



Corporate Asset Sub (Finance) Committee

Date: THURSDAY, 11 JULY 2019
Time: 1.45 pm
Venue: COMMITTEE ROOM 2 - 2ND FLOOR WEST WING, GUILDHALL

Members: Deputy Jamie Ingham Clark (Chairman)
Dominic Christian (Deputy Chairman)
Randall Anderson
Nicholas Bensted-Smith
John Chapman
Marianne Fredericks
Alderman Alison Gowman
Michael Hudson
Deputy Wendy Hyde
Deputy Edward Lord
Jeremy Mayhew
Deputy Joyce Nash
James de Sausmarez
Deputy Philip Woodhouse

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Lunch will be served for Members in the Guildhall Club at 1pm

NB: Part of the meeting may be subject to audio or visual recording

**John Barradell
Town Clerk and Chief Executive**

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **DECLARATIONS BY MEMBERS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**
To agree the public minutes and summary of the meeting held on 5 June 2019.

For Decision
(Pages 1 - 6)
4. **OUTSTANDING PUBLIC ACTIONS FROM PREVIOUS MEETINGS**
Report of the Town Clerk.

For Information
(Pages 7 - 8)
5. **WORK PROGRAMME FOR FUTURE MEETINGS**
Joint report of the Town Clerk and City Surveyor.

For Information
(Pages 9 - 10)
6. **GUILDHALL AND WALBROOK WHARF - MAJOR WORKS AND PRIORITISATION UPDATE**
Report of the City Surveyor.

For Decision
(Pages 11 - 16)
7. **PROJECT PIPELINE**
The City Surveyor to be heard.

For Information
8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

10. **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 I of the Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

11. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 5 June 2019.

For Decision
(Pages 17 - 20)

12. **OUTSTANDING NON PUBLIC ACTIONS FROM PREVIOUS MEETINGS**
Report of the Town Clerk.

For Information
(Pages 21 - 26)

13. **MAJOR WORKS MAINTENANCE FORECASTING AND GAP FUNDING - OPERATIONAL PROPERTY PORTFOLIO**
Report of the City Surveyor.

For Decision
(Pages 27 - 32)

14. **WALBROOK WHARF DEPOT - REPLACEMENT OF MECHANICAL AND ELECTRICAL SERVICES - GATEWAY 2**
Report of the City Surveyor.

For Decision
(Pages 33 - 40)

15. **DISPOSAL OF CITY FUND HIGHWAY LAND - THE DENIZEN, 43 GOLDEN LANE**
Report of the City Surveyor.

For Decision
(Pages 41 - 48)

16. **REQUEST FOR DELEGATED AUTHORITY - ACCOMMODATION AND WAYS OF WORKING - VACATION OF WALBROOK WHARF REPORT - GATEWAY 5**
Report of the City Surveyor.

For Decision
(Pages 49 - 50)

17. **REQUEST FOR DELEGATED AUTHORITY - GUILDHALL EVENT CHAIRS - GATEWAY 5**
Report of the City Surveyor.

For Decision
(Pages 51 - 52)

18. **DELEGATED AUTHORITY - APPROVAL OF RECOMMENDED DISPOSAL OFFERS - WOOD STREET AND SNOW HILL POLICE STATIONS**

For Information
(Pages 53 - 54)

19. **CITY OF LONDON POLICE - RELOCATION OF JOINT CONTRACT AND CONTROL ROOM (JCCR)**
Report of the City Surveyor. TO FOLLOW

For Decision

20. **CITIGEN UPDATE**
The City Surveyor to be heard.

For Information

21. **ACTION TAKEN BETWEEN MEETINGS**
Report of the Town Clerk.

For Information
(Pages 55 - 56)

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

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

CORPORATE ASSET SUB (FINANCE) COMMITTEE **Wednesday, 5 June 2019**

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 5 June 2019 at 1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)
Randall Anderson
Nicholas Bensted-Smith
John Chapman
Alderman Alison Gowman
Michael Hudson
Deputy Wendy Hyde
Jeremy Mayhew

Officers:

Alison Bunn	- City Surveyor's Department
Adam Calvert	- Comptroller and City Solicitor's Department
Natalie Evans	- Chamberlain's Department
John Galvin	- City Surveyor's Department
Chris Hartwell	- City Surveyor's Department
Fiona McKeith	- City Surveyor's Department
Dianne Merrifield	- Chamberlain's Department
Martin Newton	- Town Clerk's Department
Dorian Price	- City Surveyor's Department
James Rooke	- City Surveyor's Department
Mansi Sehgal	- City Surveyor's Department
Gavin Stedman	- Port Health Service Assistant Director
Paul Wilkinson	- City Surveyor

1. APOLOGIES

Apologies were received from Dominic Christian (Deputy Chairman), Marianne Fredericks, Christopher Hayward, Deputy Joyce Nash, James de Sausmarez and Deputy Philip Woodhouse.

2. CHAIRMAN'S INTRODUCTION

The Chairman welcomed all to the first CASC meeting of 2019/20, paying tribute to the late Chairman, Nick Bensted-Smith and former member Jeremy Simons for their contributions to the committee, He welcomed the new members Deputy Joyce Nash and James de Sausmarez and noted that the reappointments of John Chapman, Alderman Alison Gowman and Christopher

Hayward were still subject to the approval of the Property Investment Board on 12 June 2019.

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

Alderman Alison Gowman declared an interest in Item 20 (Power Purchase Agreement for Offsite Renewable Energy) insofar as her employer, DLA Piper UK, had provided advice to the CoL on this matter.

4. **MINUTES**

RESOLVED – That the public minutes and non-public summary of the previous meeting held on 4 April 2019 be approved as an accurate record.

5. **SUB COMMITTEE TERMS OF REFERENCE**

The Sub Committee noted the terms of reference and the Chairman confirmed that officers would report back on whether the terms provided for advising on all bids for Heritage Lottery funding (**P05/2019**).

RECEIVED.

6. **PUBLIC OUTSTANDING ACTIONS**

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

It was noted that proposed external cleaning and lighting at Mansion House was currently paused due to the fundamental review.

On the new lift and escalator contract, it was noted that lot 1 would be undertaken by Amalgamated Lifts; lot 2 had not been awarded; and lot 3 would be undertaken by Guideline Lifts.

With regard to baby changing facilities, it was noted that the facility had now been received and would be installed. A report to a future meeting would be made on the audit on accessible environments (**P06/2019**). The Sub Committee asked that more regular planned audits be introduced to identify problem areas such as highlighted with baby changing facilities.

RECEIVED.

7. **WORK PROGRAMME FOR FUTURE MEETINGS**

The Sub-Committee considered a joint report of the Town Clerk and City Surveyor which provided information of the work programme for future meetings.

Members asked that the April column be deleted from the report and it was noted that the paper on Guildhall Projects would come to the July 2019 meeting.

A Member asked whether responsible sustainable management of the operational portfolio was being met and the City Surveyor confirmed that adequate progress was being made in this respect.

It was also noted that the work programme needed to include oversight of operational leases with third parties.

RECEIVED.

8. **CYCLICAL WORKS PROGRAMME 2018/19 QUARTER 4**

The Sub Committee considered the City Surveyor's report on the cyclical works programme 2018/19 quarter 4.

Members asked questions regarding the water leak at Parliament Hill Fields Lido and it was noted that progress would be reported in the quarter 2 report scheduled for consideration at the November 2019 meeting (**P07/2019**).

RECEIVED.

9. **ADDITIONAL REPAIRS AND MAINTENANCE PROGRAMME 2018/19 QUARTER 4**

The City Surveyor reported on the additional repairs and maintenance programme 2018/19 quarter 4.

After discussion, it was

RESOLVED – That

- a) provision of £192,300 be approved from the 2016/17 AWP budget into 2019/20 for project C037AW006L, LCM ornate metalwork maintenance finishes;
- b) provision of £100,000 be approved from the 2016/17 AWP budget into 2019/20 to allow settlement of final accounts when agreed; and
- c) carry over of savings on this programme into the 2019/20 CWP be approved to fund cyclical works currently on the reserve list.

10. **CITY SURVEYOR'S BUSINESS PLAN 2018/19 QUARTER 4**

The Sub Committee considered the paper on the City Surveyor's Business Plan 2018/19 quarter 4.

During discussion, a Member raised a question on Appendix D – Market Commentary – Bullet 4, noting that volumes and transactions both decreased by 53% to £2.4b and whether this was a coincidence. The City Surveyor undertook to follow this up prior to the report being considered at Property Investment Board.

RECEIVED.

11. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER 2018/19 QUARTER 4**

Members had before them the report by the City Surveyor on his Departmental risk register 2018/19 quarter 4.

RECEIVED.

12. **ANNUAL ENERGY PERFORMANCE REPORT 2018/19**

The City Surveyor submitted his Annual Energy Performance Report.

Discussion ensued and the Sub Committee noted that a Carbon matrix would be added to reports going forward and that further information would be provided on funding and support progress, with regard to the 2025 40% energy reduction target, to prioritise the energy efficient opportunities identified for big consuming sites.

The City Surveyor confirmed that the project pipeline report would be presented to CASC at its next meeting.

In response to a question from a Member, the Chairman undertook to speak with the Chairman of the Establishment Committee about potential for a once a year meeting with that Committee to jointly consider 'smarter working' initiatives.

RECEIVED.

13. **HERITAGE AT RISK REGISTER ANNUAL REPORT**

The City Surveyor presented his heritage at risk report and responded to questions.

RECEIVED.

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

There were no questions.

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

There were no urgent items.

16. **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 remaining 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.

17. **NON-PUBLIC MINUTES**

RESOLVED – That the non-public minutes of the previous meeting held on 4 April 2019 be approved as an accurate record.

18. **NON PUBLIC OUTSTANDING ACTIONS**
The Sub-Committee noted a report of the Town Clerk which provided information of outstanding actions from previous meetings.
19. **WALBROOK WHARF ELECTRICAL INFRASTRUCTURE UPGRADE**
The City Surveyor reported on the Walbrook Wharf Infrastructure Upgrade.
20. **APPENDIX 5 TO CITY SURVEYOR'S BUSINESS PLAN 2018/19 QUARTER 4 (SEE ITEM 9)**
The Sub Committee considered non-public appendix 5 to the City Surveyor's Business Plan 2018/19 quarter 4 (item 9).
21. **POWER PURCHASE AGREEMENT FOR OFFSITE RENEWABLE ENERGY**
Members considered the joint report of the City Surveyor and the Chamberlain on the Power Purchase Agreement for offsite renewable energy.
22. **LONDON GATEWAY ACCOMMODATION**
The Interim Director of Consumer Protection and Markets Operations reported on London Gateway accommodation.
23. **20/21 ALDERMANBURY - FUTURE USE AND BUILDING OPPORTUNITIES**
With agreement of the Chairman, the Sub Committee considered the late report of the City Surveyor on 20/21 Aldermanbury.
24. **URGENT ACTION BETWEEN MEETINGS**
The Town Clerk reported on urgent action taken between meetings.
25. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
There was one urgent non-public question.
26. **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.
27. **CITY SURVEYOR'S STAFFING MATTERS**
The City Surveyor reported on a staffing matter.

The meeting ended at 3.32 pm

Chairman

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Corporate Asset Sub-Committee – Carry Forward Public Actions

	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress update	
Page 4	P01/2019	30.01.19	<u>Mansion House External Cleaning and Lighting</u> Court had received an update on Mansion House at its December meeting and a further report would come before the Sub-Committee in June or July.	Jessica Lees	June / July 2019	Project now on hold pending outcome of Fundamental Review. Further update to CASC as appropriate.
	P04/2019	04.04.19	<u>Inadequate Baby Changing Facilities at Guildhall</u>	Dorian Price		New baby changing facility installed 6 June 2019.
	P05/2019	05.06.19	<u>Sub Committee Terms of Reference</u>	Peter Young		Officers to report back on whether the terms of reference provide for advising on all bids for Heritage Lottery funding.

