

CORPORATE ASSET SUB (FINANCE) COMMITTEE
Wednesday, 18 November 2020

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at <https://youtu.be/p6mm2OLkxiU> on Wednesday, 18 November 2020 at 1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)
James de Sausmarez (Deputy Chairman)
Randall Anderson
Dominic Christian
Marianne Fredericks
Alderman Alison Gowman
Michael Hudson
Jeremy Mayhew
Deputy Philip Woodhouse
Sheriff Christopher Hayward
Shravan Joshi

Officers:

Paul Wilkinson	- City Surveyor
Peter Young	- City Surveyor's Department
Alison Bunn	- City Surveyor's Department
Peter Collinson	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
John Galvin	- City Surveyor's Department
Sheila Huntley	- City Surveyor's Department
Tom Leathart	- City Surveyor's Department
Andrew Little	- Chamberlain's Department
Graeme Low	- City Surveyor's Department
Carmel McGowan	- City Surveyor's Department
Peter Oscher	- City Surveyor's Department
Amy Poole	- Remembrancer's Office
Jonathon Poyner	- Barbican Centre
Chloe Rew	- Town Clerk's Department
James Rooke	- City Surveyor's Department
Chris Rumbles, Clerk	- Town Clerk's Department
Sunil Singh	- City Surveyor's Department
Nicholas Sommerville	- City Surveyor's Department
Ellen Wentworth	- Chamberlain's Department

1. APOLOGIES

Apologies were received from Rehana Ameer.

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

The Chairman declared an interest item 22 as a Church Warden at St Lawrence Jewry Church. Members noted the Deputy Chairman would take the chair for this item.

3. **MINUTES**

RESOLVED - That the public minutes and non-public summary of the previous meeting held on 15 September 2020 be approved as an accurate record.

Matters arising

Business Planning: Members noted that the next quarterly Business Planning update was scheduled for January 2021. This would reflect on planning within the department that was underway looking at whether objectives, deliverables and KPIs remain relevant in light of disruption caused by the Covid-19 pandemic. It would also offer conclusions reached from the recent re-budgeting exercise undertaken by RA Sub-committee.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

The Sub-committee considered a report of the Town Clerk which provided information of outstanding actions from previous meetings.

RESOLVED, that the Sub-committee note the report.

5. **WORK PROGRAMME FOR FUTURE MEETINGS**

The Sub-committee considered a joint report of the Town Clerk and City Surveyor which provided information on the Work Programme for future meetings.

The Chairman confirmed that a regular progress update against the Climate Action Strategy would be added to the Work Programme moving forward.

RESOLVED, that the Sub-committee note the report.

6. **GUILDHALL COMPLEX - ROAD MAP FOR RETURN TO THE OFFICE**

The Sub-committee received a report of the City Surveyor setting out lessons learnt from the Covid-19 pandemic, outlining a re-shaping of current working practices and summarising work that was being done in the immediate short term and setting out a Road Map for a return to the workplace.

The Chairman commented on the report author, Dorian Price, being absent from the meeting following a close family bereavement and took the opportunity on behalf the Sub-committee to offer him their very best wishes.

The City Surveyor remarked on the report having been written some time ago, with the world having now changed. The report had been presented to the Sub-committee to give an idea of the work that had been ongoing as part of the immediate response to Covid-19. There was now an opportunity to take a look

at what has happened and learn how the City Corporation can work differently moving forward as part of a return to the workplace.

Members acknowledged it was a fast-changing world at present and that a future paper would offer a much more accurate picture on proposals around a return to the workplace. The Chairman remarked on it being a holding position until it was known from Government how the country would be moving forward.

A Member referred to a recent report that had suggested home working could lead to people fostering prejudice and create more racial tension. It was proposed an equalities survey be included as part of any roadmap for a return the office.

