



Resource Allocation Sub (Policy and Resources) Committee

Date: THURSDAY, 3 MAY 2018

Time: 12.00 pm

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

Members: Deputy Catherine McGuinness (Chairman)
Jeremy Mayhew (Deputy Chairman)
Sir Mark Boleat
Henry Colthurst
Simon Duckworth
Alderman Peter Estlin
Deputy the Revd Stephen Haines
Christopher Hayward
Deputy Jamie Ingham Clark
Deputy Edward Lord
Hugh Morris
Deputy Dr Giles Shilson
Deputy Tom Sleigh
Sir Michael Snyder
Deputy John Tomlinson
Alderman Sir David Wootton

Enquiries: Angela Roach
tel. no.: 020 7332 3685
angela.roach@cityoflondon.gov.uk

Lunch will be served in the 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**

To agree the public minutes of the Sub-Committee meeting held on 15 March 2018.

For Decision
(Pages 1 - 4)

4. **ALDGATE HIGHWAY CHANGES AND PUBLIC REALM IMPROVEMENTS**

Report of the Director of the Built Environment.

NB: This report has been considered and approved by the Streets and Walkways Sub-Committee and is due to be considered by the Projects Sub-Committee. Appendix 2 at item no. 13 should be read in junction with this item.

For Decision
(Pages 5 - 16)

5. **ENFORCEMENT OFFICER FOR CITY'S BRIDGES**

Report of the Director of Markets and Consumer Protection.

NB: This report will be considered by the Grand Committee later this day and also by the Planning and Transportation, Port Health and Environmental Services and the Culture Heritage and Libraries Committees.

For Decision
(Pages 17 - 22)

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

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

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

Part 2 – Non-Public Agenda

9. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the Sub-Committee meeting held on 15 March 2018.

For Decision
(Pages 23 - 26)

10. **POLICE ACCOMMODATION STRATEGY: DECANT UPDATE REPORT**

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

NB: This report will be considered by the Grand Committee later this day and also by the Capital Buildings and Finance Committees.

For Decision
(Pages 27 - 34)

11. **ST LAWRENCE JEWRY CHURCH UPDATE - GATEWAY 3/4/ ISSUES REPORT**

Report of the City Surveyor.

NB: This report will be considered by the Grand Committee later this day and also by the Finance Committee and the Projects and Corporate Asset Sub-Committees.

For Decision
(Pages 35 - 42)

12. **PROJECT FUNDING UPDATE**

Report of the Chamberlain.

NB: This report will be considered by the Grand Committee later this day.

For Decision
(Pages 43 - 52)

13. **ALDGATE HIGHWAY CHANGES AND PUBLIC REALM IMPROVEMENTS – APPENDIX 2**

Non-Public Appendix to be read in conjunction with item no 4.

For Information
(Pages 53 - 54)

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**

This page is intentionally left blank

RESOURCE ALLOCATION SUB (POLICY AND RESOURCES) COMMITTEE

Thursday, 15 March 2018

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 15 March 2018 at 12.00 pm

Present

Members:

Jeremy Mayhew (Deputy Chairman)	Deputy Edward Lord
Sir Mark Boleat	Deputy Dr Giles Shilson
Deputy Jamie Ingham Clark	Deputy John Tomlinson
Henry Colthurst	Alderman Sir David Wootton
Christopher Hayward	Alderman Peter Estlin

Officers:

John Barradell	-	Town Clerk and Chief Executive
Peter Kane	-	Chamberlain
Caroline Al-Beyerty	-	Chamberlains
Bob Roberts	-	Director of Communications
Peter Lisley	-	Assistant Town Clerk
David Farnsworth	-	Chief Grant's Officer, City Bridge Trust
Jack Joslin	-	City Bridge Trust
Karen Atkinson	-	Chamberlains
Mark Jarvis	-	Chamberlains
Peter Young	-	City Surveyors
David Downing	-	Community & Children's Services
Paul Murtagh	-	Community & Children's Services
Peter Cannon	-	Communications, Town Clerk's
Greg Moore	-	Town Clerk's
Alistair MacLellan	-	Town Clerk's
Emma Cunnington	-	Town Clerk's

1. APOLOGIES

Apologies were received from Deputy Catherine McGuinness, Deputy the Revd Stephen Haines, Hugh Morris, Deputy Tom Sleigh and Sir Michael Snyder.

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

Declarations were made as follows:

- Deputy John Tomlinson declared an interest in respect of item 10 (Concrete Repairs to the Barbican Estate) by virtue of being a resident of the Barbican Estate.

- Deputy Jamie Ingham Clark declared an interest in respect of item 11 (National Lottery Fund Monitoring Report 2018) by virtue of his position as Church Warden of St Lawrence Jewry.

