile Bars)	0.130	6. Improvements in productivity / efficiency b. Advisable
Barbican Centre - SBR spend to save proposals (Frobisher Crescent Level 4 meeting and conference room investment)	0.500	3b Income Generating b. Advisable
Barbican Centre - SBR spend to save proposal: New Retail Unit	0.589	3b Income Generating b. Advisable
Joint IT Network Refresh (City Fund Share excl Police)	0.060	7.(a) Asset Enhancement/Improvement A. Essential
End User Device Renewal (City Fund Share)	0.048 (enabling phase)	7.(a) Asset Enhancement/Improvement A. Essential
Sir John Cass School Extension	0.850	7.(a) Asset Enhancement/Improvement
Beech Street Tunnel Feasibility	0.055	7.(a) Asset Enhancement/Improvement C. Desirable
One Safe City Projects progression of JCCR, Community Safety and Ring of Steel Projects	0.145	5. Other Priority Development A. Essential
JCCR - moving contact centre to Snow Hill	0.065	5. Other Priority Development A. Essential
<b>City Fund Total</b>	<b>2.580</b>	
<b>Unallocated Balance</b>	<b>0.000</b>	

<b>CITY'S CASH</b>		
<b>Project Name</b>	<b>Total Provision of £3.125m (including £0.125m re 2014/15 unallocated balance)</b>	<b>Category and Priority</b>
Lord Mayor's Coach Conservation and Repair	0.243  (includes 0.125 for urgent repairs subject to confirmation at Gateway 5)	7.(b) Major renewals B. Advisable
Joint IT Network Refresh  (City's Cash Share excl Police)	0.060	7.(a) Asset Enhancement/Improvement A. Essential
End User Device Renewal (City's Cash Share)	0.048 (enabling phase)	7.(a) Asset Enhancement/Improvement A. Essential
Superfast City Implementation	0.107 (Wired Broadband Workstream Only)	5. Other priority developments A. Essential
Grant to the Museum to investigate relocation to Smithfield General Market and Annexe	0.200 Approved under urgency	n/a
Grant to the Museum (£0.1m) to review the Business case for relocation to Smithfield General Market and Annexe and costs of consultation (£0.025m)	0.125	n/a
Unified Communications Funding to conduct a pilot	0.033 (£0.050 in total including £0.017 from Police funds)	3.(a) Spend to Save / 6. Improvements in Productivity/efficiency A. Essential
Further Grant to the Museum of London to prepare short term programme for relocation to Smithfield General Market and Annexe	0.117	n/a
<b>City's Cash Total</b>	<b>0.933</b>	
<b>Unallocated balance</b>	<b>2.192</b>	

Committees:	Dates:	Item no.
Streets and Walkways Sub-Committee (For Decision) Projects Sub (For Information) <i>Resource Allocation Sub Committee (For Information)</i>	04/04/2016 13/04/2016 19/05/2016	
<b>Subject:</b> All Change at Bank: Longer term funding update	<b>Issue Report</b>	<b>Choose an item.</b>
<b>Report of:</b> Director of the Built Environment		<b>For Decision</b>
<b><u>Summary</u></b>		
<p><b>Dashboard:</b>            Project Status: Green            Timeline: Working towards Gateway 4 (G4)            Estimated total funding to reach G4: £1.179M (i.e. £721K in addition to the spend to date of £458K)            Total Approved Available Funding to date: £682,909            Estimated project cost at Gateway 3: between £4-18M (depending on option chosen)            Spend and Commitments to date: Approximately £458K</p> <p><b>Last Gateway Approved:</b>            Gateway 3 (G3)</p> <p>Following Gateway 3, a second project which focuses on delivering much of the safety objective for Bank, but in a shorter timescale to the overall longer term project, was established. Funding of the Interim Safety Scheme is not included in this report which deals solely with the funding and procurement for the longer term project, known as All Change at Bank.</p> <p><b>Summary of Issues</b></p> <ul style="list-style-type: none"> <li>• Following an additional allocation from TfL for the All Change at Bank project in 2015/16, this substituted S106 funds that were previously proposed to have been spent at Gateway 3;</li> <li>• Outline of projected funding for 2016/17;</li> <li>• Proposed inclusion of future TfL funds into the capital budget for Bank in consultation with the Head of Finance; and</li> <li>• Proposed procurement route for undertaking additional design and traffic modelling work for the All Change at Bank project.</li> </ul> <p><b>Recommendations</b>            It is recommended that Members of Projects Sub Committee and Resource Allocation Sub Committee:</p> <ul style="list-style-type: none"> <li>• Note the contents of this report</li> </ul> <p>It is recommended that Members of Streets and Walkways Sub Committee:</p> <ul style="list-style-type: none"> <li>• Note the receipt from TfL of an additional £154K funding for the 2015/16 financial year;</li> </ul>		