Corporate Asset Sub-Committee – Carry Forward Public Actions

P06/2019	05.06.19	<u>Audit on Accessible Environments</u>	Dorian Price		Report to future meeting regarding the audit on accessible environments. The Sub Committee asked that more regular planned audits be introduced to identify problem areas such as highlighted with baby changing facilities (see above).
P07/2019	05.06.19	<u>Water Leak at Parliament Hill Fields Lido</u>	Chris Hartwell		Work progress to be reported in the quarter 2 update paper scheduled for consideration at the November 2019 meeting.

Corporate Asset Sub-Committee –Work Programme July 2019 - June 2020

COMMITTEE DATE	11/07/2019	25/09/2019	07/11/2019	29/01/2020	01/04/2020	03/06/2020
SUSTAINABLE MANAGEMENT OF THE CORPORATION'S OPERATIONAL PROPERTY PORTFOLIO						
Corporate Property Asset Management Strategy		Asset Management SBR Progress update report	Corporate Property Asset Management Strategy 2019-23 report			Asset Management SBR final report
City Surveyor's Business Plan		Business Plan 2019/20 Q1 outcome report	Guildhall Budget Performance 2019/20 update report	Business Plan 2019/20 Q2 outcome report	Business Plan 2019/20 Q3 outcome report	
City Surveyor's Risk Register		Risk Register 2019/20 Q1 report		Risk Register 2019/20 Q2 report	Risk Register 2019/20 Q3 report	
Facilities Management			Corporate FM update			
Portfolio management information	Capital Maintenance Forecasting and Gap Funding – Operational Property Portfolio report	Annual report on Operational Property Portfolio				
Operational Property Review <i>(note individual assets will be reported as declared surplus by service committees) and other disposals</i>						
UPKEEP, MAINTENANCE AND FURNISHING OF OPERATIONAL PROPERTIES NOT WITHIN THE REMIT OF ANOTHER SERVICE COMMITTEE						
			CWP Q1 / 2 Progress report 2019/20			CWP Q3 / 4 Progress report 2019/20
TO MONITOR MAJOR CAPITAL PROJECTS RELATING TO OPERATIONAL ASSETS						
	Current and Future Capital Projects for Guildhall and Walbrook Wharf Guildhall and Walbrook Wharf – Major Capital Project update report	Gateway 3 / 4 sub-metering report Audit on Accessible Environments report	Gateway 5 Walbrook Wharf Electrical Infrastructure report			
RECOMMENDING THE ANNUAL PROGRAMME OF REPAIR AND MAINTENANCE WORKS						
		CWP Bid report 2020/21				

COMMITTEE DATE	11/07/2019	25/09/2019	07/11/2019	29/01/2020	01/04/2020	03/06/2020
RESPONSIBILITY FOR STRATEGIES, PERFORMANCE AND MONITORING INITIATIVES IN RELATION TO ENERGY						
	Citigen update report	Citigen update report Energy Performance 2019/20 Q1 report Energy Projects update	Citigen update report Energy Performance 2019/20 Q2 report	Citigen update report	Citigen update report	Citigen update report
MONITORING AND ADVISING ON BIDS FOR HERITAGE LOTTERY FUNDING						
		Guildhall Conservation Management Plan	Heritage Estate Review New National Lottery Funding Approach report			

Peter Young / Elizabeth Graham
July 2019

Agenda Item 6

Committee Corporate Asset Sub Committee	Date: 11 July 2019
Subject: Guildhall and Walbrook Wharf – Major Works and Prioritisation Update	Public
Report of: The City Surveyor	For Decision
Report author: Dorian Price, Guildhall Manager, City Surveyor’s Department	

Summary

The purpose of this report is to present an update on the Guildhall complex and Walbrook Wharf current and re-prioritised future major works arising from the Forward Maintenance Plans.

The last schedule of major projects approved by Corporate Asset Sub Committee in 2017, have been re-prioritised in the table below.

These works sit outside the Cyclical Works Programme (CWP) of minor works and were taken from the 20 year Forward Maintenance Plans. Subject to Member approval, the works are required to address the upkeep of cyclical works and the backlog of deferred works (Guildhall complex currently at £13.6m), and ensure the operational assets remain in a good, safe and statutory compliant condition, as outlined in the Corporate Property Asset Management Strategy 2017/18.

All Walbrook Wharf works align with the Walbrook Wharf - Medium Term Strategy and are necessary to maintain the operational status of the facility at least until the proposed block date of 2027.

These are the current major works that have been re-prioritised and are now recommended to take forward and bid in the new Annual Bid Process, or be deferred until funding is available, pending the outcome of the Fundamental Review.

Summary of agreed prioritised Current Major Projects – Appendix 1

Property	Summary of Current Major Projects	New Recommendation	Estimated Current Cost (excl Risk)	Note	Policy and Resources Committee Prioritisation Criteria
Walbrook Wharf	Walbrook Wharf - Electrical Infrastructure Upgrade	Continue	£1,530,000	Continue – to next GW 3/4 - due to dependency of new cleansing contract to operate a full electric fleet.	Policy Implementation Scheme - This project is a dependency for the new cleansing contractor to operate an electric fleet from Walbrook Wharf.

Property	Summary of Current Major Projects	New Recommendation	Estimated Current Cost (excl Risk)	Note	Policy and Resources Committee Prioritisation Criteria
Walbrook Wharf	Walbrook Wharf – Replace main depot roof felt and boarding.	Continue	£1,100,000	Continue - to next GW 3-5 to commence works – Autumn 2019 – funded from previously approved surpluses from business rates, applied to City Fund properties.	Not part of Fundamental Review - funded from previously approved surpluses from business rates, applied to City Fund properties.
Guildhall	St Lawrence Jewry Church – Refurbishment	Continue	£3,474,000	Continue – to next GW 5 - due to reputational impact to withdraw deemed too great.	Reputational Scheme - Given the extensive debate involving external parties Members may feel the reputational impact of withdrawing support will be too great.
Walbrook Wharf	Walbrook Wharf - AWOW - Vacation	Continue	£717,000	Continue - to next GW 5 – July 2019 Committee - Internal Loan scheme - Income generating project	Spend to Save (Operational Property Review) Scheme Approval of funding is subject to Business Case and confirmation of net returns of the proposed option
Guildhall	Guildhall – Great Hall - Events Chair Replacement	Continue	£500,000	Continue – to next GW 5 to commence works – July 2019	Replacement of Critical End of Life Assets - replacement of life expired chairs are considered essential to the continuation of the viability of Guildhall as an event space.
Guildhall	20/21 Aldermanbury Building Refurbishment	Continue	£8,300,000	Continue – to next GW 5	Not part of Fundamental Review - funded from the CE DSP (ring fenced fund).
Guildhall	Guildhall Yard refurbishment - renewal of damaged paving stones	Continue	£1,500,000	Continue - to next GW 3/4 - submit Annual Bid to Maintain Project to mitigate Business reputation and increasing Health and Safety risks if work deferred.	Deferred pending Fundamental Review Propose works to be undertaken as a Reputational Scheme
Guildhall	Guildhall – Sub Metering	Continue	£230,000	Continue - to next GW 3/4 - submit Annual Bid to Maintain Project to mitigate the Energy Intensity metric we are currently unable to generate due to lack of data granularity.	Deferred pending Fundamental Review Propose works to be undertaken as a Spend to Save Scheme
Guildhall	West Wing provision of	Continue		Continue - Request for	Reputational Scheme

	upgraded lavatories and cloakroom - automatic door openers		£42,000	top-up of City's Cash to install automatic door openers	This is a request for top-up funding from the 2018/19 City Fund provision for new schemes to incorporate access features such as automatic door openers.
Guildhall	Art Gallery Cloakroom and Lavatory Refurbishment	Continue	£196,000	Continue – to next GW 3/4	Not part of Fundamental Review - funded from previously approved surpluses from business rates, applied to City Fund properties.
Guildhall	Guildhall - Justices Switch - Damp proofing and relocation of essential electrical services	Defer	£300,000	Defer - works until GJR vacated - anticipated to be end 2021	Deferred pending Fundamental Review

The table below provides an overview of future Major works with a prioritised list (Appendix 2) of works due in 2020/21.

Scheme	Summary of Future 2020/21 Major Works	Estimated Current Cost (excl Risk)	Recommendation
1	Walbrook Wharf – Phase 3 Mechanical & Electrical Replacement	£1,500,000	Submit bid to Annual Bid process
2	Guildhall - Great Hall - Internal Stonework Overhaul	£1,200,000	Submit bid to Annual Bid process
3	Guildhall – Masterplanning Report	£100,000	Submit bid to Annual Bid process
4	Guildhall - West Wing - Space Cooling - Chiller Plant & Cooling Tower Replacement	£3,000,000	Submit bid to Annual Bid process
5	Guildhall – West Wing – Space Heating – Distribution Pipework, Ductwork, pipework and terminal units Replacement	£2,520,000	Submit bid to Annual Bid process
6	Guildhall - Great Hall - External Stonework Overhaul	£200,000	Submit bid to Annual Bid process
7	Guildhall - Listed Building - Conservation Management Plan restoration/refurbishment works	£2,000,000	Submit bid to Annual Bid process
	Estimated Total Cost	£10,520,000	

A brief explanation of each future major work is provided in Appendix 3.

In the meantime, the City Surveyor is currently reviewing, as a Fundamental Review opportunity, wholesale development of the North and West Wings which are under considerable strain with regards to the building fabric and services as a result of increased use and age. Both buildings have reached the point where there is a need to consider the future of these buildings and consider if they are to remain fit for purpose for the changing culture within the City of London Corporation given their age, condition and poor net to gross workspace ratios.

For the West Wing in particular, the key challenge will be refurbishment and replacement of existing M&E services during occupation. The noise and disruption (with added

complexity of asbestos) necessitates that there is little option other than to decant the building in its entirety for the duration of the works (including Members' facilities).

This investment, regardless of the extent, needs to follow a consistent strategy in the form of a Guildhall Masterplan. However, if this Masterplan strategy is not approved as part of the Fundamental Review, then current and future Major projects will be prioritised accordingly, and as set out in Appendix 1 and 2.

Recommendation

Members are asked to:

1. Approve the current prioritisation of major projects set out in Appendix 1 – that are recommended to proceed, with an estimated project value of £17.59m, and one project recommended to defer.
2. Approve the future major projects set out in Appendix 2 – with a combined value of £10.52m, to be submitted through the formal Annual Bid Process.
3. Note that if the introduction of an Annual Capital bid process is approved later this year, the schemes set out in Appendix 2, will compete against other Corporate bids prior to receiving approved funding to proceed.
4. Defer the approval of schemes set out in Appendix 2 – Schemes 8 to 31, with an estimated project cost of £48.74m (excluding risk) which are still deemed essential but have been prioritised lower and will be considered in future years.

Main Report

Background

1. In light of the scale of potential capital requirements, Members have agreed it will become essential to prioritise effectively which capital projects should progress. Funding will then be allocated in a measured way, by applying a process of prioritisation that ensures the most essential schemes are progressed in order to meet corporate objectives.
2. Guildhall Complex and Walbrook Wharf forward maintenance plans have identified areas of further investment and renewal that is required beyond the minor Cyclical Works Programme (CWP) and funding available.
3. Using the project prioritisation model developed for the CWP officers have reassessed future projects and a programme of essential projects have been ranked in order of priority according to the following criteria;
 - a. Health, Safety & Security
 - b. Physical Asset Performance
 - c. COL Reputation
 - d. Maintaining Income
 - e. Stakeholder Feedback e.g. Committee, Department, Chief Officer.

4. A separate report that includes major works maintenance due across the operational estate (excluding Housing) with a prioritised list of works due in 2020/21, is on this Committee's agenda. Given these works, along with those listed within this report, represent all the major works maintenance bids for 2020/21, it is recommended all works are approved in principle.
5. As all bids are now subject to consideration at the Resource Allocation Sub away day, any further consideration of these major works will be made as part of the Fundamental Review.

Current Position

6. The Cyclical Works Programmes considers the requirements across the corporate operational estate, including the Barbican Centre and the Guildhall School of Music and Drama. The Guildhall Complex receives c.£1m per annum towards property maintenance, hence the requirement to undertake further works as part of a major works programme.
7. The re-prioritisation exercise has resulted in a pipeline of unfunded projects, Appendix 2 – Schemes 1 to 31. All projects have been re-assessed using the current approved CWP prioritisation scoring criteria.
8. The most essential Guildhall Complex and Walbrook Wharf schemes 1 to 7 (Appendix 2, above the red line), have been programmed to deliver over the next three to five years.
9. These are all projects that cannot be absorbed into the CWP programme and if these essential works are not undertaken, there is a risk that operational assets are not fully fit for purpose and do not meet service delivery needs.
10. The cost of any deferred works is likely to increase in the future if not undertaken.
11. A summary of Guildhall Complex and Walbrook Wharf schemes 1 to 7 is detailed in Appendix 3.

Corporate & Strategic Implications

12. The proposals align with the following Corporate Plan outcomes.
 - a. Outcome 1: People are safe and feel safe.
 - b. Outcome 4: Communities are cohesive and have the facilities they need
 - c. Outcome 5: Businesses are trusted and socially and environmentally responsible
 - d. Outcome 8: We have access to the skills and talent we need
 - e. Outcome 9: We are digitally and physically well-connected and responsive
 - f. Outcome 10: We inspire enterprise, excellence, creativity and collaboration

13. Once projects are approved to proceed, a rationalisation exercise will be undertaken to maximise opportunities for economies of scale and effectiveness of delivery by bundling types of projects and the procurement together, wherever possible.
14. These projects will help to address the backlog of cyclical maintenance works by renewing and improving the operational effectiveness of our assets and delivering potential savings from more efficient and effective maintenance. However, if funding is restricted and not available, the backlog, currently standing at £13.6m, may increase going forward.

Implications

15. If essential works are not undertaken, there is a risk that operational assets are not fully fit for purpose and do not meet service delivery needs and the cost is likely to increase in the future if deferred.
16. These works support the requirements of City heritage and reputational risk by improving and securing Listed buildings for the future and enhancing the overall environment for visitors and enclave of historic buildings.
17. Funding has yet to be identified for schemes 1 to 7. However, it is proposed that, subject to Resource Allocation Sub-Committee approval, funding for major capital projects would come from;
 - a. City's Cash - total estimated cost £9.02m (excluding risk)
 - b. City Fund– total estimated cost £1.5m (excluding risk)

Conclusion

18. All new major work projects will be required to meet a revised set of criteria as a result of the Fundamental Review. Once projects have met the criteria, they will, subject to approval, follow the Annual Capital Bid process where major projects will compete against other corporate bids prior to receiving approved funding to proceed.

Appendices

- Appendix 1 – Guildhall Complex and Walbrook Wharf prioritised and re-assessed current Major Projects
- Appendix 2 - Guildhall Complex and Walbrook Wharf future Major Projects
- Appendix 3 - Summary of Guildhall Complex and Walbrook Wharf future schemes 1 to 7

Dorian Price

Guildhall Manager. T: 020 7332 1487 E: dorian.price@cityoflondon.gov.uk

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