3. a) Minutes of the last meeting

The public minutes and summary of the meeting held on Thursday 18 January 2018 were approved as a correct record, subject to Sir Mark Boleat being recorded as present.

b) Minutes of the Joint Meeting of the Resource Allocation and Efficiency and Performance Sub-Committees with Committee Chairmen

The public minutes and summary of the Joint Meeting of the Resource Allocation and Efficiency and Performance Sub-Committees with Committee Chairmen held on Thursday 18 January 2018 were approved as a correct record, subject to Henry Colthurst being recorded as present.

4. REVIEW OF THE CENTRAL GRANTS PROGRAMME

The Sub-Committee considered a report of the Chief Grants Officer concerning the next steps for the Central Grants Programme (CGP) and the City Cash's contribution available to the Central Grants Unit (CGU) for distribution in grants.

The Chairman questioned the reasoning behind the accompanying appendix in the non-public section of the agenda and requested that future appendices be written, if possible, so they could be published in the public part of the agenda.

RESOLVED, that:

- The CGP be implemented on a permanent basis with effect from 1 April 2018;
- The City's Cash contribution available to the CGU for distribution in grants should be uplifted to £250,000 on an ongoing basis, being an uplift of £91,000 for 2018/19;
- The uplift of £10,000 applied to operating costs of the CGU for 2018/19 be noted and the CGU continue to charge a proportionate management fee to Charities that fall under the programme.

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

There were no questions.

6. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

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

Item Nos.
8-13

Paragraph(s) in Schedule 12A
3

8. a) Non-Public Minutes of the last meeting

The non-public minutes of the meeting held on Thursday 18 January 2018 were approved as a correct record.

b) Non-Public Minutes of the Joint meeting of the Resource Allocation and Efficiency and Performance Sub-Committees with Committee Chairmen

The non-public minutes of the meeting of the Joint Meeting of the Resource Allocation and Efficiency and Performance Sub-Committees with Committee Chairmen held on Thursday 18 January 2018 were approved.

9. REVIEW OF THE CENTRAL GRANTS PROGRAMME - APPENDIX 2

Members received a non-public appendix relating to the Review of the Central Grants Programme report.

10. CONCRETE REPAIRS TO THE BARBICAN ESTATE

The Sub-Committee considered a report of the Director of Community & Children's Services concerning the project on concrete repairs to the Barbican Estate.

11. NATIONAL LOTTERY FUND (NLF) MONITORING REPORT 2018

The Sub-Committee considered a monitoring report of the City Surveyor's Department concerning National Lottery Funding (NLF).

12. PRIORITIES INVESTMENT POT

The Sub-Committee considered a report of the Chamberlain concerning the Priorities Investment Pot.

13. PROJECT FUNDING UPDATE

The Sub-Committee considered an update report of the Chamberlain concerning Project Funding.

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

There were no questions.

15. 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 urgent items.

The meeting ended at 12.36 pm

Chairman

Contact Officer: Emma Cunnington
tel. no.: 020 7332 1413
emma.cunnington@cityoflondon.gov.uk

Committees:	Dates:	
Streets and Walkways	10/04/2018	
Projects Sub	16/05/2018	
Resource Allocation Sub	03/05/2018	
Subject: Issue Report #11 – Aldgate Highway Changes and Public Realm Improvements	Issue Report: Complex	Public
Report of: Director of the Built Environment Report Author: Steve Presland	For Decision	

Summary

Dashboard

- Project status: Red (practical completion of the project extended to May 2018)
- Timeline: Construction Phase
- Approved Spend: £23.4M (excluding ongoing revenue implications)
- Spend to Date: £19.6M spend and £1.87M commitments = £21.57M
- External funding secured: £20.4M
- Underwriting fund agreed: £10M [£7.0M returned, £3.0M remaining]
- Overall Project Risk: Red (cost: risk of pavilion cost increase and delay)

Project description

1. The scope of this project was to remove the dangerous and inefficient Aldgate gyratory system and create a new high quality public square. In doing so the intention was to support regeneration of the area and create a new 'go to' destination in the City. To help reduce vandalism and anti-social behaviour, as well as enlivening the new space, it was agreed that a new pavilion with catering facilities and publicly accessible toilets would also be introduced within the new square.

Last Gateway approved

2. Gateway five was approved under urgency by Court of Common Council on 30 June 2014. In October 2016, Court of Common Council increased the approved budget from £21,371,350 to £23,389,612 as the procurement of the pavilion cost more than estimated.
3. This is the eleventh issue and/or progress report in relation to the project.

Progress to date including resources expended

Overall Construction Progress

- i) Public Highway Work
4. Work commenced on 28 July 2014 and the public realm works were due to complete in September 2016. However, whilst the Aldgate gyratory system removal and new highway layout were completed in April 2016, delays to the completion of the pavilion have resulted in overall project delays. Therefore, the project build is now expected to complete in May 2018. Despite the delay to the public realm works, the build costs are profiled to remain within the originally approved budget.
- ii) The Pavilion

5. The Pavilion is being constructed within the new public square. It will accommodate a social enterprise café and will be essential in enlivening the new public space. Once completed it will be the remit of the Department of Community and Children's Services (DCCS) to manage and DCCS have tendered for and are negotiating the lease for the social enterprise café operator.

