



Resource Allocation Sub (Policy and Resources) Committee

Date: THURSDAY, 17 OCTOBER 2019
Time: 12.00noon
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL
Members: Deputy Catherine McGuinness (Chair)
Jeremy Mayhew (Deputy Chairman)
Deputy Keith Bottomley
Tijs Broeke
Deputy Jamie Ingham Clark
Karina Dostalova
Simon Duckworth
Anne Fairweather
Sheriff Christopher Hayward
Deputy Edward Lord
Alderman Ian Luder
Deputy Dr Giles Shilson
Deputy Tom Sleigh
Alderman William Russell
Sir Michael Snyder
Alderman Sir David Wootton

Enquiries: Gregory Moore
tel. no.: 020 7332 1399
gregory.moore@cityoflondon.gov.uk

Lunch will be served in the Guildhall Club at 1pm
N.B. Part of this meeting could be subject to audio or 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 4 July 2019.
For Decision
(Pages 1 - 4)
4. **TRANSPORT FOR LONDON FUNDING: LIP ANNUAL SPENDING SUBMISSION 2020/21 AND REALLOCATION FOR 2019/20**
Report of the Director of the Built Environment.
For Decision
(Pages 5 - 14)
5. **CAPITAL FUNDING UPDATE**
Report of the Chamberlain.
For Decision
(Pages 15 - 18)
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 4 July 2019.
For Decision
(Pages 19 - 20)
10. **NEW COMMUNITY CENTRE**
Report of the Director of Community and Children's Services.
For Decision
(Pages 21 - 24)
11. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

12. **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, 4 July 2019

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 4 July 2019 at 12.00 pm

Present

Members:

Deputy Catherine McGuinness (Chairman)	Christopher Hayward
Jeremy Mayhew (Deputy Chairman)	Deputy Edward Lord
Deputy Keith Bottomley	Alderman Ian Luder
Tijs Broeke	Deputy Dr Giles Shilson
Deputy Jamie Ingham Clark	Deputy Tom Sleigh
Karina Dostalova	Alderman William Russell
Simon Duckworth	Sir Michael Snyder
Anne Fairweather	Alderman Sir David Wootton

In Attendance

Andrew McMurtrie

Officers:

John Barradell	- Town Clerk & Chief Executive
Angela Roach	- Assistant Town Clerk
Peter Lisle	- Director of Major Projects
Caroline Al-Beyerty	- Chamberlain's
Philip Gregory	- Chamberlain's
Carolyn Dwyer	- Director of Built Environment
Simon Glynn	- Built Environment
Bob Roberts	- Director of Communications
Greg Moore	- Town Clerk's
Emma Cunnington	- Town Clerk's

1. APOLOGIES

No apologies were received.

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

There were no declarations.

3. MINUTES

The public minutes of the meeting of the Resource Allocation Sub-Committee held on 2 May 2019 were approved.

4. **REVIEW OF PROJECTS WITHIN THE BUILT ENVIRONMENT DIRECTORATE**

The Sub-Committee considered a report of the Director of Built Environment, which provided the results of a review and proposed prioritisation of transportation and public realm projects within the Department of Built Environment (DBE).

Whilst Members were pleased to see the use of section 106 monies being recommended in the report, they asked for a more detailed explanation of how the scores were formulated. Members also felt that they had been provided with a *fait accompli* and that, in future, more choices should be given to Members.

Following a question, the officer representing DBE clarified that the western arm of Finsbury Circus was also included in the pedestrianisation project.

RESOLVED, that:

- The methodology and ranking of DBE projects set out in the report be noted;
- The DBE projects funded centrally during the period of the fundamental review be noted.
- Allocation of £3,917,518 S106 funding to 4 projects be agreed to mitigate the specific developments from which the funds were generated, including the interest accrued.
- Authorisation be given to officers to seek an extension of time to S106s with the relevant developer or building owner, where applicable, as set out in the appendix of the report.
- Authorisation be given to officers to re-negotiate the use of any S106 deposits, not allocated in the report, that require a variation of scope, to seek their use in mitigating the impacts of the developments generating the deposits, consistent with corporate priorities.