- Note that as S106 funding previously approved for this project from 125 Old Broad Street (transport) and Mondial House (transport), £150K and £4K respectively, was substituted by the TfL allocation in 2015/16, that these S106 funds will now be rolled forward into reaching Gateway 4;
- Authorise the inclusion into the capital programme of a TfL funding contribution for 2016/17 financial year of £200K;
- Note the total estimated budget needed to reach Gateway 4 of £1.179M
- Authorise Officers to accept any further TfL funding allocations, specifically for the All Change at Bank project, in consultation with the Head of Finance, into the capital programme; replacing and rolling forward agreed S106 contributions, if applicable, up to the anticipated budget value of £1.179M.
- Note the procurement route for additional design and traffic modelling services.

**Main Report**

<b>1. Issue description</b>	<p><b>Funding Update</b></p> <p>1. When the All Change at Bank project received G3 approval at the Streets and Walkways and Projects Sub Committees in November/December 2015, the funding agreement with Transport for London (TfL) had not been reached. It was stated that an Issues report would be submitted once a firm offer of funding was received. This report covers this confirmation of funding.</p> <p><u>2015/16 funding</u></p> <p>2. Following an additional allocation to the All Change at Bank project by TfL on 11 February 2016, £154K was provided as a contribution towards 2015/16 financial year spend. This contribution has been utilised to cover costs of progressing the project to G3. Officers had authority from the G2 report to include TfL funding into the capital budget in place of S106.</p> <p>3. The inclusion of this TfL allocation substitutes S106 contributions previously agreed for this project of proposed 2015/16 spend. Therefore these S106 funds should be rolled forward and utilised to progress the All Change at Bank project to G4. The S106 contributions are:</p> <ul style="list-style-type: none"> <li>○ £150K 125 Old Broad Street (transport)</li> <li>○ £4K Mondial House (transport)</li> </ul> <p><u>2016/17 funding</u></p> <p>4. Following confirmation on 18 December 2015 regarding the TfL Local Implementation Plan allocations for 2016/17, the All Change at Bank project was specifically allocated £200,000 from the major schemes fund. Officers request</p>
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	<p>that this allocation be included into the capital programme for this project.</p> <p><u>Future funding</u></p> <p>5. It is anticipated that the All Change at Bank project will attract further TfL funding, for example there is a bid for £300K for 2017/18 from the Major Schemes programme, which will be decided on, by TfL, in December 2016. Officers seek authority for this, and any other further TfL funds made available specifically for this project, to be added to the capital programme to reach G4, (up to a maximum of the estimated G4 budget of £1.179M expressed at G3). If there are any subsequent S106 funds that are consequently unspent, these will then be available to be rolled forward to progress the next gateway, if the project is agreed at G4.</p> <p>6. The TfL bid for 2017/18 covers contributions to both the preparation of G4, and if approved, G5 reports.</p> <p>7. Should TfL funding not be forthcoming to cover the current funding gap, then a further issues report will be submitted to consider options for meeting the funding gap.</p> <p><b>Procurement</b></p> <p>8. In the G3 report it was reported that the All Change at Bank project would procure using the TfL Framework contract for the lead design element to develop the designs for the four remaining options for the longer term scheme. This is still the intention.</p> <p>9. However a substantial amount of work, specifically traffic modelling, for the Interim Safety Scheme has already been procured through the Highways term contractor, as agreed at Gateway 3; it is proposed therefore that as the interim work will be critical to the on-going development of the All Change at Bank longer term project, that utilising the same contractor through the same procurement route will provide best value and continuity. The TfL Framework appointed contractor will be able to work with our existing arrangements to progress the highway designs.</p> <p>10. Officers have discussed this with City Procurement who has agreed to procure the traffic modelling design requirement through the Highways contract with JB Riney as a main delivery provider.</p>
<p><b>2. Last approved limit</b></p>	<p>11. <b>£682,909</b>, (comprising of £532K approved at G2 and the initial allocation of £150,909 of available funds, approved at</p>