6. The Pavilion work commenced in January 2017 and was due to complete on 15 December 2017. Due to unforeseen work and contractor delays it is currently estimated that the Pavilion work will not now be completed until April 2018.

7. The approved budget for the pavilion is currently £4.4M however there is a further risk exposure of £0.5M given unresolved early warning notices and compensation event requests made by the contractor. These claims are currently being negotiated by the City Surveyor.

8. The City Surveyor will be submitting a report for Members' consideration setting out the current position for the Pavilion project.

9. A joint Lessons Learnt report, from both the City Surveyor and Director of the Built Environment, will follow the completion of the construction. This will be provided to Members in Summer 2018. The Gateway 7 will be provided a year later as communications and monitoring conclude.

Financial implications

10. This project was approved at Gateway five under urgency provisions by the Court of Common Council on 30 June 2014. The cost of the project as set out in this report, as follows (see Appendix 1):

Scheme costs

Project spend to Gateway five	£3.3M
Construction cap	£18.35M*
Five year maintenance costs	£1.26M**
Total	£22.91M

Notes:

*Since Gateway five approval the construction budget has increased to meet the additional pavilion costs and the total approved costs for construction, as agreed by Members in October 2016, have increased from £18.35M to £20.1M. With the project spend to Gateway five of £3.3M, this provided a total approved budget of £23.4M.

**The maintenance costs have always sat outside, and been additional to, the main project design and construction costs.

11. The Gateway five report identified potential funding streams totalling £25M which exceeded the total estimated design, build and maintenance costs of the project. These funding streams were as follows.

Scheme funding

Received funds to date (from TfL and s106)	£10.85M
Additional TfL funding expected	£2.75M [†]
S106 deemed 'easier' to deliver	£5.00M

Potential s106 funds waiting to trigger	£6.40M
Total	£25.00M

Notes:

‡Of the anticipated TfL funding of £2.75M, £1.4M was secured.

12. Within the figures above Members were advised that officers would have to renegotiate with developers to allow certain s106 funding to be used to fund the Aldgate project. In recognition of the time delay associated with such negotiations Members approved a sum of £10M from the On-Street Parking Reserve (OSPR) to provide cash flow for the project. The understanding was that this sum would be repaid through renegotiated s106s and the external funding as set out above.

13. Further, in the Gateway five report to Committees, officers highlighted the risks around securing the funding:

“Whilst Officers consider it likely that the bulk of the S106 funds will come forward in a timely manner, it is possible that in some instances S106 funds will not be available in time for them to be used on the project. It is proposed, therefore, that the On-Street Parking Reserve should be made available as an underwriting fund to temporarily fund the project until the appropriate S106 funds become available, or, as a fall-back, to fund permanently in the event of a shortfall”.

14. The Court of Common Council approved the use of OSPR as a ‘short term loan’, however made no specific consideration in the event of a shortfall.

15. To date £7.0M has been identified to repay the OSPR. It is considered the remaining sum of £3.0M is unlikely to be fully achievable within the life of the project. There are a number of reasons for this and they include:

- TfL did not fund the project to the level that had been indicated;
- an anticipated major development did not commence therefore the anticipated s106 contribution will not be available within the life of the project; and
- Unsuccessful negotiations with developers to allocate s106 funding to Aldgate.

16. However, the project has in total successfully secured £20.4M of S106 and other external funding. There are also a number of s106 negotiations with developers being finalised which might enable the £3.0M to be further reduced.

17. The following table sets out the details referred to above.

Table 1. Summary of success of the various funding sources.

Source / Element	Amount Not secured	Amount secured
Successful TfL funding		£9.46M
Anticipated TfL funding that was not forthcoming	£1.35M	
Secured S106 not requiring negotiation		£8.04M
Secured S106 through negotiation		£2.94M
Negotiation of S106 in progress	£2.71M	
Unsuccessful negotiation for S106	£5.51M	
Amount not triggered	£2.06M	
Total unsecured amount	£11.63M	
Total secured amount		£20.44M

Summary of Issues

18. There are now three issues in relation to this project which require Member decision. The first two relate to funding and the third relates to the Streets and Walkways Sub Committee decision on 14 October 2013 to develop Option 1 which included gating the church gardens to prevent access at night. This was in order to protect the amenity created and to design out (with gates) anti-social behaviour from this area during the hours of darkness.

Proposed way forward

19. It is proposed that OSPR be used to fund any shortfall in secured funding for the capital project. The final sum will not be known until all s106 negotiations have been completed and there is a resolution of the City Surveyor's claim negotiations for the pavilion. It is intended that all s106 negotiations are concluded within a deadline of 6 months from build completion. The maximum expected shortfall will be £3M. The final sum that needs to be met from the OSPR would be met from a reduction in the All Change Bank Scheme.

