

CORPORATE ASSET SUB (FINANCE) COMMITTEE
Wednesday, 5 September 2018

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at
Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 5 September
2018 at 9.30 am

Present

Members:

Nicholas Bensted-Smith (Chairman)
Randall Anderson
Deputy Wendy Hyde
Deputy Jamie Ingham Clark
Jeremy Mayhew

Officers:

John Cater	- Town Clerk's Department
Peter Young	- City Surveyor's Department
John James	- Chamberlain's Department
Andrew Little	- Chamberlain's Department
Dorian Price	- City Surveyor's Department
Alison Bunn	- City Surveyor's Department
Paul Monaghan	- Department of the Built Environment
Andrew Crafter	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
Christopher Bell	- Chamberlain's Department
John Galvin	- City Surveyor's Department

1. **APOLOGIES**

Apologies were received from Dominic Christian, Marianne Fredericks, Alderman Alison Gowman, Michael Hudson, Deputy Joyce Nash, Jeremy Simons and Deputy Philip Woodhouse.

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

No declarations of interest were made.

3. **MINUTES**

RESOLVED – That the public minutes of the previous meeting held on 11th July 2018 are approved as an accurate record, subject to the following amendments:

Deputy Wendy Hyde and Deputy Philip Woodhouse were incorrectly listed as absent, the record will be amended to indicate their attendance.

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.

Officers confirmed that final scoping was taking place for the works at the Mansion House, once this was done consideration would turn to the potential of merging elements of the project with the refurbishment works at St Lawrence Jewry. An updated Report would be presented to Members at the Corporate Asset Sub-Committee meeting on 1st November, with a view to the Chairman of the Finance Committee then being able to present an update to the Court of Common Council on 6th December (the initial query concerning the exterior appearance of the Mansion House was raised at Court)

RESOLVED – that the Sub-Committee noted the report.

5. **WORK PROGRAMME FOR FUTURE MEETINGS**

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

RESOLVED – that the Sub-Committee noted the report.

6. **DEPARTMENTAL RISK REGISTER - 2018/19 Q1**

The Sub-Committee received a Report of the City Surveyor concerning the Department's Risk Register.

Members were pleased with the improvement to the descriptions in the Report.

RESOLVED – that the Sub-Committee noted the Report

7. **GUILDHALL COMPLEX AND WALBROOK WHARF FUTURE MAJOR CAPITAL PROJECTS UPDATE REPORT**

Members received a Report of the City Surveyor concerning future major capital projects at the Guildhall complex and Walbrook Wharf.

The Chairman led a discussion regarding the requirement now for a masterplan to help guide future decision making and prioritisation of projects. Officers confirmed that an updated Report focusing on the creation of such a masterplan plan would be presented to Members in November.

A Member queried how a project was added to the list of capital projects in appendix 1. Officers confirmed that whilst a annual maintenance and breakdown budget existed for the City Surveyor, this list contained bigger projects arising from the Forward Maintenance Plans for the Guildhall complex and Walbrook Wharf that breached the threshold for funding from that budget.

Officers confirmed that a Report focusing on the remedial works to repair the roof at Walbrook Wharf would come before Members in November.

RESOLVED – that the Sub-Committee noted the Report.

8. **CYCLICAL WORKS PROGRAMME FOR 2019/20 BID REPORT**

The Sub-Committee considered a Report of the City Surveyor concerning the Cyclical Works Programme for 2019/20.

Members asked the City Surveyor whether he had adequate staff in place to tackle the backlog of works. The City Surveyor responded that despite the amount of work in the pipeline, staff, although stretched, were managing. The list of works was a moving feast and a renewed impetus to reduce the operational property footprint would, in turn, ease pressure across the team. Members also queried whether those in the department had sufficient levels of project management skills to meet the challenge. It was also felt increased projects led to pressures on other corporate departments to support.

Members requested that future iterations of this Report should include a greater focus on the macro clarity on where we were on the portfolio's bow wave and the implications for future finances and operational capability.