	G3.)
<b>3. Options</b>	12. Approve the inclusion of the various sums outlined above into the capital programme for the All Change at Bank project and authorise the Head of Finance to include any specific further external funds from TfL into the capital budget, replacing and rolling forward S106 contributions if applicable, up to the approved budget value of £1,179,000.

**Appendices**

<b>Appendix 1</b>	Finance table- funding sources
<b>Appendix 2</b>	Finance table -funding split

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## Appendix 1: Funding Sources

Description	Total confirmed funds to be utilised by project to Gateway 4	Unconfirmed funding	
125 Old Broad Street - Section 106 - Transport	150,000		
Mondial House (Watermark Place) - Section 106 - Transport	156,835		
1 Lothbury - Section 106 - Transport	34,410		
The Pinnacle - Section 106 - Transport	60,755		
125 Old Broad Street - Section 106 - Transport (Revenue)	10,000		
Cheapside S106 underspend	20,000		
Transport for London grant - 2014/15	250,909		
Transport for London Grant - 2015/16	154,000		
Transport for London Grant 2016/17	200,000		
Transport for London Grant 2017/18	-	*300,000	
<b>TOTAL</b>	<b>1,036,909</b>	<b>*300,000</b>	<b>1,336,909</b>

\* If this funding is confirmed, this will provide funding for both pre and post Gateway 4 development.

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## Appendix 2: Funding Split

Description	Total Budget needed to reach G4	Allocations of available funds	Funds still to secure
Highways Staff costs	22,000	13,000	9,000
P&T Staff Costs	428,000	414,000	14,000
Fees	669,000	549,909	119,091
Surveys	50,000	50,000	-
Revenue	10,000	10,000	-
<b>TOTAL</b>	<b>1,179,000</b>	<b>1,036,909</b>	<b>*142,091</b>

\*Bid for £300k from TfL in 2017/18. Funding decision Dec 2016

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<b>Committee(s):</b>	<b>Date:</b>
Streets and Walkways Sub-Committee	04/04/2016 (for information)
Planning & Transportation Committee	05/04/2016 (for decision)
Projects Sub-Committee	13/04/2016 (for decision)
Resource Allocation Sub-Committee	19/05/2016 (for information)
<b>Subject:</b> Transportation and Public Realm Division Projects Programme	<b>Public</b>
<b>Report of:</b> Director of the Department for the Built Environment	<b>For Decision</b>
<b>Report author:</b> Assistant Director, Environmental Enhancement	

## Summary

This report and the attached Transportation and Public Realm Division Projects Programme document at Appendix 1 sets out the current programme for all Transportation and Public Realm Division capital projects. The report seeks approval for the initiation of five new projects at Gateway 2, which can be considered in the light of the full programme of projected work set out in the document.

The programme in Appendix 1 lists projects by Area Strategy as well as by Gateway, following a request from Members for this information. The document also contains information on finances and funding, and an assessment of the traffic impact of implementing projects.

The information in this project programme provides a number of important messages, demonstrating the success of the Division's approach to capital projects. Table 2 in Appendix 1 shows spend by source. Of the Division's 83 current projects, 3.8m of internal funding, from such sources as the On-Street Parking Account, has been used to leverage an additional 164m in external funding to deliver these projects which make transport improvements or public realm enhancements possible within the Square Mile. The majority of this external funding is from the successful negotiation of s278 or s106 agreements with developers, however, the Division has also secured in excess of 34m of Transport for London grants or voluntary funding from private sector businesses and/or developers into the Corporation to deliver improvements of mutual benefit. Finally, the Community Infrastructure Levy funding (CIL) was used for the first time on capital projects in the Division in 2015/16 (£400,000) and it is recognised that CIL will form an important source for the future funding of capital projects.

The spend profile of the Division's capital projects between 2016/17 and 2018/19 is an average of 25.8m per annum, which will be used to support the needs of private sector development whilst also attracting new investment into the City, by creating a high quality, well-functioning and safe street environment. This spend profile is indicative of the considerable size of the Division's capital work programme and the value this adds to the City. The five Gateway 2 projects appended to this report are of a total value in the region of 3.5m, likely to be fully funded from external sources.

This report aims to provide an overview of all projects to assist Members in decision making. Projects are agreed and prioritised through Planning and Transportation Committee and the Court of Common Council as part of the process of agreeing and adopting Area Environmental Enhancement Strategies ('Area Strategies'). These projects are then initiated and managed using the corporate Project Procedure system.

### **Recommendations**

It is recommended that Members of the Planning and Transportation Committee:

- Give approval to enter into a Section 278 agreement with the developer in respect of 100 Minorities in order to progress to the next gateway.

It is recommended that Members of the Planning and Transportation Committee, Projects Sub Committee and Resource Allocation Sub Committee:

- Note the full programme of projects being undertaken by the Transportation and Public Realm Division as set out in the Project Programme Document in Appendix 1.
- Note that a further report of the Transportation and Public Realm Division's capital projects will be presented in six months' time.

It is recommended that Members of the Projects Sub Committee:

- Approve projects at Gateway 2 set out in Appendix 2.

### **Main Report**

#### **Transportation and Public Realm Projects Programme**

1. This report and its appendices set out an overview of capital projects, in order to enable Members to keep apprised of the project programme and to control the implementation and co-ordination of projects. This includes those projects that have been completed, those currently being implemented and those that have been approved in principle by the Planning and Transportation Committee and Court of Common Council, and are envisaged will be delivered over the next few years, subject to funding.
2. The Transportation and Public Realm Division Projects Programme document at Appendix 1, is intended to make project management information more available within and outside the department. As more information is collected and analysis is carried out, the information in this document will be updated and a further report presented in six months' time to keep Members apprised of activity, costs and impacts on a comparative basis. For instance, in the document a section has been included on schemes that have been completed since the previous report was put in front of Committees. In addition, the table setting out the assessment related to the traffic impact of the implementation of the projects now shows the projected impact by quarter. This is intended to further assist in planning and prioritising the implementation of projects, so as to minimise the impact of projects on City streets and traffic congestion. Officers are using this information to make decisions around the timing of project delivery, where this is possible,

and to assess whether actual impact was reduced through planning and coordination.

## Gateway 2 Approvals

3. To give an indication of those projects likely to be brought forward in coming years from all sources, a schedule of 'Project Zeros' is kept on Project Vision and regularly updated. The current schedule is set out in Appendix 1. There are some IT and lighting projects included in the schedule, however this schedule is predominantly made up of:
  - All projects that form part of an approved Environmental Enhancement or Transport Strategy.
  - Projects that are agreed through signed Section.106 Agreements
  - Projects that are agreed through signed Section.278 Agreements
4. As agreed by Members in May 2013, projects will be brought forward from the current Project Vision Schedule of Gateway Zeros in accordance with agreed priority and progress reporting using the Project Procedure system. This system sets out the regularity of reporting on projects depending of the scale of finances involved and that of risk. Occasionally, a project not previously identified may be brought forward where there is an urgent need for the project and where funding is available to implement the project. In considering projects brought forward for initiation Members will be able to assess the priorities being recommended by officers in the context of the whole potential work programme.
5. The following table sets out the projects that gained initiation approval Gateway 2 as part of the approval of the last Department of Built Environment Project Programme report:

11-19 Monument Street	Following Gateway 2 approval, a stakeholder working party was established, including the developer of 11-19 Monument Street and Transport for London, from which a set of project objectives was established. Since that initial work, the project has been on hold until the signing of the S278 agreement with the developer in January 2016. In February 2016, Member approved the project objectives at Gateway 3.
Breams Buildings	Gateway 3 approval was received from Members in January 2016 for the project's objectives, which were established by a stakeholder working party, including the Chancery Lane Association. At the next gateway Members will review the design options for the project.
Cursitor Street	The project is currently on hold awaiting the signing by the developer of the necessary S278 agreement.
60-70 St. Mary Axe	Following Gateway 2 approval a stakeholder working party, including the developer, has developed project objectives and design options. A combined Gateway 3/4 report will be submitted to Members in Summer 2016 once these options have been agreed by the working party.

1 Angel Court	Gateway 3 approval was received from Members in October 2015 for the project's objectives, which were established by a stakeholder working party, including the developer. At the next gateway in Spring 2016, officers will seek approval for a preferred design options and authority to commence work.
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6. It is recommended that five projects, previously at Gateway Zero are now brought forward for approval at Gateway 2.

Newgate Street/Warwick Lane Safety Improvements	To reduce collisions, the project will introduce measures to make the junction safer. It is part of the Corporation's Road Danger Reduction Plan to address road danger.
Bus Reliability Schemes	The project will investigate measures to improve bus journey times and through this it is hoped to improve all vehicle movement in the City. It is likely to consist of measures that will target specific locations causing bus reliability or journey time problems. The types of measure are generally minor in nature and may include changes to control or prohibit parking, loading movement, bus lane operation and yellow box junctions.
Greening Cheapside Enhancement Project	The enhancement of the churchyard of St Peter Westcheap (Wood Street) and the enhancement of planting in the vicinity of St Paul's underground station have been identified as priorities within the Cheapside and Guildhall Area Strategy
100 Minorities (The Crescent) Enhancement Project	The project includes a number of environmental enhancements to Tower Gardens and to the street environment within the immediate vicinity of the development, with first priority to The Crescent and the new route through the site. In addition to the above, a S278 agreement is also required to make necessary changes to the highway as a result of the development.
City Way-finding Review	The project will investigate options for an appropriate system of way-finding and signage across the City, taking into consideration the use of the Legible London system elsewhere in the capital. It will make recommendations as to the best approach and seek to deliver this in a coordinated manner.

The Gateway 2 reports for these five projects are in Appendix 2 of this report.

## Implications

7. Projects can require varying degrees of legal input under a potentially wide range of issues such as agreements with third party funders; identifying affected land ownerships and agreements with affected land owners; agreements with

neighbouring authorities; statutory processes required to implement highways or traffic changes; procurement; issues arising from implementation such as claims arising from works carried out. This is provided by Comptroller and City Solicitor's staff as far as possible, but the feasibility of this will depend on the number and scope of active projects. Therefore, the resource requirements of a project in terms of legal issues should be identified and taken into account in determining project programmes and/or cost. The information contained in the project schedules makes this process easier to determine and manage.

## **Conclusion**

8. The programme for Department of the Built Environment projects continues to keep pace with the change of built environment in the City, the increase in development activity, the changing pattern and mode of movement in the City's streets, an increase in the daytime population, increase in night-time economy, visitor activity and significant improvements to transport links. The Environmental Enhancement Area Strategy approach has proved to be an effective way of considering, and responding to, this change.
9. This strategic approach needs not only to continue but given greater emphasis and be governed by a deeper understanding of the future needs of the City, of which the sense of place and the future streets and public realm is a major consideration. Key documents, such as the Local Plan will be shaped to reflect this deeper understanding and strategic documents on the subject of transportation and public realm will align with this approach.
10. Officers will continue to develop the collection and analysis of information that will assist Members in governance and decision making related to project control and share this through future versions of the programme document attached in Appendix 1.
11. The Environmental Enhancement Section, from April 2016, will be re-named the City Public Realm Section to better describe its work in enhancing City streets and public realm.

## **Appendices**

Appendix 1 Transportation and Public Realm Division Projects Programme

Appendix 2 Projects for Initiation: Gateway 2 Reports

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