20. It is proposed that the estimated revenue costs for Open Spaces of £40k pa and Highways of £75K are met from the OSPR.

21. It is proposed that the City use its powers under S.115B Highways Act 1980, to enclose the amenity provided on the highway within the area referred to as the 'church gardens'.

Total estimated cost

22. It is not expected that the capital cost of the project will increase from the current £23.4M (subject to City Surveyor pavilion negotiations). Until negotiations conclude it is unknown whether the current project budget can cover this.

Recommendations

23. It is recommended that Streets and Walkways and Projects Sub Committees approve the following:

- i. Note the overall project update, and be advised that the City Surveyor's Department will be submitting a report associated with the Pavilion;
- ii. Approve that any remaining funding shortfall, which is not expected to exceed £3M, be met from the OSPR, off set from the provision set aside for the All Change Bank project;
- iii. Approve the increase of annual departmental base budgets for Highways (£75k) and Open Spaces (£40k), from the OSPR, to provide for the revenue implication of the Aldgate project;
- iv. Note that a joint Lessons Learnt report will follow in Summer 2018 and the Gateway seven report will be provided a year later, as communications and monitoring conclude; and
- v. Agree that the gates, provided in the enclosure around the extended church garden area, would be closed at night time using the City's powers under S.115B of the Highways Act 1980.

24. Resource Allocation Sub Committee approve:

- i. the use of OSPR to fund up to £3.0M of the project's construction, to be off set from the provision set aside for the All Change Bank project; and
- ii. that the revenue implications of the scheme are met by an increase to the the annual departmental local risk budgets of Highways (£75k) and Open Spaces (£40k) from the OSPR.

Main Report

1. Issue description	<p><i><u>Issue one: Funding of the capital project</u></i></p> <p>25. With construction scheduled to complete in May 2018, there is still £3.0M of OSPR within the project. It is considered unlikely to be able to repay this sum within the life of the project and Members are therefore requested to authorise that a sum up to a maximum of this amount, from the OSPR, be made permanent. If agreed, it is proposed that this allocation is offset from the OSPR provision that has been set aside for All Change Bank project.</p> <p><i><u>Issue two: Revenue implications of the capital project</u></i></p> <p>26. The authority to proceed with construction was agreed at Gateway five by the Court of Common Council under urgency (see appendix one). The Court report set out the project costs as per paragraph 10 above.</p> <p>27. The Gateway five report set out estimates of revenue cost increases, by department, that would result from the scheme. It was estimated that revenue costs would increase by £157k pa. It is also important to note that Open Spaces Committee only agreed to the scheme on the basis that the revenue implications for 20 years were allocated to the Open Spaces Department.</p> <p>28. Officers have been working with the impacted departments and revenue costs associated with the scheme have been driven down significantly across the life of the maintenance period. The revised annual additional cost, by department, is as follows:</p> <ul style="list-style-type: none"> • DBE [Highways]: £75k pa • Open Spaces: £40k pa • Community and Children's Services (DCSS): Building maintenance, management of the Café Operator and/or activation of the space, to be met from the pavilion rent. <p>29. It is proposed that the annual departmental base budgets for Open Spaces and Highways are increased accordingly, utilising funding from the OSPR.</p> <p><i><u>Issue three: Access to the Church Gardens</u></i></p> <p>30. The extended area around St Botolph's Churchyard and associated gardens has been designed to ensure the reconfigured spaces provide a range of amenities which can be enjoyed by all sections of the local community, including those seeking quieter spaces with seating and planting. As previously</p>
-----------------------------	---

	<p>reported, the extended garden area is enclosed with railings and gates, which it has been agreed by Streets and Walkways Sub-Committee, shall be closed during night time. This is to enhance the amenity, help identify it as an area for less active recreation, and safeguard the facilities. It is proposed that the City may close the gates within the enclosure during the night time under its powers to provide services and amenities on the highway (S.115B Highways Act 1980).</p>
<p>2. Last approved limit</p>	<p>31. The last approved limit for the project is £23.4M.</p>
<p>3. Options</p>	<p><u>Issue one: Funding of the capital project</u></p> <p>32. Options to fund the capital project include:</p> <ul style="list-style-type: none"> A. Approving a maximum of £3.0M of OSPR to fund the capital project; and/or B. Instructing officers to seek further s106 negotiations and funding sources. Whilst this may prove possible, this is unlikely and would require other additional legal and staff costs. If this approach is agreed it is suggested that a cut-off date, of six months from the completion of the build, be agreed. <p><u>Issue two: Revenue Implications</u></p> <p>33. Options, in regard to the revenue implications generated by this project, include:</p> <ul style="list-style-type: none"> A. Approving the increase of annual departmental local risk budgets for Highways (£75k) and Open Spaces (£40k), from the On-street Parking Reserve, to provide for the revenue implication of this scheme; or B. Approving a variation to option A. above, where the water features are not activated. This would reduce the annual revenue implication for Highways from £75k to £52k; or C. Making no allowance for the known revenue implications. If funding is not allocated now or in the future, it is likely that elements of the new space at Aldgate Square will not be maintained to the expected quality, or that local risk revenue funding will need to be found from existing budgets that are already fully committed. This could mean the maintenance of other locations within the City would be affected. <p><u>Issue three: Access to the Church Gardens</u></p> <p>34. The Gateway five report suggested restricting access to the church gardens to daytime only using a Public Space Protection Order (PSPO) which has now been discounted. A PSPO requires a statutory consultation. Whilst the Home Office agreed this would have been an appropriate use of the then developing legislation, it would incur costs and has attracted negative publicity across the</p>

