

## PROJECTS SUB (POLICY AND RESOURCES) COMMITTEE

Wednesday, 7 September 2016

**Minutes of the meeting of the Projects Sub (Policy and Resources) Committee held at the Guildhall EC2 at 10.00 am**

### **Present**

#### **Members:**

Sir Michael Snyder (Chairman)	Deputy Catherine McGuinness
Hugh Morris (Deputy Chairman)	Jeremy Mayhew
Mark Boleat	Graham Packham
Keith Bottomley	Deputy John Tomlinson
Marianne Fredericks	James Tumbridge
Christopher Hayward	

#### **Officers:**

Peter Lisle	-	Assistant Town Clerk
John Galvin	-	Town Clerk's Department
Greg Moore	-	Town Clerk's Department
Oliver Sanandres	-	Town Clerk's Department
Craig Spencer	-	Town Clerk's Department
Tim Young	-	Town Clerk's Department
Arshi Zaman	-	Town Clerk's Department
Christopher Bell	-	Chamberlain's Department
John James	-	Chamberlain's Department
Steve Telling	-	Chamberlain's Department
Martin O'Regan	-	City of London Police
Pauline Weaver	-	City of London Police
Tom Evans	-	City Surveyor's Department
Mark Lowman	-	City Surveyor's Department
Peter Young	-	City Surveyor's Department
Steve Presland	-	Department of the Built Environment
Iain Simmons	-	Department of the Built Environment
Jim Turner	-	Barbican Centre
Nigel Walker	-	Barbican Centre
Jamie Bottono	-	Culture, Heritage and Libraries Department
David Downing	-	Community & Children's Services Department
Paul Murtagh	-	Community & Children's Services Department
Esther Sumner	-	Open Spaces Department
Charles Griffiths	-	City of London School
Ellis Whitcomb	-	City of London School

### **1. APOLOGIES**

Apologies for absence were received from Deputy Roger Chadwick.

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

There were no declarations of interests.

3. **MINUTES**

The public minutes and summary of the meeting held on 20 July 2016 were approved, subject to it being noted that apologies had been received from James Tumbridge.

4. **GATEWAY APPROVAL PROCESS**

**RESOLVED** – That the Sub-Committee notes the Gateway Approval Process.

5. **ACCOMMODATION AND WAYS OF WORKING - GATEWAY 2 PROJECT PROPOSAL**

The Sub-Committee considered a report of the Town Clerk outlining a proposed programme aiming to introduce modernised working practices to the City Corporation.

Whilst supportive of the project, the Sub-Committee expressed a desire for officers to ensure that real changes would be implemented through this project and stressed the importance of “early wins” being gained so as to help establish the project and secure buy-in. To this end, the Sub-Committee requested an update on the project be submitted in three months’ time.

Members emphasised the importance of developing clear metrics and evaluation criteria to measure impact and progress, as well as observing that Member buy-in to the project would be vital, particularly that of the Chairmen of the various service committees.

In discussing potential savings that might accrue from the project, the Chairman noted that it would be unreasonable to include savings already being realised as part of the various operational property and accommodation reviews. He added that the outcomes of these existing reviews made it unlikely that significant further accommodation savings were likely to be identified through this particular project.

**RESOLVED** – That the project proceeds to the next Gateway on the complex route.

6. **GUTTER LANE AREA IMPROVEMENTS (S278) - GATEWAY 2 PROJECT PROPOSAL**

The Sub-Committee considered a report of the Director of the Built Environment which set out proposed public realm improvement works, funded via a Section 278 agreement, in the Gutter Lane area.

**RESOLVED** – That the project proceeds to the next Gateway on the Light route.

7. **TOWER BRIDGE – REPLACEMENT OF HEATING SYSTEM SERVING THE HIGH LEVEL WALKWAYS AND TOWERS - GATEWAY 2 PROJECT PROPOSAL**

The Sub-Committee considered a report of the Director of Culture, Heritage & Libraries proposing a project for the replacement of the heating distribution system at Tower Bridge.