5. **CAPITAL FUNDING UPDATE**

The Sub-Committee considered a report of the Chamberlain proposing the release of funding for six schemes previously agreed for progression outside of the fundamental review, and consideration be given to one new scheme.

RESOLVED, that:

- The Walbrook Wharf M&E replacement project be added to the list of schemes agreed for progression outside of the fundamental review;
- The allocation of central funding of up to £8.863m to allow the 7 schemes listed in Table 1 to progress, subject to the requisite gateway approvals, be approved;
- It be agreed that £400k is to be met from the On Street Parking Reserve and £8.436m from the general reserves of the relevant funds;
- It be noted that of this sum, £5.5m relates to the allocation of additional central City Fund resources for the police;
- Approval be sought of the Finance Committee and Court of Common Council to allocate up to £8.463m from reserves of the relevant funds;

- It be noted that this year's capital funding bids will be initially assessed against the existing prioritisation criteria pending new criteria to be developed via the fundamental review.

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

There were no questions.

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

There was one item of urgent business –

Waterproofing Exhibition Halls 1 & 2

A Member asked for officers to look in more detail about any waterproofing that was required to be carried out on Exhibition Halls 1 & 2 on Beech Street and whether this needed to be looked at more urgently than the end of the fundamental review. Members discussed different options of how the waterproofing works could be undertaken and it was agreed that officers should look at this in more detail and come back to Members with recommendations in due course. In the interim, the Director of Major Projects explained that the investigations of options may occur additional consultancy costs, therefore Members agreed that these costs could be considered under delegated authority to the Town Clerk in consultation with the Chair and Deputy Chairman.

RESOLVED, that:

- Officers look at options of how the waterproofing works on Exhibition Halls 1&2 could be undertaken, reporting back to this Sub-Committee in due course;
- Any additional consultancy costs incurred during the Summer be considered under delegated authority to the Town Clerk in consultation with the Chair and Deputy Chairman.

8. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

Item No.	Paragraph No.
9-11	3

9. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting of the Resource Allocation Sub Committee held on 2 May 2019 were approved.

10. **PROGRESS REPORT OF THE PROVISION OF ADDITIONAL PRIMARY SCHOOL PLACES AND SOCIAL HOUSING ON THE FORMER RICHARD CLOUDESLEY SCHOOL SITE**

The Sub-Committee considered a report updating Members on progression of the provision of additional primary school places and social housing on the former Richard Cloudesley School site.

11. **BHE - PART INVESTMENT OF THE PROCEEDS FROM THE SALE OF 1-5 LONDON WALL BUILDINGS**

The Sub-Committee considered a report of the Chamberlain concerning the investment of the proceeds from the sale of 1-5 London Wall Buildings.

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

There were no questions.

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

There were no items of urgent business.

The meeting ended at 12.31 pm

Chairman

Contact Officer: Gregory Moore
tel. no.: 020 7332 1399
gregory.moore@cityoflondon.gov.uk

Committee(s):	Date(s):
Resource Allocation Sub-Committee - for decision Planning and Transportation – for decision	17/10/2019 22/10/2019
Subject: Transport for London Funding: LIP Annual Spending Submission 2020/21 And Reallocation For 2019/20.	Public
Report of: Carolyn Dwyer, Director of the Built Environment	For Decision

Summary

This report covers the provision of Transport for London funding to the City of London Corporation.

It seeks approval for the projects that will be included in the City Corporation's 2020/21 Annual Spending Submission of £3.672m (see table 1 for details). These projects will help deliver the road safety, public realm and transport management objectives of current Local Implementation Plan and the Corporations Transport Strategy.

Members are asked to give the Director of the Built Environment delegated authority to approve reallocations of the 2020/21 Corridors and Neighbourhoods and Local Transport Initiatives grants of up to £100,000 within the financial year, across the programme. All reallocations will be subject to TfL approval.

For the current financial year 2019/20, it is requested to reallocate a total of £202,904 which is as a result of a projected underspend on some projects and earlier progress on others, as in table 3 in appendix 1.

Recommendations

Members are asked to:-

- Approve the projects to be included in the City Corporation's 2019/20 Annual Spending Submission of £3.672m, as set out in table 1 (paragraph 5 of the report).
- Authorise the Director of the Built Environment to approve reallocations of the 2020/21 Corridors and Neighbourhoods grant of up to £100,000 within the financial year.
- Approve reallocations within 2019/20 to a total of £202,904, as set out in table 3 (appendix 1).

Main Report

Background

1. Under Section 159 of the Greater London Authority Act 1999, TfL is empowered to provide grants to London boroughs and the City for the provision of safe, efficient and economically viable transportation facilities and (or) services to, from or within Greater London. In May this year the 3-year Local Implementation Plan for the City was submitted to TfL and approved.
2. Every year, TfL provides grants to the City under the *Corridors, Neighbourhoods and Supporting Measures, Local Transport Initiatives* and *Principal Road Maintenance* programme. This amount is confirmed at the beginning of each financial year.
3. For the 2020/21 financial year TfL will provide the following grants to the City of London, the amount allocated to the City and boroughs is determined on a formula:
 - A combined grant of £100,000 for Local Transport Initiatives and £867,000 under the Corridors, Neighbourhoods and Supporting Measures and Local Transport Initiatives programmes. The City has some discretion over the use of this grant however it must be expended on projects that support the delivery of the Mayor's Transport Strategy.
 - £105,000 under the Principal Road Maintenance funding programme. The Principal Road Maintenance grant must be used specifically for the purpose of road renewal, resurfacing and bridge strengthening. This work within this will be determined by the road renewal, resurfacing and engineering needs within the Transportation and Public Realm Division of the Department of Built Environment.
4. Additional funding is available through other discretionary streams of funding, through a bidding process:
 - Liveable Neighbourhoods programme for larger projects with a total cost of over £1 million. As a bid was awarded by TfL in 2019 the funding allocations are included in the table, with £1.15 million for 2020/21. Owing to the scale of this project it is also proceeding through the City's Gateway process separately.
 - For delivering the Central London Cycle network an allocation £1.4 million is included, this supports the network proposals set out in the City of London Transport Strategy.
 - A bid to support delivering the Zero Emission Zone in the City Cluster was also successful, receiving an award of funding from the Mayors Air Quality Fund. For 2020/21 this is £50,000.

2020/21 Annual Spending Submission

5. The proposed Annual Spending Submission for the 2020/21 TfL Corridors, Neighbourhoods and Supporting Measures and Local Transport Initiatives grants are set out in Table 1 below. The specific allocations for each project are in Table 2 in Appendix 1.

LIP Programme	Amount (£)
Local Transport Initiatives	100,000
Corridor, Neighbourhoods & Supporting Measures	867,000
Principal Road Renewal	105,000
Liveable Neighbourhoods	1,150,000
Central London Cycling Grid	1,400,000
Mayors Air Quality Fund	50,000
TOTAL	3,672,000

6. These projects are in line with TfL's guidance, reflect the Mayor's Transport Strategy and the adopted City of London Transport Strategy. A brief description of each proposed project is provided in Appendix 2.
7. The reallocation of funds between projects during a financial year is often required in response to resourcing and operational issues or new priorities. Approval is sought for the Director of the Built Environment to be given delegated authority to approve reallocations of up to £100,000 across the whole programme within the financial year (2020/21). Any individual project budget changes will still be subject to the usual project procedure gateway approvals.

2019/20 reallocations

8. In year reallocations are requested to a total of £202,904. These adjustments are set out in Table 3 in Appendix 1. All programmes funded by TfL grants must be completed within the financial year allocated, therefore reallocations to different projects within the same programme for 2019/20, allow officers to ensure funds are fully spent.