	<p>Country. Therefore, officers have looked at a different approach. The options include:</p> <ul style="list-style-type: none"> A. Members agreeing to use of the City’s powers under S115B of the Highway Act 1980 to gate the church gardens during night time; or B. Deciding to not gate the space, leaving it at risk of vandalism and other anti-social behaviour.
--	---

Appendices

Appendix 1	Court of Common Council (urgency) report June 2014
Appendix 2	(Non-public) Funding sources detail

Contact

Report Author	Steve Presland
Email Address	Steve.presland@cityoflondon.gov.uk
Telephone Number	020 7332 4999

This page is intentionally left blank



Town Clerk

City of London
PO Box 270, Guildhall
London EC2P 2EJ
Facsimile 020-7796 2621
Telex 265608 London G

Exchange 020-7606 3030

Extension
3685

Memorandum

To

Roger Chadwick (Resource Allocation)
→ Deputy Doug Barrow (Resource Allocation) ←
Jeremy Mayhew (Policy)
Deputy Catherine McGuinness (Policy)
The Rt Hon. The Lord Mayor (Court)
Alderman Sir David Wootton (Court)
Deputy John Bennett (Court)
Deputy Michael Welbank (Court)

Our Reference
AR/PAR/GEN

Date
26 June 2014

From

Angela Roach

URGENT DECISION - STANDING ORDER NO. 41(a)

RESOURCES ALLOCATION SUB-COMMITTEE POLICY AND RESOURCES COMMITTEE

URGENT DECISION - STANDING ORDER NO. 19

COURT OF COMMON COUNCIL

SUBJECT: Aldgate Highway Changes and Public Realm Improvement Project

BACKGROUND: The Aldgate Highway Project is an ambitious project aimed at transforming the Aldgate area by the removal of the existing gyratory system and creating new vibrant public spaces. The Court of Common Council approved the scheme (Gateway 4 of the Projects procedure) in November 2013. At that time it was explained that whilst the estimated cost of construction was £14m there were a number of pricing uncertainties that would need to be resolved as the project moved to detailed design. The total estimated cost of the project was £16.3m - £17.1m.

Through the detailed design process, the costs of all elements of the project have been refined and whilst value engineering has been rigorously applied there is a significant increase in the estimated construction cost. A subsequent Gateway 4/5 report (options appraisal, detailed design and authority to start work) has been considered and approved by the Open Spaces and Community and Children's Services Committees and also by the Streets and Walkways and Projects Sub-Committees. Given the importance of the area these committees were of the view that the design/construction of the Scheme should proceed on the basis of the higher specification estimated to cost £19.5m. However the Projects Sub-Committee at its meeting on 17 June 2014 was of the view that rather than committing to a set specification more flexibility should be built in by the Resource Allocation Sub-Committee recommending a cap within which officers should work as there are elements within the scheme which could be achieved at a lower cost.

The Project is to be funded by a combination of TfL and section 106 monies. The Director of the Built Environment advises that the City has £10.85m of funding secured to date with other earmarked s106 monies in our receipt which will be negotiated with the aim of having City-wide application which could then be used to prioritise Aldgate. In addition other s106 money for use in the Aldgate Area has already been negotiated but payment can only be made once building starts.,

Given the risk of these monies not being received it has been suggested that any shortfall in the cap should be underwritten by the On-Street Parking Reserves (OSPR) on the basis of a short-term loan.

The Projects Sub-Committee has suggested that a funding cap in the region of £18m might be appropriate. The Director of the Built Environment has since considered how best to balance the desires for the delivery of a high specification project requested by the Open Spaces and Community and Children's Services Committees and the Streets and Walkways Sub-Committee with the suggestion of a funding cap. The high specification scheme is priced at £19.5m and officers have reviewed costs and consider that by removing the Rill water feature, negotiating a reduced annual uplift in the term contractor rates from those currently assumed some £650,000 can be taken out of the project. Based on experience over recent years officers also believe that utility estimates are likely to be excessive and it is felt reasonable to assume a further £500,000 reduction against utility costs. Together these sums would deliver a £1.15m reduction reducing the project costs to £18.35m and the Director of the Built Environment and the Chamberlain are proposing a funding cap set at this figure. There are of course risks associated with this approach. In particular utility costs may come in nearer their estimated figures although given experience officers consider this to be an acceptable risk. It will, of course, be necessary to review the scope of the project if the anticipated utility or contract negotiation savings are not delivered.