**RESOLVED** – That the project proceeds to the next Gateway on the Regular route.

8. **PETTICOAT TOWER STAIRWELL PANELS - GATEWAY 2 PROJECT PROPOSAL**

The Sub-Committee considered a report of the Director of Community and Children's Services concerning a project to conduct a condition survey of stairwell panels at Petticoat Tower, followed by repair and replacement of panels where required.

The Chairman expressed his concerns at the anticipated consultants costs set out in the report and instructed that efforts be made to minimise this expenditure as far as possible. It was also suggested that the survey could be perhaps be conducted more cheaply through using a drone, rather than needing to erect scaffolding or similar.

It was requested that a directory of useful equipment held by Corporation departments be compiled, which would allow officers to see where certain items could be borrowed internally rather than hired from external companies. This would also highlight where it would be sensible to procure items such as drones or cherry pickers to provide long term savings, as opposed to multiple departments hiring similar items repeatedly as higher cost.

Alongside this, it was observed that it would also be beneficial for a directory of skills to be produced, highlighting the various areas of expertise and knowledge held by officers across the Corporation. This would allow for officers confronted with certain issues or projects to consult with colleagues who might provide helpful advice or expertise, thereby limiting the extent to which consultants might be required.

It was also suggested that any consultant appointed should be senior and experienced, as they were more likely to be able to quickly and accurately assess issues and provide the correct advice.

**RESOLVED** – That the Project proceeds to the next Gateway on the regular route.

9. **CONCRETE REPAIRS TO CULLUM WELCH HOUSE - ISSUE REPORT (GATEWAY 3) - FURTHER INFORMATION REGARDING COSTS**

The Sub-Committee considered a report of the Director of Community and Children's Services providing further information regarding a proposed budget increase for the project to conduct concrete repairs at Cullum Welch House.

In response to a query about the arithmetic in the report relating to construction cost inflation, officers undertook to circulate clarification outside the meeting.

Responding to a further query concerning residents' awareness of the issue and any likely costs they would be asked to bear, it was advised that the Section 20 consultation process for major works had yet to commence and residents would be informed through this process in due course.

**RESOLVED –** That the Sub-Committee:

- a) Approves the change in project approach to separate out the works to Cullum Welch House from the wider Golden Lane and Middlesex Street Estates concrete repair project.
- b) Notes the estimate project budget range of £1,050,000-£2,050,000 for the replacement and repair of concrete elements at Cullum Welch House and the potential inclusion of window renewal. A full options appraisal is to be brought to Committee at Gateway 4.
- c) Authorises the transfer of the existing estimated £600,000 works budget and £90,000 fees earmarked for Cullum Welch House from the estimated budget of the wider Golden Lane and Middlesex Street Estates concrete repair project.
- d) Retrospectively approves the consultancy fees (design, structural and testing expenditure), totalling £74,005, already spent to reach the current position and allocate them to this project. These fees are currently charged to HRA local revenue.
- e) Approves a sum of £28,000, comprised of £26,000 to complete the investigative work to the south elevation and £2,000 staff costs, to reach the next Gateway.

#### 10. **DEALING WITH PRICE INFLATION FOR CONSTRUCTION PROJECTS UP TO GATEWAY 5**

The Sub-Committee considered a report of the Chamberlain which provided information regarding the impact of price inflation on construction project costing, and made suggestions for how this issue could best be tackled in gateway reports.

The Chairman expressed his opposition to an automatic inflator being applied to any approved budgets, advising that the existing process should remain and that officers should continue to request the funds they expect to be required for projects, with appropriate justification. Should it be the case that the construction market did indeed experience high levels of inflation and subsequent budget adjustments be required for individual projects, officers should request additional funds through the normal gateway process, as at present.

**RESOLVED –** That the Sub-Committee:

- a) notes the contents of this report; and
- b) does not agree the approach proposed in paragraphs 16 and 17 of the report.

11. **CONSTRUCTION MARKET TRENDS - QUARTERLY REPORT**

The Sub-Committee received a report of the Chamberlain which provided information on construction market and industry trends that have an impact on tender pricing and capital project cost certainty.

Members thanked officers for the report but observed that there were conflicting external views as to the likely development of the market, with some suggesting that construction costs could decrease in the longer term.

