

CORPORATE ASSET SUB (FINANCE) COMMITTEE
Wednesday, 29 January 2020

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at
Committee Room 2 - 2nd Floor West Wing, Guildhall on Wednesday, 29 January
2020 at 1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)
Dominic Christian (Deputy Chairman)
Randall Anderson
John Chapman
Alderman Alison Gowman
Michael Hudson
Deputy Wendy Hyde
Jeremy Mayhew
Deputy Joyce Nash
Deputy Philip Woodhouse

Officers:

Simon Causer	- City Surveyor's Department
Dianne Merrifield	- Chamberlain's Department
Paul Wilkinson	- City Surveyor
Peter Young	- City Surveyor's Department
Alan Bennetts	- Comptroller and City Solicitor's Department
Steven Bage	- City Surveyor's Department
Alison Bunn	- City Surveyor's Department
Peter Collinson	- City Surveyor's Department
Andrew Crafter	- City Surveyor's Department
Paul Double	- City Remembrancer
John Galvin	- City Surveyor's Department
Nigel Lefton	- Remembrancer's Office
Simon McGinn	- City Surveyor's Department
Fiona McKeith	- City Surveyor's Department
Paul Murtagh	- Community and Children's Service Department
Ola Obadara	- City Surveyor's Department
Jonathon Poyner	- Barbican Centre
Dorian Price	- City Surveyor's Department
James Rook	- City Surveyor's Department
Chris Rumbles, Clerk	- Town Clerk's Department

1. **APOLOGIES**

Apologies were received from Nick Bensted-Smith, James De Sausmarez, Edward Lord and Marianne Fredericks.

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

The Chairman declared an interest in Item 32 (St Lawrence Jewry Church – Outline Fire Risk Assessment during construction) by virtue of being a Church Warden of St Lawrence Jewry. Members noted the Chairman had no financial interest and, as such, agreed that it would appropriate for him remain in the Chair for this item.

3. **MINUTES**

RESOLVED – That the public minutes and non-public summary of the previous meeting held on 7 November 2019 are approved as an accurate record.

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.

RECEIVED

5. **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.

RECEIVED

6. **ANNUAL REVIEW OF THE SUB COMMITTEE'S TERMS OF REFERENCE**

The Sub-committee considered a report of the Town Clerk providing a copy its terms of reference for annual review.

Members noted the terms of reference had been updated mid-year following an incident at Mansion House, with a more explicit reference to security now included given the Sub-committee's responsibility in this area.

RESOLVED – That the Sub-committee approved the terms of reference.

7. **THE GUILDHALL CONSERVATION MANAGEMENT PLAN**

The Sub-committee considered a report of the City Surveyor that provided information relating to the creation of a Guildhall Conservation Management Plan for heritage assets of the Guildhall Complex, including the Great Hall and Old Library, and seeking approval for the adoption of the policies and processes within the plan.

The Chairman highlighted that the Guildhall Conservation Management Plan was a codification of all the different parts already in place that were now included within a single document to ensure nothing was overlooked.

A Member stressed the importance of including sustainability within the plan and ensuring this becomes part and parcel of how buildings were being treated given the variations in temperature. Members noted the intention to review and refresh the plan every five years.

RESOLVED – That the Sub-committee approve the adoption of the policies within the Guildhall Conservation Management Plan.

8. WALBROOK WHARF REPLACEMENT ROOF

The Sub-committee considered a report of the City Surveyor providing a progress update since the last gateway and seeking approval to the next steps in appointing Neilcott Construction to carry out works.

The Chairman acknowledged that the proposal was good news for Walbrook Wharf tenants, noting it had taken some time to achieve the funding to carry out this important piece of work.

Resolved, that approval be given to:

1. Additional resources to the next Gateway (6) in the total sum of **£1,356,500** for works, fees and Costed Risk Provision (CRP), giving a total project budget of **£1,412,000**.

2. In respect of the works approved the appointment of Neilcott Construction in the total sum of **£994,915**

3. In respect of the CRP, approve a total sum of **£292,705** to be drawn down via delegation to Chief Officer in consultation with the Chamberlain should risk be identified on the Risk Register.

4. In respect of the fees and staff cost approve a total sum of **£68,800**.

5. Note revised completion date of August 2020 from the original completion date of December 2020.

9. FUTURE LOCATION FOR FIXED STONE BENCH SEATING IN/NEAR GUILDHALL YARD.

The Sub-committee considered a report of the City Surveyor updating on six locations having been identified as suitable for fixed stone seating in Guildhall Yard and seeking approval of these once the St Lawrence Jewry restoration work has been completed.

A Member highlighted the importance of maintaining seating in Guildhall Yard and stressed that where existing benches were being removed that it would be important to replace these.

A Member asked for clarification regarding the source of funding for the benches and it was confirmed that a Livery Company had been kind enough to support Guildhall Yard by providing these.

RESOLVED - That the locations of the fixed stone benches be approved.

10. **CENTRAL CRIMINAL COURT - EXTERNAL AND INTERNAL FABRIC REPAIRS**

The Sub-committee considered a report of the City Surveyor seeking approval of funding to engage a consultant to undertake a condition survey and produce options proposals for internal and external works.

A Member referred to the Central Criminal Court being occupied by the Courts Service and questioned whether they could be asked to contribute towards the cost of the works. It was clarified that there were a clear set of arrangements over where responsibility falls with maintenance of the building sitting solely with the City Corporation on the capital side and the Courts Service responsible for upkeep on the revenue side.

The Member suggested these works would fall under revenue maintenance in exactly the same way as painting and decorating and it was suggested it would be worth asking the question of the Chamberlain regarding funding.

Resolved – That Members,

- 1.1 Approve a budget of £75, 000 for a condition survey and options appraisal.
- 1.2 Note the total estimated cost of the project at £2.67m (excluding risk)
- 1.3 Note the total estimated cost of the project at £2.96m (including 15% risk allowance)

11. **RESOLUTION OF BARBICAN RESIDENTIAL COMMITTEE 16.12.19**

The Sub-committee considered a resolution of the Barbican Residential Committee asking that consideration be given to the original budget allocation of £50,000 for the highwalks maintenance in and around the Barbican Estate was adequate and if this figure should be increased.

The Chairman asked for clarification of exactly what was being asked and suggested the term of the resolution was not within the locus of this Sub-committee.

Joyce Nash, Alison Gowman and Jeremy Mayhew all declared an interest in this item as Barbican Residents.

A Member, also Chairman of Barbican Residential Committee, clarified the position and explained that there were currently six committees dealing with maintaining different parts of the Barbican Estate and that that responsibility for maintenance of the Highwalk had been kicked around by a number of Committees. It had been proposed at Streets and Walkways Sub-committee to refer the matter to Corporate Asset Sub-committee.

Members discussed a range of issues relating to maintenance of the Barbican Estate Highwalk and where maintenance of this area should sit. It was

questioned whether maintenance in this area should continue to be part of the landlord account or become part of the Cyclical Works Programme.

It was acknowledged that maintenance of the Highwalk was getting stuck in the works between Committees and it was suggested that this Sub-committee could identify where the responsibility for maintenance sits and agree the next steps. Members agreed that it was important to find a way to progress the works.

The Director of Community and Children's Services provided additional background to the position and also clarified that the £50k budget currently allocated only offers provision to address immediate repairs as and when these were needed, which left a gap for ongoing maintenance and updating.

The Director of Community and Children's Services agreed to take the matter away and discuss amongst officers how to fill this gap in funding. Members stressed a clear steer had been given on the need to get the works undertaken.

RESOLVED - That the Director of Community and Children's Services would report back at the next meeting with options and proposals for taking forward future maintenance and funding of the Barbican Estate Highwalk.

12. CITY SURVEYOR'S BUSINESS PLAN 2019-24 QUARTER 2 2019/20

The Sub-committee received a report of the City Surveyor providing details of progress in quarter 2 (July – September) 2019/20 against the 2019-24 Business Plan.

Members noted the update showed all KPIs were ahead of target for the period. Members were assured that the current overspend was recoverable and that a balanced budget would be achieved by the end of the financial year.

RESOLVED – That the contents of the report be noted.

13. CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER UPDATE

The Sub-committee received a report that provided a quarterly update on the management of risks within the City Surveyor's Department.

Members noted the Risk Register had been updated and now included a risk relating to a backlog of maintenance. It was clarified that a Service Level Agreement was now in place between City Surveyor's Department and the Department of the Built Environment relating to maintenance of the Bridges.

RESOLVED – That the contents of the report and actions taken within the City Surveyor's Department to effectively monitor and manage risk be noted.

14. CITY SURVEYOR'S HIGH-LEVEL SUMMARY BUSINESS PLAN 2020/21

The Sub-committee considered a report of the City Surveyor presenting a high-level summary Business Plan for the City Surveyor's Department.

RESOLVED – That the high-level summary Business Plan for 2020/21 be approved.

15. **FM ARRANGEMENTS FOR GUILDHALL EVENTS**

The Sub-committee received a report of the Remembrancer providing an update on the creation of a single profit and loss (P&L) account showing the full direct and indirect cost of events.

The Remembrancer explained the P&L account was looking to achieve an appropriate attribution of costs relating to events at Guildhall. The Remembrancer clarified that further work was needed to refine percentages when considering paid for events through Remembrancer's Department against internal events run by departments.

A Member, also Chairman of Finance Committee, stressed the importance of costs being allocated appropriately to departments. The principle being that all direct and indirect costs were being allocated to an owner, but not all costs falling to the City Surveyor and Remembrancer. The Member suggested that where costs do not fall to the Remembrancer that they needed an owner and that he would be willing to consider increasing budgets to cover these additional costs.

The City Surveyor confirmed he was in full agreement with the arrangement set out within the report.

RESOLVED – That the content of the report be noted.

16. **CYCLICAL MAINTENANCE BACK LOG**

The Sub-committee received a report of the City Surveyor updating on the current position on the overall view of cyclical maintenance and repairs/renewal.

A Member referred to the overall cost of the maintenance and renewal backlog increasing over time and questioned whether in-roads would start to be made and with the figure reducing.

The City Surveyor highlighted the difficulty in undertaking a wholesale refurbishment of the entire operational property estate when in full occupation and suggested tactical decisions had to be taken when considering maintenance and renewal works. Prioritisation was crucial when considering how to spend money and this resulted in areas being undertaken in several phases to maintain the asset as operational and at full occupation. Members noted a draft new Corporate Asset Management Strategy would be presented at the next meeting with a review of condition standard and sustainability elements included as part of this. It was questioned whether the strategy target level of a good standard for building condition should be in place for all areas or be more selective on a building by building basis.

Members discussed issues relating to the maintenance and renewal backlog. It was suggested this was the first area to suffer when Committee budgets were

under pressure; there was a need to ensure properties were being maintained and renewed properly. The Chairman questioned if action was needed to prevent those areas and properties with a ringfenced maintenance and upkeep budget from doing a short-term trade off in their budgets and neglecting some of their maintenance responsibilities.

It was acknowledged that the position would become clearer following the outcome of the Fundamental Review. This would then provide a clearer position when arguing that the Cyclical Works Programme and other major renewal projects were not being funded to the right level given the condition of some of the assets.

RESOLVED – That the contents of the report be noted.

17. **2019/20 QUARTER 3 ENERGY PERFORMANCE**

The Sub-committee received a report of the City Surveyor presenting the 2019/20 Quarter 3 Energy Performance results.

Members acknowledged the positive position with consumption going down, but questioned when the targets would become more challenging. Members noted there would be additional funding requirements associated with the more challenging options and that this would be part of the considerations for the second phase through energy projects and further investment.

RESOLVED – That the content of the report be noted.

18. **EXTREME WEATHER IMPLICATIONS**

The Sub-committee received a report of the City Surveyor setting out lessons learned from the exceptional rain experienced in a short period of time last year and what was being done to prevent damage to properties to ensure departments that occupy buildings are able to continue to deliver the required service.

The Chairman acknowledged that it was helpful for the Sub-committee to understand the lessons that have been learned from the extreme weather experienced.

RESOLVED – That the contents of the report be noted.

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

There were no questions.

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

There were no urgent items.

21. **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.

22. NON-PUBLIC MINUTES

The non-public minutes of the previous meeting held on 7 November 2019 were approved as an accurate record.

23. 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.

24. ADDITIONAL CAPITAL FUNDS FOR CITY FUND PROPERTIES UPDATE REPORT

The Sub-committee considered a report of the City Surveyor relating to an update on the Additional Capital Funds for City Fund Properties.

25. 20 21 ALDERMANBURY - FUTURE USE AND BUILDING OPPORTUNITIES

The Sub-committee considered a report of the City Surveyor relating to the future use of 20 21 Aldermanbury.

26. WAIVER CITY CENTRE CONTRACT

The Sub-committee considered a report relating to the City Centre.

27. PROCESS FOR PROVIDING WIRELESS AND MOBILE EQUIPMENT ON COLC ROOFTOPS

The Sub-committee considered a report relating to provision of wireless and mobile equipment on City Corporation rooftops.

28. ASSET MANAGEMENT SERVICE BASED REVIEW - VERBAL UPDATE.

The Sub-committee received an update of the City Surveyor relating to the Asset Management Service Based Review.

29. POWER PURCHASE AGREEMENT

The Sub-committee received an update of the Chamberlain on the process for a Power Purchase Agreement.

30. CITIGEN UPDATE

The Sub-committee received an update of the City Surveyor regarding ongoing discussions with Citigen.

31. GUILDHALL - WEST WING MEMBERS ACCOMMODATION

The Sub-committee received a report of the City Surveyor updating on West Wing Members Accommodation.

32. ST. LAWRENCE JEWRY CHURCH - OUTLINE FIRE RISK ASSESSMENT DURING CONSTRUCTION

The Sub-committee received a report of the City Surveyor outlining a fire risk assessment during construction works.

33. FIRST REGISTRATION OF THE CITY'S FREEHOLD TITLES - PROGRESS SINCE JANUARY 2019

The Sub-committee received a report updating on the City's Freehold title registration process.

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

There were no questions.

35. 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

36. FACILITIES MANGEMENT

The Sub-committee considered a report relating to facilities management.

37. GUILDHALL SECURITY

The Sub-committee considered a report relating to Guildhall Security.

The meeting ended at 3.40pm.

Chairman

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