Assuming the £18.35m cap is agreed the cost of the project and funding proposal is as follows:-

Cost of scheme

Project spend to Gateway 5	£3.3m
Construction cap	£18.35m
Five year maintenance costs	£1.26m
Total	£22.91m

This will be funded as follows:-

Received funds to date (from TfL and s106 monies allocated to Aldgate)	£10.85m
Additional TfL funding expected TfL have advised that it will be given favourable consideration. s106s deemed 'easier' to deliver are available to be negotiated in the report is £7.581m)	£ 2.75m (this has been formally requested and £5.00m (the total figure for received funds that
Potential s106 funds waiting to be triggered*	£ 6.40m
Total	£25.00m

*Please note all the potential funds waiting to be triggered are prioritised for Aldgate and if not needed would be used elsewhere local to Aldgate.

In addition to the above, the committee report identified another £3.16m of potential s106 funds awaiting building commencement before payments are triggered but these also require negotiation to use at Aldgate. Whilst officers suspect these monies could be made available for the Aldgate project they have erred on the side of caution and not included these in the assumptions above.

ACTION PROPOSED:- it is recommended that:-

1. the Resource Allocation Sub-Committee approve a funding cap of £18.35m for the construction of the Aldgate Highway Changes and Public Realm Improvement Project, with any shortfall in the cap being underwritten by the OSPR on the basis of a short-term loan as recommended by the Director of the Built Environment and the Chamberlain for the construction. This is subject to the concurrence of the Policy and Resources Committee; and
2. authority be given by the Court of Common Council for work to commence on the Aldgate Highway Changes and Public Realm Project on the basis of it being delivered within a funding cap for construction of £18.35m i.e. subject to the approval of (1) above.

REASON FOR URGENCY: Urgent action is being sort for 3 reasons:-

Firstly the funding being made available by TfL requires a sum of £6m to be spent in the current financial year this will also apply to the £2.75m additional TfL funding currently applied for. To achieve this level of spend the Director requires authority to commence works urgently and certainly before the end of July. If this were to wait for the Court meeting on 24 July, there would be no provision for some lead-in time for the contractor to deploy resources and commence the ordering of materials and plant etc.

Secondly, TfL have confirmed their intention to construct a cycle super highway running in part through the City. To facilitate their works it is essential that the first phase of Aldgate is completed. This will facilitate two-way traffic in Minories which is seen as essential by TfL to minimise congestion. Should this not be delivered on time there is a real risk that TfL would require a significant delay in the Aldgate project whilst the cycle super highway works are completed. In addition to this there is a risk of losing the TfL funding which would make the project undeliverable.

Lastly, the introduction of the Corporate Infrastructure Levy (CIL), which takes place from the 1 July 2014 in the City would have a major impact as after that date the City Corporation will not be permitted to amalgamate more than five s106 agreements on any one project. Therefore it is crucial to formally agree that those s106 agreements listed in the report (attached) can be used for Aldgate prior to the 1 July.

PAPERS ATTACHED: Report of the Director of the Built Environment.

Please indicate whether in your view I should approve or not on the enclosed copy, etc, for which a reply paid envelope is enclosed.

This page is intentionally left blank

Committee(s)	Dated:
Resources Allocation Sub – For Decision Policy and Resources Committee – For Decision Planning and Transportation Committee – For Decision Culture Heritage and Libraries Committee – For Information Port Health and Environmental Services Committee – For Information	3 May 2018 3 May 2018 8 May 2018 14 May 2018 22 May 2018
Subject: Funding for Enforcement Officer for City’s Bridges	Public
Report of: David Smith, Director of Markets and Consumer Protection	For Decision
Report author: Rachel Pye, Markets and Consumer Protection Department	

Summary

The purpose of this report is to seek approval to the funding from Bridge House Estate of an additional temporary post managed within the Markets and Consumer Protection Department for a dedicated Licensing Officer at a cost of £100k over a two year trial period, to be dedicated to carry out enforcement activities on the City’s Bridges, particularly those bridges, parts of bridges and adjacent areas which are normally within the jurisdiction of neighbouring Local Authorities. A review of effectiveness and future funding will be carried out prior to the end of the two-year trial period.

The neighbouring boroughs are able to delegate authority to the City to enforce within their boundaries and arrangements are underway to secure these delegated authorities.