Corporate & Strategic Implications

9. The use of TfL grants will support the delivery of the City of London Corporate Plan, and in particular the 'People are safe and feel safe' and 'We are digitally and physically well connected and responsive' priorities. The projects are also aligned with the Transport Strategy and the Department of Built Environment Business Plan. Appendix 3 also sets out how the schemes fit with the Funding Prioritisation Criteria for capital spending as established by Policy and Resources Committee.

Conclusion

10. The proposed 2020/21 Corridors, Neighbourhoods & Supporting Measures projects and Liveable Neighbourhood bid are in line with TfL guidance, the Mayor's Transport Strategy and corporate objectives and priorities.
11. The use of TfL grants for the 2020/21 financial year will provide an appropriate external funding source which will assist in limiting the City Corporation's financial outgoings.
12. All programmes funded by TfL grants must be completed within the financial year allocated, therefore reallocations to different projects within the same programme for 2019/20, allow officers to ensure funds are fully spent. Carry forward of funds across financial years is only permitted in exceptional circumstances.

Appendices

- Appendix 1 – Project funding allocations, tables 2 and 3.
- Appendix 2 – Summary of proposed 2020/21 Corridors, Neighbourhoods & Supporting Measures and Local Transport Initiatives projects
- Appendix 3 – Compliance with Funding Prioritisation Criteria as established by Policy and Resources Committee.

Samantha Tharme

Department of the Built Environment

T: 020 7332 3160

E: samantha.tharme@cityoflondon.gov.uk

Appendix 1: Project funding allocations, tables 2 and 3.

Table 2: Proposed Annual Spending Submission (ASS) for 2020/21	
	Proposed Allocation (£)
Local Transport Initiatives	
ZEZ City Cluster; Barbican/Golden Lane	50,000
City-wide 15mph – scheme development	50,000
Sub Total	100,000
Corridor, Neighbourhoods & Supporting Measures	
Healthy Streets minor schemes	130,000
Legible London City-wide Roll Out	257,000
Puddle Dock Pedestrian safety and route severance scheme	170,000
Mansion House Station walking and public realm improvements	60,000
100 Minorities public realm enhancements	40,000
Road Danger Reduction campaigns, behaviour change and community engagement	90,000
Lunchtime Streets	60,000
Thames Riverside Walkway – Globe View section	60,000
Sub total	867,000
Liveable Neighbourhoods	
City Cluster Scheme	1,150,000
Sub Total	1,150,000
Central London Cycling Grid	
City Cycleways Programme	1,400,000
Sub Total	1,400,000
Principal Road Renewal	105,000
Mayors Air Quality Fund	50,000
GRAND TOTAL	3,672,000

Table 3: Annual Spending Submission (ASS) and Reallocation for 2019/20 Transport for London Corridors and Neighbourhoods Programme and Local Transport Initiatives

	ASS allocated in December (£)	Carry Forward from 2018/19 (£)	Proposed Reallocation (£)	Revised Budget Required (£)
TOTALS	967,300	143,342	-	1,110,642
Local Transport Initiatives				
Barbican & Golden Lane ZEZ	25,000	-	-	25,000
City Cluster ZEZ	25,000	-	-	25,000
City of London Streets Accessibility Standard	50,000	-	-	50,000
Corridor, Neighbourhoods & Supporting Measures				
100 Minorities Public Realm Enhancements	100,000	40,957	(90,957)	50,000
Mansion House Station Public Realm Improvements	40,000	71,947	(71,947)	40,000
City Way Finding Legible London*	202,300	-	(20,000)	182,300
RDR campaigns, behaviour change & community engagement	90,000	-	100,000	190,000
Abchurch Lane junction with King William Street	-	11,585	9,000	20,585
Healthy Streets Minor Schemes	100,000	-	11,000	111,000
Puddle Dock Improvements	185,000	18,853	-	203,853
Kerbside Uses Review	110,000	-	(20,000)	90,000
Lunchtime Streets	40,000	-	-	40,000
RWE: Globe View Walkway	-	-	82,904	82,904
*The total proposed ASS in November was £980,000, but the approved ASS allocated in December was £967,300. Therefore, the difference was reduced from this scheme.				

