



Capital Buildings Committee

Date: WEDNESDAY, 15 JULY 2020
Time: 9.30 am
Venue: MICROSOFT TEAMS – PUBLIC LINK AVAILABLE BELOW

Members: Sir Michael Snyder (Chairman)
Deputy Edward Lord (Deputy Chair)
Douglas Barrow
Alderman Alison Gowman
Sheriff Christopher Hayward
Deputy Jamie Ingham Clark
Alderman Ian Luder
Jeremy Mayhew
Deputy Catherine McGuinness
Deputy James Thomson
Peter Bennett
Deputy Keith Bottomley
Alderman Sir David Wootton
David Brooks Wilson
Oliver Sells QC

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The public side of the meeting can be viewed online at <https://youtu.be/uuWgUUFICfU>

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 and non-public summary of the meeting held on 13 May 2020.

For Decision
(Pages 1 - 4)

4. **OUTSTANDING ACTIONS**

Report of the Town Clerk.

For Information
(Pages 5 - 6)

5. **RESOLUTION - PERFORMANCE BONDS AND PARENT COMPANY GUARANTEES**

To consider a resolution of the Projects Sub (Policy and Resources) Committee dated 25 June 2020.

For Information
(Pages 7 - 8)

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

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

8. **EXCLUSION OF THE PUBLIC**

MOTION – That under Section 100A 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.

For Decision

9. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 13 May 2020.

For Decision
(Pages 9 - 12)

10. **MUSEUM OF LONDON RELOCATION PROGRAMME: UPDATE**

Report of the City Surveyor.

For Decision
(Pages 13 - 38)

11. **FLEET STREET ESTATE - RIBA STAGE 3 PROGRESS REPORT**

Report of the City Surveyor.

For Decision
(Pages 39 - 50)

12. **POLICE ACCOMMODATION STRATEGY: PHASE 3G MOUNTED UNIT**

Joint report of the Commissioner and City Surveyor.

For Decision
(Pages 51 - 112)

13. **BARKING REACH POWER STATION - DEMOLITION / REMEDIATION OF
REDUNDANT INFRASTRUCTURE**

Report of the City Surveyor.

For Decision
(Pages 113 - 128)

14. **REPORT ON ACTION TAKEN**

Report of the Town Clerk.

For Information
(Pages 129 - 132)

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

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

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CAPITAL BUILDINGS COMMITTEE

Wednesday, 13 May 2020

Minutes of the meeting of the Capital Buildings Committee held at the Guildhall EC2 at 9.45 am

Present

Members:

Sir Michael Snyder (Chairman)	Alderman Ian Luder
Deputy Edward Lord (Deputy Chair)	Jeremy Mayhew
Douglas Barrow	Deputy Catherine McGuinness
Peter Bennett	Oliver Sells QC
Deputy Keith Bottomley	Deputy James Thomson
David Brooks Wilson	Alderman Sir David Wootton
Alderman Alison Gowman	
Sheriff Christopher Hayward	
Deputy Jamie Ingham Clark	

Officers:

Peter Lisley	- Assistant Town Clerk & Director of Major Projects
Julie Mayer	- Town Clerk's Department
Greg Moore	- Town Clerk's Department
Caroline Al-Beyerty	- Deputy Chamberlain
Paul Wilkinson	- City Surveyor
Mark Lowman	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
Ola Obadara	- City Surveyor's Department
Tim Cutter	- City Surveyor's Department
Martin O'Regan	- City of London Police

In attendance:

Eric Parry – Eric Parry Architects (*for items 9 and 10*)

1. APOLOGIES

There were no apologies.

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

David Brooks Wilson's standing declaration was noted in respect of all matters concerning Arcadis, Arups, Belsize Architects, and Keltbray, as an advisor to those companies.

Alderman Alison Gowman declared a non-prejudicial interest in respect of the disposal of Wood Street Police Station, having been recently made aware that the company for which she worked (DLA Piper) had acted for the site purchaser.

3. **MINUTES**

The draft minutes and public summary of the meeting held on 15 January 2020 were approved as an accurate record.

4. **OUTSTANDING ACTIONS**

Members noted the following updates to the Outstanding Actions List:

- **Barking Reach:** a number of asset sales had been completed and efforts continued in respect of the sale of outstanding items.
- **Parabolic Dome:** Officers had located one further example of such a dome at the now-demolished Brynmawr Semtex Rubber Factory in Gwent, Wales. That building had been designed and built by The Architect's Co-Op in collaboration with engineers Ove Arup between 1945 and 1951 and was very similar in design to the Poultry Market. The structural engineer (Ove Arup) was the same for both projects and appeared to have been influenced by the Brynmawr design.
- **FSE Electrical Resilience:** The electrical supply and resilience query in respect of the Fleet Street Estate had been resolved and a fuller update would be provided through Item 10.

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

There were no questions.

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

There were no items.

7. **EXCLUSION OF THE PUBLIC**

RESOLVED – That - under Section 100A 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.

8. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 15 January 2020 were approved.

9. **FLEET STREET ESTATE - ARCHITECTS' PRESENTATION**

Members received a presentation from Eric Parry concerning the Fleet Street Estate build, which interlinked with the decisions to be taken at Item 10.

10. **FLEET STREET ESTATE - RIBA STAGE 3 PROGRESS REPORT**

Members considered and approved a report of the City Surveyor concerning the Fleet Street Estate programme.

11. **MUSEUM OF LONDON UPDATE**

Members considered and approved a report of the City Surveyor concerning the Museum of London relocation programme.

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

There were no questions.

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

There were no urgent items.

The meeting closed at 10:50 am

Chairman

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CAPITAL BUILDINGS COMMITTEE
OUTSTANDING ACTIONS LIST

No.	Action	Officer Responsible	Status
1.	Planning Permissions (Fleet Street Site): Officers to ensure close and ongoing dialogue with City planners to avoid the risk of any misunderstandings in relation to intended development.	City Surveyor	Ongoing instruction to officers.
2.	Museum and Enabling projects: (i) Chairman / Deputy Chair to be advised when end-date for planning application to be considered expired.	City Surveyor	In progress.
	(ii) Further detail to be provided concerning level of Poultry Market floor.	City Surveyor	In progress.
3.	Barking Reach Site Remediation: Asset sales to be pursued under delegated authority.	City Surveyor	In progress – some sales completed.
4.	Fleet Street Estate: Outline of scheme to be shared with wider Court of Common Council close to planning application stage.	City Surveyor	In progress

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RESOLUTION

FROM: PROJECTS SUB (POLICY AND RESOURCES) COMMITTEE 25 June 2020

TO: PROCUREMENT SUB (FINANCE) COMMITTEE 6 July 2020
 CAPITAL BUILDINGS COMMITTEE 15 July 2020

6. PERFORMANCE BONDS AND PARENT COMPANY GUARANTEES

Members discussed the issue of performance bonds and parent company guarantees and the following points were made.

- The Property Projects Group Director noted that she had been in contact with the Sheriff to clarify the City's approach to performance bonds and parent company guarantees. The standard requirement of a performance bond was an on-demand bond of 10% of the contract and served to protect the employer should the contracted entity fail to meet its obligations. There were typically two types of bond: on-demand or conditional with the latter type of bond requiring evidence of contractor's default and loss to be provided by the client.
- The Chamberlain noted that performance bonds were not used by COL as a tool to check the financial standing of a contractor. The City had recently adopted a new process whereby potential contractors were both required to have a minimum turnover, and to undergo assessment by the City, as such, using requirement of a bond as an additional measure, could be disproportionate. The current assessment process establishes the 'risk appetite' on a contract, and then assesses the financial position of a bidder against that risk. Those with a high level of risk would be disqualified, and those graded 'amber' would be required to provide a bond or Parent Company Guarantee. This process notwithstanding, the City was mindful to be proportionate in applying the obligation to provide bonds. The question of how this would work in practice going forward would be considered by the Procurement Sub (Finance) Committee.
- The Chamberlain noted that there were protections in contract e.g. payment in stages, liquidated damages and a 'reserve' held back at end of contract.
- The Comptroller and City Solicitor added that Cabinet Office guidance stated that on-demand bonds should only be applied to high-value high-risk projects. This meant that conditional bonds were often the recommended approach which as noted previously did place a burden to provide evidence on the City. It was also common for contractors to include costs of bonds within overheads and profits – the City should request that bonds be reported as separate budget lines going forward.
- A Member queried whether this would make the costs of projects prohibitive for many contractors and whether a risk assessed balance could be struck when applying requirements for bonds. His preference would be for on-demand bonds as these would be a good indicator of the credit worthiness of potential contractors. (note earlier comment on being proportionate, where we already do checks)

- A Member commented that officers in City Procurement should be given the flexibility to decide whether bonds were appropriate on a case by case basis given it was a commercial decision.
- A Member agreed that a risk assessed approach was required and queried whether bonds were incorporated into existing City frameworks. In response, the Chamberlain noted that they could be built into the tender process but this could prove to be a disincentive for potential contractors. The Comptroller and City Solicitor noted that the JCT template contracts used under the City's Works Frameworks did include an option for performance bonds; and that potential bond requirements could be market tested with the Framework contractors in advance of a tender.
- A Member commented that the issue of bonds looked to be one for larger more high-risk contracts and cautioned against overcomplicating the project process. Members felt that it was important that the City's approach to bonds/performance guarantees was not out of step with the wider market.
- Given the issues raised related to business within the remit of the Procurement Sub (Finance) Committee and the Capital Buildings Committee, Members agreed that the minute of their discussions should be shared for information.

RESOLVED, that the minute of the Projects Sub-Committee's discussion regarding Performance Bonds and Company Guarantees be submitted to the Procurement Sub (Finance) Committee and Capital Buildings Committee for their consideration.

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

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