A Member asked when the current bow wave was likely to be eliminated. Officers responded that whilst the overall level of the bow wave was currently plateauing, it will not come to an end, as the CWP programme was not always sufficient to carry out all cyclical works required each year across the portfolio and some works were being deferred into the Reserve List either due to budget constraints or due to good estate management prolonging the life of certain physical assets.

RESOLVED – that the Sub-Committee approved the following:

- review the attached appendix schedules and approve the recommended works in the Actual List to the value of £12.6m as essential and should be prioritised as proposed;
- review the attached appendix schedules and approve the list of projects in the Reserve List to the value of £11.5m as works that need to be completed should savings from the Actual List projects arise;
- agree the final proposed programme of works be submitted for approval of funding at the meeting of the Resource Allocation Sub-Committee in January 2019;
- approve that where projects on the Actual List are delivered at a saving or do not proceed for any reason that the funding be reallocated by the CWP Peer Review Group to undertake projects from the approved Reserve list and then report to this committee at the next progress report.

9. **CORPORATE FM GENERAL UPDATE**

The Sub-Committee received a Report of the City Surveyor concerning Corporate FM.

RESOLVED – that the Sub-Committee noted the Report.

10. **FEASIBILITY STUDY TO EXPAND CITIGEN ENERGY NETWORK**

The Sub-Committee considered a Report of the City Surveyor concerning the Citigen energy network.

RESOLVED – that the Sub-Committee approved officers to undertake a feasibility study at a cost of up to £100,000 in accordance with the Government scheme described in this report to examine how the Citigen energy network might be expanded within the area to the south of Smithfield subject to a successful grant application for 67% of the cost and a 16.5% contribution from Citigen.

11. **CARBON DESCENT PLAN 2018 - UPDATE REPORT**

The Sub-Committee received a Report of the City Surveyor concerning the Carbon Descent Plan 2018.

Officers clarified that the trajectory target had been 2018 with the headline final target being 2025. The 2018 – 2025 period would be split into phase 1 (2018 – 2021) where officers would focus on the easier items; the expectation was that phase 2 (2021 – 2025), would prove more challenging, requiring departments to fundamentally change their approach. As a first step officers would be liaising with departments to ensure business plans for the post 2021 period were aligned with the aims of the CDP. In addition, external support staff would be needed in phase 2.

Officers would return in April 2019 with an update Report.

RESOLVED – that the Sub-Committee approved the following:

- Re-affirmed the Corporation's existing commitment to a 40% reduction by 2025, representing an updated 29% reduction target from present absolute performance.
- Members reviewed the list of potential energy reduction schemes set out in Appendix A and agree that these should be progressed
- Agreed the City Surveyor should progress those energy savings schemes set out in Appendix A that don't require any capital expenditure.
- Noted that any additional staffing cost (such as a fixed term energy project manager) will initially be met from the City Surveyor's local risk budget but recovered from the savings achieved.

- Agreed that those schemes requiring investment be progressed by the City Surveyor as 'spend to save' schemes through the gateway process at the earliest opportunity.
- The City Surveyor to report back on progress in six months' time

12. **SUSTAINABILITY AUDIT OF OPERATIONAL PROPERTY PORTFOLIO REPORT - REQUEST FOR FEES**

The Sub-Committee considered a Report of the City Surveyor concerning the Operational Property Portfolio.

RESOLVED – that the Sub-Committee approved funding of £55k supplementary budget from RASC or Transformation fund bid to commission a specialist consultant to undertake an analysis and create a draft sustainable buildings strategy report for the Corporate estate.

13. **WEST SMITHFIELD AND CHARTERHOUSE STREET (THAMESLINK) BRIDGES REMEDIAL WORKS**

The Sub-Committee considered a Report of the City Surveyor concerning the bridges at West Smithfield and Charterhouse Street.