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

7. SECURITY UPDATE

The City Surveyor provided the Sub-committee with an oral update on a number of areas including: -

- Action plans from the Vulnerability review being implemented with dates for completion to allow targets to be measurable.
- National threat level has moved to severe with each site having been briefed on the change and now working to their standard operating procedure.
- Martyn's Law being key to the City; consultation was due to begin pre first lockdown, but with this now likely to commence in the New Year. Former Head of Security was being brought in to work through implications for the City and ensure a consistent approach.
- Guildhall has largely been in lockdown but remains ready for any return whenever this begins.

RESOLVED, that the update be noted.

8. 2020/21 ENERGY PERFORMANCE Q2 UPDATE

The Sub-committee considered a report of the City Surveyor presenting the 2020/21 energy performance for City Corporation operational sites, seeking to develop a central funding pot for all energy projects and proposing current KPI data and reporting be aligned to Climate Action Strategy targets from 2021/2022.

The Chairman referred to a recent press announcement of a 15-year Power Purchase Agreement with Voltalia, acknowledging the hard work of all involved in achieving this and put on record his personal thanks to all those involved.

A Member stressed a need for energy performance to feed into the City Corporation's Climate Action Strategy. An appropriate level of scrutiny would be needed with the necessary capacity within the Energy Team to achieve this. Energy performance information would also need presenting to Committees, with training given to Members to allow them to understand energy

consumption terminology, energy usage, energy reduction targets and in making sure renewable energy was being used.

The Chairman acknowledged these concerns and suggested this Subcommittee had a role in bringing other departments to task where they were not fully engaging with the Climate Action Strategy.

The City Surveyor acknowledged an upscaling of the City Corporation's ambitions in looking to achieve net zero carbon emissions; there being a need to move forward with a plan to achieve this. Members noted that an informal session would immediately follow this meeting during which more of the detail would be presented.

A Member remarked on a very abnormal year to date, with premises remaining closed for large parts of it, and questioned if there was any way to adjust performance measures to reflect this and offer a clearer understanding of energy consumption. The City Surveyor explained how the position was complicated with a number of variables involved in determining impacts from the Covid-19 pandemic on energy consumption, but that it remained an ongoing task trying in looking to understand this on an individual building basis.

The City Corporation was thought to be broadly in line with the industry information on energy consumption indicating an 8% reduction as a direct result of the pandemic.

A Member noted a levelling off of energy reduction over the last year or two and questioned whether as the City Corporations gets closer to net zero that more substantial infrastructure projects would be required to achieve the overall end goal.

The Chairman responded explaining the City Corporation had opted for a Climate Action Strategy rather than Energy Reduction Strategy to ensure funding was in place to achieve the level of projects needed to deliver it. The Energy Reduction Strategy had been developed in a different timeframe with different criteria. The plan now was to merge the Energy Reduction Strategy into the Climate Action Strategy and produce a combined report going forward.

The Chairman concluded the item and again thanked those involved in the Voltalia project, which would make a huge difference to the City Corporation's work in this area.

RESOLVED, that Members: -

- Note the performance of Corporate building stock in quarter 2
- Support development of a central funding pot for all energy projects, utilising grant funding, third party finance, carbon offset and capital funding.
- Support alignment of current KPI data and report with Climate Action targets from 2021/2022.

9. **COMBINED PRE-GATEWAY 5 PROJECT CLOSURES**

The Sub-committee considered a report of the Town Clerk setting out a number of projects that had not reached Gateway 5 of the City's Project Procedure and that are no longer being progressed.

A Member accepted that there was likely to be a good rationale for the project closures, whilst remarking on the huge amount of abortive costs incurred at a time when finances at the City Corporation were under such huge pressure.

The Chairman acknowledged this point, whilst also stressing that the projects were from a different period of time when there was not the same level of financial oversight and scrutiny, with a new template now in place for reporting to include financial implications.

RESOLVED, that Members: -

- Approve 65/65a Basinghall Street (Justice Rooms) project for closure.

10. **CORPORATE PROPERTY ASSET MANAGEMENT STRATEGY 2020-25**

The Sub-committee considered a report of the City Surveyor seeking approval for the Corporate Property Asset Management Strategy 2020-2025.

The City Surveyor confirmed that the Corporate Asset Management Strategy was presented for approval following a comprehensive consultation exercise with Members and officers. It was proposed the Strategy be adopted across the City Corporation's operational property estate, with it being subject to an annual review by this Sub-committee.

The Chairman welcomed the Strategy remarking on how it offered the Sub-committee a more focussed property asset management strategy and would allow a level of focus on key areas e.g. energy performance. The Chairman welcomed the opportunity for an annual review of the Corporate Asset Management Strategy.

The City Surveyor confirmed the next steps for the Corporate Asset Management Strategy being to report to Finance Committee seeking approval and then cascading and sharing it with other property decision making Committees and make all Members aware of it.

RESOLVED, that Member: -

- Approve the Corporate Asset Management Strategy 2020-25

11. **CYCLICAL WORKS PROGRAMME - PROGRESS REPORT Q1/Q2 AND PROGRAMME LEVELLING RECOMMENDATIONS**

The Sub-committee considered a report of the City Surveyor providing an overview of the progress and expenditure of the current Cyclical Works Programme at the end of Q2 and proposing a rephasing of the programme and budget.

The City Surveyor explained how allowing a rephasing of a number of three-year projects into a fourth year would allow an opportunity to catch up from the impacts of the Covid-19 pandemic.

RESOLVED, that Members: -

- Note the progress of current Cyclical Works Programme of work;
- Approve the rephasing of existing three-year cyclical works packages so they are completed over four rather than three financial years;
- Approve as a consequence of this rephasing of projects into a fourth financial year, that £1.939m of spend for the 2018/19 programme be carried into 2021/22 financial year; that £3.142m of spend for the 2019/20 be carried into 2022/23 financial year; and that £1.376m of the 2020/21 programme be carried into 2023/24 financial year.

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

There were no urgent items of business.

14. 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 I of Schedule 12A of the Local Government Act.

15. NON-PUBLIC MINUTES

RESOLVED, that the non-public minutes of the previous meeting held on 15th September 2020 were approved as an accurate record.

16. OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS

The Sub-committee noted a report of the Town Clerk which provided information on non-public outstanding actions from previous meetings.

17. ACTION TAKEN BETWEEN MEETINGS

The Sub-committee received a report of the Town Clerk providing details of recent non-public decisions taken between meetings.

18. CITIGEN UPDATE

The Sub-committee received an oral update from the City Surveyor in relation to commercial negotiations with Citigen.

19. ANNUAL REPORT ON OPERATIONAL PROPERTY PORTFOLIO

The Sub-committee received a report providing an annual update on the Operational Property Portfolio.

20. **GUILDHALL WEST WING - PROVISION OF UPGRADED LAVATORIES AND CLOAKROOM FACILITIES FOR MEMBERS AND GUILDHALL GUESTS**

The Sub-committee considered a Gateway 6 Outcome Report relating to Guildhall West Wing – Provision of Upgraded Lavatories and Cloakroom Facilities for Members and Guildhall Guests.

21. **ORACLE PROPERTY MANAGER (OPN) REPLACEMENT**

The Sub-committee considered a report of the City Surveyor in relation to an Oracle Property Manager (OPN) Replacement system.

22. **ST LAWRENCE JEWRY CHURCH UPDATE - ISSUES REPORT**

The Sub-committee considered a report of the City Surveyor relating to St Lawrence Jewry Church.

23. **WALBROOK WHARF DEPOT - REPLACEMENT OF MECHANICAL AND ELECTRICAL SERVICES**

The Sub-committee considered a report of the City Surveyor relating to Walbrook Wharf – Replacement of Mechanical and Electrical Services.

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

A Member questioned whether a review of abortive project costs had ever been undertaken, with there appearing to be significant wastage. It was questioned whether any lessons had been learned from abortive projects.

The Chairman acknowledged this point and suggested Projects Sub-committee would be better placed to review abortive project costs. The City Surveyor referred to Corporate Projects Board that had a role in reviewing completed projects, but not did not currently include abortive projects. The City Surveyor proposed Corporate Projects Board include a review of aborted projects, which Members welcomed and approved.

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

There were no additional items of business.

The meeting ended at 3.35pm

Chairman

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