Appendix 2: Summary of proposed 2020/21 Corridors, Neighbourhoods & Supporting Measures and Local Transport Initiatives projects

Local Transport Initiatives

City Cluster and Barbican & Golden Lane Zero Emission Zones

The Transport Strategy includes a proposal to establish local Zero Emission Zones covering the City Cluster and Barbican and Golden Lane estates. This funding will support the development of the Zero Emission Zones prior to implementation in following years. Further proposals for Beech Street also aim to address poor air quality, this scheme is part of the COL funded programme of work going through Gateway and Committee approvals as an individual project.

15mph speed limit

The City Transport Strategy included a proposal for 15 mph speed limit. This supports a new approach to delivering the Vision Zero for accident and casualties as set out by the Mayor's Transport Strategy.

Corridor, neighbourhoods & supporting measures

Healthy Streets minor schemes

Small-scale projects to support the delivery of Healthy Streets including implementing measures to increase priority for pedestrians, improve accessibility, and reduce road danger. Schemes will be identified throughout the year. Those in scheme development stage include:

- Gresham St, Old Jewry (2019/20)
- Basinghall/Gresham (2019/20)
- Creechurch Ln / Leadenhall Street (2020/21)
- Gresham street / Wood Street / Bread Street (2020/21)
- Old Broad Street, Tower 42 (2020/21)

Legible London City-wide roll out

The replacement of existing wayfinding with Legible London was agreed at Streets and Walkways Sub-Committee on 24 November 2017. Legible London maps and signs were developed by Transport for London to make it easier for people to walk around London. They provide a consistent approach to wayfinding, with over 1,700 signs and maps already installed across the Capital. The implementation of these has commenced in 2019 and will continue through to financial year 2020/21.

Puddle Dock Pedestrian safety and route severance scheme*

Priority pedestrian route improvement and scheme to address severance and safety at Upper Thames Street, to access riverside. If not supported at project review stage can be diverted to similar scheme subject to usual approvals and agreement with TfL.

Mansion House Station environs.

Proposals include widening footways and accessibility improvements along with public realm. Improvements focused on Little Trinity Lane will deliver an enhanced green public space incorporating seating, lighting and noise and pollution mitigation measures.

100 Minorities public realm enhancements

Proposals include the formation of a brand new green public space to replace under-utilised carriageway space at Crescent, along with a new north-south walking route through the new development that will improve routes to the station and accessibility.

Globeview Thameside Walkway

This project allows reinstatement of a public access footpath alongside the Thames. This has been severed by development. This is progressing in tandem with developer led elements to the scheme.

Road Danger Reduction campaigns, behaviour change and community engagement

This encompasses a series of campaigns, programmes and events to influence the attitudes of road users and initiate a change in culture to achieve reductions in the number of people killed and seriously injured on City streets. This will include undertaking attitudinal surveys annually and delivering the Be Brake Ready campaign aimed at drivers and riders.

Lunchtime Streets

'Lunchtime Streets' are pilot timed closures in busy pedestrian environments during the lunchtime peak. St Mary Axe is an example where there is a high density of pedestrians at lunch, together with complaints about traffic and a history of injuries. These events were successful in St Mary Axe and Chancery Lane in 2019. The event will offer an opportunity to work with businesses in the area to improve the public realm and trial retiming and reduction of the number of vehicles. Further events in other local streets will be organised, with an objective of a rolling programme of at least three streets with this activity over the summer months by 2022

Appendix 3: Compliance with Funding Prioritisation Criteria as established by Policy and Resources Committee*.