RESOLVED – that the Sub-Committee approved the following:

- Option 2 from the Options Appraisal Table is approved (i.e. full programme of works identified to both bridges)
- The project budget of £684,000 is approved (inclusive of £100,000 risk allowance)
- Currently approved Cyclical Works Programme (CWP) funding of £230,000 is transferred to this project and managed under the Gateway project procedures
- Additional funding of £323,000 from the Additional Capital Funds for City Fund Properties Programme (as approved by RASC 18th January 2018) is allocated to the project & managed under the Gateway project procedures
- Additional funding of £131,000 from savings in the 2016/17 Additional Works Programme (AWP) is allocated to the project and managed under the Gateway project procedures

14. **UPDATE ON PUBLIC CONVENIENCES**

Members received a Report of the City Surveyor concerning public conveniences in the City.

A Member asked what about the current performance of the public conveniences app, officers responded that they would update Members on the app at the next meeting of the Sub-Committee.

A Member added that the network of public conveniences across the City was becoming anachronistic, and the community toilet scheme offered a more viable long-term solution for provision of conveniences. It was suggested that this issue sat in Port Health's remit.

RESOLVED – that the Sub-Committee noted the Report.

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

There were no questions.

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

There were no urgent items.

17. **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.

18. **NON-PUBLIC MINUTES**

The non-public minutes of the previous meeting held on 11th July 2018 were approved as an accurate record.

19. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**

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

20. **DEPARTMENTAL BUSINESS PLAN 2018/19 Q1 - OUTCOME REPORT**

The Sub-Committee received a Report of the City Surveyor concerning the Department's Business Plan.

21. **OPERATIONAL PROPERTY PORTFOLIO - ANNUAL REPORT 2018**

The Sub-Committee received a Report of the City Surveyor concerning the Operational Property Portfolio.

22. **CITY SURVEYOR'S SERVICE BASED REVIEW (SBR) TARGET AND REALISATION**

The Sub-Committee considered a Report of the City Surveyor concerning the SBR.

23. **BACKLOG OF CYCLICAL MAINTENANCE**

The Sub-Committee received a Report of the City Surveyor concerning the backlog of cyclical maintenance.

24. **BARBICAN CENTRE - CAPITAL CAP REPORT**

The Sub-Committee received a Report from the Director of Operations and Buildings, Barbican Centre.

25. **ANNUAL REPORT ON THIRD PARTIES AND INCOME FROM OPERATIONAL PROPERTY PORTFOLIO**
The Sub-Committee received a Report of the City Surveyor concerning income from third parties.
26. **CITIGEN - UPDATE**
The Sub-Committee received a Report of the City Surveyor concerning Citigen.
27. **20/21 ALDERMANBURY OPTIONS - GATEWAY 3 REPORT**
The Sub-Committee considered a Report of the City Surveyor concerning 20/21 Aldermanbury.
28. **WOODREDON HOUSE AND COACH HOUSE- DISPOSAL UPDATE REPORT**
The Sub-Committee considered a Report of the City Surveyor concerning the Woodredon Estate.
29. **DELEGATED AUTHORITY REQUEST - CITY FUND & CITY'S ESTATE HIGHWAY DISPOSAL - SHOE LANE & PLUMTREE COURT, EC4**
The Sub-Committee considered a delegated authority request of the City Surveyor concerning a highway disposal at Shoe Lane and Plumtree Court, EC4.
30. **GUILDHALL - GREAT HALL EVENT CHAIRS GATEWAY 3-4 REPORT**
The Sub-Committee considered a Report of the City Surveyor concerning the replacement of the event chairs.
31. **FINAL SETTLEMENT OF DISPUTE WITH TFL OVER TFL'S ACQUISITION OF SUB-SOIL BENEATH BILLINGSGATE MARKET**
The Sub-Committee considered a Report of the City Surveyor concerning the dispute with TfL over TfL's acquisition of sub-soil beneath Billingsgate Market.
32. **REPORT OF ACTION TAKEN**
The Sub-Committee received a Report of the Town Clerk concerning decisions taken under delegated authority or urgency procedures since the last meeting of the Sub-Committee.
33. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
There were no questions.
34. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were no items of urgent business.

The meeting ended at 11.30 am

Chairman

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