Recommendation(s)

Members of the Resource Allocation Sub-Committee and the Policy and Resources Committee are asked to:

- Agree to the funding of this post from the Bridge House Estates Fund at a cost of £100k over a two-year trial period, subject to the approval of the Planning and Transportation Committee - the Committee responsible for “*all functions relating to the control, maintenance and repair of the five City river bridges*”; and
- Note that officers will be undertaking a review prior to the end of the two-year trial period.

Members of the Planning and Transportation Committee are asked to:-

- Agree to the creation of a temporary two-year full time Licensing Officer post dedicated to enforcing across the City's Bridges, as the Committee responsible for "*all functions relating to the control, maintenance and repair of the five City river bridges*"; and
- Agree to officers undertaking a review prior to the end of the two-year trial period

Main Report

Background

1. Reports were given to the Port Health and Environmental Services Committee (PHES) on 4 July and 21 November 2017 regarding the issue of illegal street trading and the sale of peanuts from trollies mainly on and around City Bridges.
2. At the PHES Committee meetings several actions were agreed to combat illegal street trading.
Following this, from August 2017 until the time of writing this report the following actions have been achieved:
 - 52 illegal traders have been stopped.
 - 3 ice cream vans have been seized.
 - 5 peanut trollies have been seized.
 - 21 traders have been prosecuted (including those still pending) with two prosecutions still pending and Criminal Behaviour Orders will be sought on these prosecutions.These actions are all within the City's local authority jurisdiction.
3. The actions outlined above have contributed towards a reduction of illegal street traders within the City; however, illegal trading is still taking place on the bridges in the areas which fall within the boundaries of Southwark and Tower Hamlets. In addition, the action has been funded through the Licensing Team's City Fund local risk budget and this is neither sustainable or appropriate, particularly where action is needed just outside of the City's local authority boundaries.
4. The problems experienced with current enforcement actions in the reports to Court and PHES suggested some possible short, and longer-term measures to try to proactively manage and dissuade this type of activity. It is apparent that illegal traders are opportunistic and swiftly adapt to patterns of enforcement necessitating evening and weekend operations as well as those undertaken in the normal working week.
5. The short-term measures included investigating enforcement on Tower Bridge and this report concentrates on enforcement proposals across all the City's Bridges.

6. Members will be aware that at Millennium Bridge the City boundary runs across the middle and therefore the illegal traders set up and trade within one metre of this boundary knowing that Licensing Officers from the City of London do not have the authority to act against them.
7. Similarly, City of London officers have no authority to enforce on Tower Bridge as this falls within the boundaries of the London Borough of Tower Hamlets and Southwark. Both Boroughs have advised that they do not have the necessary resources to effectively enforce against illegal traders on the Bridge although Tower Hamlets are now being more active with respect to traders near Tower Bridge. A recent raid by bailiffs has closed the premises in Cable Street in Tower Hamlets believed to be used to store nut selling carts which were then used in trading in City, Southwark and Tower Hamlets.
8. A working group of Officers has been set up to co-ordinate action across all three authorities which includes City, Southwark, Tower Hamlets, TfL, and City of London Police. The second meeting of this group met to agree an action plan on March 29 at Wood Street Police Station.
9. This report therefore focuses on the City's Bridges and presents a solution to deal with the ongoing issues of illegal trading which is currently not being regularly enforced.

Current Position

10. Illegal traders within the City of London are being proactively enforced by the City's Licensing Team with successful prosecution and seizure of goods. This has resulted in very limited activity by peanut sellers and no ice cream vans being seen in the City since late 2017.
11. There are, however, ongoing issues with illegal traders (peanut sellers, ice cream vans and sellers of other paraphernalia) on the City's Bridges which is especially prevalent on Millennium Bridge (Southwark side) and Tower Bridge.
12. City Officers have no enforcement authority on the south side of Millennium bridge and Tower Bridges although they are owned, funded and managed by the Bridge House Estates reflects poorly on the image and reputation of the City. This is also true of trading which has previously taken place to the south of London Bridge, in Southwark.
13. Tower Bridge, which receives circa 830,000 visitors per annum to the exhibition regularly has six peanut sellers (2 on the south and 4 on the north) 7 days a week and attracts ice cream vans, souvenir and jewellery sellers.
14. In addition, at peak seasonal times they attract other undesirable elements such as gamblers and pickpockets which are reported to the Police who have attended but they disperse immediately.