The table below shows which of the schemes contribute to addressing two identified Corporate Risks, **CR20 is Road Safety** and **CR21 Air Quality**. All schemes meet one or more of the 'essential scheme'** criteria, most meeting health and safety issues, and all spend identified in this report is fully reimbursable as Transport for London Annual Grant for Local Implementation Plan.

Table 4: Link to Funding Prioritisation Criteria		
	Essential scheme	Corporate Risk
Local Transport Initiatives		
ZEZ City Cluster; Barbican/Golden Lane	Y	CR21
City-wide 15mph – scheme development	Y	CR20
Corridor, Neighbourhoods & Supporting Measures		
Healthy Streets minor schemes	Y	CR20
Legible London City-wide Roll Out	Y	CR20
Puddle Dock Pedestrian safety and route severance scheme	Y	CR20, CR21
Mansion House Station walking and public realm improvements	Y	CR20
100 Minorities public realm enhancements	Y	CR20
Road Danger Reduction campaigns, behaviour change and community engagement	Y	CR20
Lunchtime Streets	Y	CR20, CR21
Thames Riverside Walkway – Globe View section	Y	CR20
Liveable Neighbourhoods		
City Cluster Scheme	Y	CR20, CR21
Central London Cycling Grid		
City Cycleways Programme	Y	CR20, CR21
Principal Road Renewal	Y	CR20
Mayors Air Quality Fund	Y	CR21

Note: Funding Prioritisation Criteria as established by Policy and Resources Committee* - as set out in memo 2020/21 Revenue Budgets and 2012/20 Revisions and Capital funding bids from 2020/21, 23 August 2019, Philip Gregory.

**Essential Scheme: Health and Safety Compliance, or Statutory Compliance, or Fully/substantially reimbursable, or Major Renewal of Income Generating Asset, or Spend to Save with a payback period within 5 years.

This page is intentionally left blank

Committee(s): Resource Allocation Sub Committee – For decision Policy and Resources – For decision	Date(s): 17 October 2019 17 October 2019
Subject: Capital Funding Update	Public
Report of: The Chamberlain	For Decision
Report author: Caroline Al-Beyerty, Deputy Chamberlain	

Summary

This report follows on from the main capital prioritisation paper agreed in April and subsequent funding approvals in May and July. It proposes the release of funding from the On Street Parking Reserve of up to £2.428m for a scheme to undertake repairs and waterproofing works to the pipe subways of Holborn Viaduct and Snow Hill over Thameslink, previously approved for progression outside of the Fundamental Review.

Attention is also drawn to a separate report on the non-public agenda requesting authority to progress a proposal outside of the Fundamental Review and the annual bid process in order to facilitate a new community facility. At this stage precise costs are uncertain and will be subject to further approval.

Under the Fundamental Review, the allocation of new funding for capital schemes is generally subject to the new annual capital bid process. Chief Officers are currently in the process of finalising their new bid proposals as part of the preparation of their annual business plans and budgets for 2020/21. Following approval by service committees, these bids will be presented to Members in December for consideration against the agreed corporate prioritisation criteria.

Recommendations

Members are asked to:

- i. Agree the allocation of up to £2.428m from the On-Street Parking Reserve to allow the progression of a scheme to undertake repairs to the pipe subways of Holborn Viaduct and Snow Hill over Thameslink, subject to the approval of the requisite gateway reports.
- ii. Note the request to allow a proposal to facilitate a new community facility to progress outside of the Fundamental Review and annual capital bid process. (Details contained in a separate report on the non-public agenda.)
- iii. Note that under the new annual capital bid process the 2020/21 capital funding bids will be presented in December for consideration against corporate priorities.

Main Report

Background

1. Members have agreed it is essential to prioritise effectively capital and SRP projects to be progressed, with funding allocated in a measured way by applying a process of prioritisation that ensures corporate objectives are met and schemes are affordable.
2. Earlier in the year, all pre gateway 5 projects requiring central funding, with a combined estimated cost of £429m, were subjected to an interim assessment against the following criteria:

Projects classified as **essential** which:

- i. Address a risk on the corporate risk register;
 - ii. Have a sound business case that clearly demonstrates the negative impact of deferring the scheme, i.e. penalty costs or loss of income, where these are material (if any schemes are deferred, cancelled or scope reduced there will inevitably be some abortive costs); and
 - iii. Fall within the following categories:
 - Health and safety compliance
 - Statutory compliance
 - Fully/substantially reimbursable
 - Spend-to-save or income- generating, generally with a short payback period (as a rule of thumb within 5 years)
 - Major renewals of income generating assets
 - Subsidiary categories to allow schemes that will ultimately result in a corporate risk:
 - replacement of critical end-of-life components for core services;
 - schemes required to deliver high priority policies; or
 - schemes with a high reputational impact.
3. This assessment resulted in schemes totalling £89m being agreed for progression outside of the Fundamental Review, with the remaining £340m being placed on hold pending the development of further prioritisation criteria.

Current Position

Bids for Approval

4. There is one scheme previously agreed for progression that is now at Gateway 4(a) of the Project Procedure – Inclusion in the capital programme – for which the release of funding of up to £2.428m is now requested:

Pipe Subways of Holborn Viaduct and Snow Hill Over Thameslink Repairs – total estimated cost of £2.666m plus £75k costed risk

- This project, which was originally placed on hold, was subsequently agreed for progression outside of the Fundamental Review on an exceptional basis due to the deteriorating state of the structures and also to recognise potential benefits from the synergy with the Museum of London Tunnel Lids project.
 - At that time the cost was estimated at up to £10m. The latest estimated cost is £2.666m plus a costed risk allowance of £75k.
 - After allowing for the £313k budget previously approved, the Corporate Priorities Board proposes the allocation £2.428m from the balances currently available in the On-Street Parking Reserve.
5. Members are also asked to note a proposal to progress a new scheme outside of the Fundamental Review and the annual capital bid process. This scheme, which is to facilitate a new community facility in the City, meets the prioritisation criteria for progression as the new facility is largely externally funded, with only a minimal contribution from the City anticipated. At this stage the precise cost to the City is uncertain and will be subject to further approvals following negotiation. Progression in advance of the annual bid process is deemed necessary due to the timing of the construction, which is outside of our control. Details of this proposal are contained in a separate report on today's non-public agenda.

Annual Bid Process Update

6. Members have approved the introduction of an annual capital bid process to ensure that proposed new schemes are affordable and prioritised against criteria developed through the Fundamental Review, providing the opportunity to consider all bids across the organisation against the same criteria at the same time.
7. Chief Officers are currently in the process of finalising their new bid proposals as part of the preparation of their annual business plans and budgets for 2020/21. All bids will initially be approved and prioritised by service committees before being brought together for your December meeting. Schemes approved for progression will subsequently be incorporated into the updated medium-term financial plans to assess overall affordability.

Conclusion

8. One scheme that has previously been agreed for progression outside of the Fundamental Review has now reached Gateway 4(a) – Inclusion in the Capital Programme. Funding of up to £2.428m for a scheme to undertake repairs to the pipe subways of Holborn Viaduct and Snow Hill over Thameslink is requested for release from the On-Street Parking Reserve.
9. Members are also asked to note a proposal to progress the facilitation of a new community facility outside of the Fundamental Review and the annual bid process. Details of this proposal are contained in a separate report on today's non-public agenda.

10. Chief Officers are in the process of compiling their new annual capital bids as part of the preparation of their annual business plans and budgets for 2020/21. All bids will be presented in December for consideration against agreed corporate priorities.

Appendices

None

Background Papers

- Capital and Supplementary Revenue Project Funding – Fundamental Review and Interim Revised Prioritisation Process: Policy and Resources Committee, 21 February 2019 (Public).
- Capital Funding – Interim Revised Prioritisation and Project Funding Update April 2019 (Public)

Caroline Al-Beyerty

Deputy Chamberlain

T: 020 7332 1113

E: Caroline.Al-Beyerty@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