**RESOLVED** – That the Sub-Committee notes the report.

12. **REVIEW OF TERM CONTRACTS AS A STRATEGY**

The Sub-Committee received a report of the Chamberlain which outlined the use of Term contracts as a procurement option and considered the benefits and disadvantages of such contracts.

Whilst noting that the Highways Maintenance Contract case study provided in the report was a good example of term contracts working well, Members noted a number of other instances where the outcomes had not been as positive. It was suggested that a wider range of examples would be beneficial in assisting the Sub-Committee to better assess the use of such contracts and understand the different types of term contracts that might be employed. The Head of Procurement was consequently asked to produce a report for a future meeting.

**RESOLVED** – That the Sub-Committee receives the report.

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

There were no questions.

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

There were no items of urgent business.

15. **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 item(s) on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Item No.	Paragraph No
15, 17-28	3
16	3, 7

16. **NON-PUBLIC MINUTES**

The Sub-Committee approved the non-public minutes of the meeting held on 20 July 2016 as an accurate record, subject to one amendment.

17. **SECURITY CROSS-CUTTING AGGREGATE REPORT: GUILDHALL, MANSION HOUSE, CENTRAL CRIMINAL COURT AND BARBICAN CENTRE - GATEWAY 2 PROJECT PROPOSAL**

The Sub-Committee considered and approved a report of the City Surveyor concerning proposals associated with a number of security enhancement projects across the City Corporation's estate.

18. **TEMPLE CHAMBERS, 3/7 TEMPLE AVENUE EC4: EXTERNAL CYCLICAL REDECORATION WORKS - GATEWAY 2 PROJECT PROPOSAL**

The Sub-Committee considered and approved a joint report of the Chamberlain and City Surveyor proposing a project to undertake external redecorations and repairs to Temple Chambers.

19. **CITY OF LONDON SCHOOL VISITOR WC PROVISION - GATEWAY 2 PROJECT PROPOSAL**

The Sub-Committee considered and approved a report of the Headmistress, City of London School, proposing a project to improve the provision of toilets at the School.

20. **CONCERT HALL 2016 – PHASE 1 - PIANO LIFT AND STAGE RISERS - ISSUE REPORT (GATEWAY 5)**

The Sub-Committee considered and approved a report of the Managing Director, Barbican Centre which requested variations to the contractors' contracts for works related to the Concert Hall Piano Lift and Stage Risers project.

21. **POLICE ACCOMMODATION STRATEGY PROGRAMME: PHASE 3J - 21 NEW STREET AND BISHOPSGATE DECANT**

The Sub-Committee considered and approved a joint report of the Chamberlain, Commissioner and City Surveyor concerning the Police Accommodation Strategy.

22. **BRIDGEMASTERS HOUSE PHASE 2 - POST COMPLETION WORKS: REQUEST FOR DELEGATED AUTHORITY**

The Sub-Committee considered and approved a report of the City Surveyor seeking delegated authority in respect of a number of post-completion works associated with the Bridgemasters House project.

23. **CITY OF LONDON POLICE PROGRAMME - RED, AMBER REPORT UPDATE**

The Sub-Committee noted a report of the Commissioner of the City of London Police which provided details of projects rated red and amber within the Police's project programme.

24. **OPEN SPACES DEPARTMENT RED, AMBER AND GREEN REPORT**

The Sub-Committee noted a report of the Director of Open Spaces which provided information regarding the projects rated as Red or Amber within the Open Spaces projects programme.

25. **BUILDINGS PROGRAMME RED, AMBER AND GREEN REPORT**

The Sub-Committee noted a report of the City Surveyor which provided information regarding the projects rated as Red or Amber within the Buildings Programme (including Housing projects).

26. **ACTION TAKEN BY THE TOWN CLERK UNDER DELEGATED AUTHORITY OR URGENCY PROCEDURES**

The Sub-Committee noted a report of the Town Clerk which provided information of action taken under delegated authority or urgency procedures since the last meeting.

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

There was one question.

28. **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 closed at 11.15 am**

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Chairman

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