15. Complaints are regularly received from visitors and members of the public regarding these traders as they identify them as being engaged by the City of London.
16. The Department of Built Environment (DBE) position has always been that illegal traders on our bridges is not acceptable as it is a security and safety concern with having mobile carts containing gas bottles and congestion on narrow pavements. There are also health issues as they attract pigeons and other vermin who deposit their droppings on the structure and pavement accelerating the deterioration and increasing the maintenance liability.
17. Security staff at Tower Bridge regularly move these traders on but as they have no powers they return once security have left. Consideration has been given to giving security enforcement powers, but this would remove them from their important primary duties of managing safety and security on the Bridge.
18. We are therefore currently reliant on our respective boroughs to enforce and as already advised they do not have adequate resources and can only respond on a very infrequent basis.
19. Several meetings have been held to discuss the issues with council officers, Police, TfL, local resident groups and other interested parties to agree a way forward which could be implemented effectively.
20. One of these actions was for neighbouring boroughs to delegate authority to the City to enforce within their boundaries and I am pleased to advise that an agreement in principle has been reached with the London Borough of Southwark for the south side of the Bridges.
21. Similar discussions have also been held with the London Borough of Tower Hamlets and whilst there is agreement in principle at Officer level this remains to be ratified through Tower Hamlets political governance procedures. As the matter was a subject of report which was agreed at PHES in November 2017 and the delegations were agreed by Court at the 8 March 2018 this can now proceed. It is anticipated being completed by the end of June 2018 following the same template being agreed with Southwark.

Options

22. The current position of illegal traders on City's Bridges which fall within neighbouring boroughs will not be addressed as they do not have the necessary resources to effectively enforce against these traders.
23. To do nothing would not improve the problem and will continue to be an issue on the City's Bridges and reflect poorly on the City of London as owners of popular visitor destinations.
24. With the agreement of the neighbouring boroughs the City will have the necessary authority to enforce. However, to maintain the current level of enforcement within the City and expand to include those parts of the bridges that

fall within the London Borough of Southwark and Tower Bridge additional resources will be required. As these areas of enforcement lie outside of the City Local Authority area the City Fund allocation is not appropriate to fund this role of controlling, maintaining and policing the City Bridges. Funding for this additional activity is therefore sought from the appropriate fund which appears to be the Bridge House Estate.

25. Licensing Team will continue to carry out enforcement action against illegal traders in the City although without additional resources to deal with traders outside of the City's local authority boundaries on and near City bridges this is likely to provide only a palliative effect and will not help the situation on and around Tower Bridge.

Proposals

26. It is therefore proposed to recruit and designate a licensing officer whose primary role will be to enforce across all the City's Bridges.
27. As this will be a bridge and adjoining areas specific role it is proposed to seek agreement to fund this post from the Bridge House Estate.

Corporate & Strategic Implications

28. This report incorporates the comments of both Open Spaces who now operate Tower Bridge and DBE who consider and maintain the physical infrastructure of the bridges

29. This proposal will support the Corporate Plan:

- To provide modern, efficient and high quality local services, including policing, within the Square Mile for workers, residents and visitors,
- To provide valued services, such as education, employment, culture and leisure, to London and the nation.
- It will support the aim of the new Corporate Plan by strengthening the character, capacity and connections of the City, London and the UK for the benefit of people who live, learn, work and visit here. In doing this it will support two main aims in that it
 - 'contributes to a flourishing society' in ensuring people are and feel safe and,
 - 'shapes outstanding environments' in that our spaces are secure, resilient and well maintained.

30. This proposal will support two key strands of the City's Cultural Strategy:

- Animating the Heritage – increasingly helping people to discover our outstanding heritage assets, to bring history alive,

- Breaking down Barriers – focusing on the importance of opening in all directions, welcoming visitors to the Square Mile and taking the City’s cultural offer to all of London, engaging more effectively with our local Borough partners.

Implications

31. The anticipated cost of this post is £50,000 p/a and it is proposed that it is provided for an initial period of 2 years and reviewed after this period. The short breakdown of anticipated costs is as follows: -

• Assistant Licensing Officer	£38k
• Additional resources where multiple selling sites are identified	£5k
• Additional overtime payments	£5k
• Equipment (Bodycams)	<u>£2k</u>
	£50k

Conclusion

32. With the success of the Licensing Team in enforcing within the City of London there is now an opportunity to deal with the issues on the City’s Bridges. Although not within our boundaries the ongoing issues reflect very poorly on the City as owners and maintainers of these structures.

33. With the City being promoted as a visitor destination the bridges are obviously an attraction for tourists as well as local communities and the presence of illegal traders detracts from their enjoyment and experience.

34. Officers have been frustrated by the boundary issues as well as the lack of regular enforcement action from neighbouring boroughs and therefore welcome the delegation of powers.

35. Therefore, to effectively enforce on the Bridges an additional resource is required to concentrate on and around these structures and be a single point of contact working closely with neighbouring boroughs, Open Spaces, DBE and City of London Police to apply longer-term control.

Back Ground Papers

- Illegal Street Trading Report – PHES 4 July 2017
- Illegal Street Trading Report – PHES 21 November 2017
- Illegal Street Trading -Item 20(B) – Court of Common Council 8 March 2018

Rachel Pye

Assistant Director of Environmental Health and Public Protection
Rachel.Pye@cityoflondon.gov.uk

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank