

CORPORATE ASSET SUB (FINANCE) COMMITTEE

Monday, 19 July 2021

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held as a Virtual public meeting and livestreamed at <https://www.youtube.com/watch?v=JaKDYzOSnqU> on Monday, 19 July 2021 at 1.45 pm

N.B. This meeting was held as an informal one, with the views reached by the Sub-committee approved formally by the City Surveyor after the meeting, in accordance with the Court of Common Council's Covid Approval Procedure. This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court's decision of 15 April 2021 to continue with virtual meetings, with formal confirmation of decisions provided through a delegation to the Town Clerk, or his nominated representative, after the informal meeting has taken place and the will of the Committee is known.

Present

Members:

James de Sausmarez (Chairman)
Shravan Joshi (Deputy Chairman)
Deputy Roger Chadwick
Deputy Jamie Ingham Clark
Randall Anderson
Marianne Fredericks
Alderman Alison Gowman
Michael Hudson
Deputy Edward Lord
Jeremy Mayhew

Officers:

Simon Causer	- City Surveyor's Department
Peter Collinson	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
John Galvin	- City Surveyor's Department
Andrew Little	- Chamberlain's Department
Graeme Low	- City Surveyor's Department
Edward Martin	- City Surveyor's Department
Kerry Nicholls	- Town Clerk's Department
Charlie Pearce	- Chamberlain's Department
Jonathon Poyner	- Barbican Centre
Dorian Price	- City Surveyor's Department
James Rooke	- City Surveyor's Department
Christopher Rumbles, Clerk	- Town Clerk's Department
Rhian Snook	- Remembrancer's Office
Chris Spicer	- City Surveyor's Department
Paul Wilkinson	- City Surveyor
Peter Young	- City Surveyor's Department

1. APOLOGIES

Apologies were received from Susan Pearson and Sheriff Chris Hayward.

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 and non-public summary of the previous meeting held on 22 June 2021 be approved as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

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.

A Member highlighted that the November meeting of Corporate Asset Sub-committee was taking place on the same day as a Board of Governors of City of London Freemen's School meeting taking place in Surrey. The Member proposed the Corporate Asset Sub-committee meeting be moved to avoid this clash.

RESOLVED – That the Sub-Committee noted the report.

6. **WALBROOK WHARF ROOF REPLACEMENT**

The Sub-committee considered a Gateway 4 issues report relating to repair of Walbrook Wharf roof.

Members noted the project had been downgraded to a roof repair rather than replacement. The Chairman explained that this project was being undertaken with consideration of a bigger plan and medium-term decision for Walbrook Wharf going beyond the current end date of leases and service agreements in 2027, but with a final decision not likely in the next couple of years. The proposal presented provides a solution to the water ingress problems on the existing roof and would ensure the property remains fit for purpose for the existing occupiers.

A Member acknowledged the project was short term for a good reason, but questioned how the objectives of the Climate Action Strategy would be factored in. Members noted the next Gateway would include options to consider in respect of the Climate Action Strategy.

Members were provided with an update on the wider context of Walbrook Wharf with there being an annual bid for 2022/23 coming forward in due course proposing a feasibility study to look at all options from 2027. This would range from a light refurbishment through to a complete redevelopment of Walbrook Wharf, looking at using the site for waste, river freight and also making it net zero by 2027.

A Member stressed the need to progress the feasibility study and get the site to carbon neutral at the earliest opportunity.

A Member, also Chairman of Finance Committee, remarked on a need to ensure any works undertaken at Walbrook Wharf considered value for money and the length of term a repair was needed for, ensuring money was not being wasted in the short-term owing to a lack of foresight of what was required in the longer term.

The City Surveyor acknowledged this point and referred to other projects in a similar position in terms of timing e.g. Markets Consolidation. There were likely to be a number of projects in a difficult position in terms of timing; there was a need to avoid spending money now that would then need unpicking in the future. A difficult balance was presented, and Members needed to be aware of the challenges and the ways in which these were looking to be addressed. The Chairman suggested communication as being key.

A Member remarked on wanting to see Walbrook Wharf taking freight in as well as going out as part of its future use, also looking at the removal of a need for vehicle access and considering river freight through maximising its access through the riverside wharf. This would allow an opportunity to reduce the number of vehicles and lorries driving into the City of London, resulting in a positive impact on the climate and accident rates.

A Member questioned what impact the required repairs were having on those currently occupying the building and what assurances could be given to those in the building that the City Corporation would be getting on with the works to allow them to enjoy the property without the current impacts through leaking water. Members noted that funding had already been approved and that the team were ready to move at pace through the gateway process. The Chairman confirmed that ongoing communications were taking place with the current tenants to make them aware of the position, with Members noting the tenants were looking forward to the repairs being undertaken.

The Chairman thanked the Member for their comment, adding that he was certain all Members agreed on wanting to see freight in as well as rubbish going out and less traffic on the road.

A Member questioned the need for guarantees when considering the expertise available at the City Corporation and also considering the cost involved in securing a guarantee for a short period of time over six years. The City Surveyor agreed to take this point away to review the position of securing a guarantee against the City Corporation taking ownership of the risk. The Chairman asked the City Surveyor to come back to the whole committee on this point.

Resolved, that Members: -

1. Approve drawdown of **£85,000** (from previously approved funding of £920k from the Additional Capital Funds for City Fund Properties) for staff costs, fees, survey costs and pest control to reach Gateway 5.
2. Approve repair solution option; application of a liquid overlay roofing system with guarantee to overcoat the roof minimising the risk caused by roof coverings, retaining the operational status of the facility until 2027.
3. Note the revised total estimated cost of the project at **£920,000**.
4. Note a Costed Risk Provision of **£182,700**. Further information available in the Risk Register (Appendix 2).
5. Delegated Authority be granted to the City Surveyor to Approve a Gateway 5 Report, on condition total estimated project costs remain within the budget envelope of **£920,000**.
6. Note revised completion date of July 2022.

7. **GUILDHALL COMPLEX FLAGPOLE**

The Sub-committee considered a report of the City Surveyor updating on a review of additional flagpoles in Guildhall Yard and seeking approval of a more detailed feasibility survey to be undertaken.

Resolved, that Members:-

- Note the report.
- Approve that a more detailed feasibility survey would be undertaken at an estimated cost of £5k to be met from the City Surveyor's Guildhall local risk budget to clarify options and identify the most suitable location, to ensure wind loading and flagpole fixings are suitable, to commence pre-planning application discussions and to determine the final cost of all options.
- Note that officers will then report back to Members once the proposal is fully developed with costs, and seek Members preferred option.

8. **BUSINESS PLAN 2020-25 QUARTER 4 2020/21**

The Sub-committee received a report of the City Surveyor providing an update on progress in quarter 4 (January to March) 2020/21 against the Business Plan.

It was highlighted to Members how it had been a challenging year for the City Surveyor's Department, but overall the performance had been positive under these challenging circumstances.

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

9. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER -UPDATE**

The Sub-committee received a report of the City Surveyor providing a quarterly update on the management of risks within the City Surveyor's Department. Members noted the report had been presented for information and not decision as indicated on the report header.

A Member questioned the approval process for risks given the report was being presented to both Corporate Asset Sub-committee and Property Investment Board for information. A Member, also Chairman of Finance Committee, clarified the position, with it being the responsibility of officers to manage risks within their

department, and with Audit and Risk Management Committee noting any changes as they go up or down, but with the final say being the responsibility of officers through the Chief Officers Risk Management Group. It was presented to Members for information to allow them to note and comment on the risks and provide oversight.

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

10. **GENERAL FM UPDATE**

The Sub-committee received a report of the City Surveyor providing an update on key workstreams undertaken by the Corporate Property Facilities Management Team during the year 2020/21.

Members noted a new Computer Aided Facilities Management System was due to go live later in the year, with this offering expanded capabilities and allowing the City Surveyor's Department to operate a condition based facilities management approach through generation of reports based on condition of a building and through inputting climate information to ensure buildings adhere to the Climate Action Strategy.

Members welcomed the positive development in being able to capture key climate data, which the Climate Action Strategy would depend on.

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

11. **CLIMATE ACTION STRATEGY NZ1, NZ3 AND RS3 WORKSTREAM UPDATE FOR THE OPERATIONAL PORTFOLIO**

The Sub-committee considered a report of the City Surveyor providing an update on key actions from the operational building workstreams as part of the Climate Action Strategy (CAS) and seeking endorsement to the accelerated recruitment of key resources.

It was highlighted to Members that a significant amount of work was taking place at the City Corporation in this area, with everyone trying to find the resources to support the CAS agenda. Accelerated recruitment of key resources would allow an opportunity to move forward with key surveys and projects sooner rather than later.

Members noted how good progress was already being made on a number of initiatives through the retrofit accelerator framework in supporting energy studies at the top 15 sites identified, a pilot on smart buildings out to tender and through developing a new building controls management system and additional workstreams looking at decarbonisation.

Members welcomed the progress being made on key workstreams. Members questioned what was being requested in terms of resources, the availability of expertise in this area and also whether the recruitment would need to go through the Town Clerk's recruitment moratorium.

It was confirmed that the Town Clerk had recently granted approval to a two-year fixed term appointment for two Energy Engineers, with these roles being recruited into as soon as the new Senior Responsible Officer for Climate Action was in place. Other additional resources have been approved through the Climate Action Strategy

Budget. It was currently a crowded marketplace in this space in terms of resources, with this having been recognised through an amber risk and it being reported accordingly.

It was clarified that the decision being sought from Members today was approval of an expedited procurement into the energy specialist roles rather than seeking approval of additional funding for these roles.

Resolved, that Members: -

- Note the progress presented within the report.
- Support the recommendation for accelerated recruitment of key resources.

12. UPDATE ON PROGRESS WITH THE PSDS GRANT SCHEME

The Sub-committee received a report of the City Surveyor providing a general update on progress with all the sub-projects included within the PSDS programme and giving a breakdown of how the total grant was being allocated.

Members noted the main part of the PSDS programme was the Retrofit Accelerator Project, which has an estimated value of £7m, with delegated authority being sought from Court of Common Council to approve the various projects across Barbican Centre, Guildhall and Guildhall School.

A Member noted the deadline of March 2022 for money having to be spent and questioned whether all projects were deliverable within this timeframe. Members noted the PSDS Programme Oversight Board had set a deadline of February 2022 to allow a contingency for any issues to be resolved, but the process presenting very few issues to date that were insurmountable and the team were looking forward to delivering on time and budget.

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

13. SECURITY UPDATE

Members received an oral update on key areas relating to security as follows:

- The current security threat level in the UK being substantial meaning a terrorist incident was considered very likely. The City may be quiet at present, but the security threat has not gone away, and it was important people were aware of this as they begin to return over the coming days.
- Leadenhall Market having introduced a Security Guard to offer a visible presence and with CCTV being monitored closely. Work has taken place on vulnerabilities identified through a security review and closing these down.
- North Wing Reception security barriers having been changed to include an alarm system to prevent people tailgating.
- Barbican Centre Programme of works underway in readiness for an events programme that has started and would continue to grow. A new Security Manager was in place at the Barbican Centre and they would be looking to take forward recommendations that came through in response to the Manchester Arena attack and Protect Duty.

- Security updates were going out to staff through posts on the intranet, with the City likely to get a lot busier over the coming weeks and the events space looking very busy. It was crucial to continue looking at the physical security across the estate to ensure it was being properly implemented and everyone was adequately protected.

The Chairman welcomed the update and very helpful reminder on security.

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

The Town Clerk confirmed that he was aware of one item of additional item of public business.

Guildhall / Walbrook Wharf – Prioritisation of Capital Bids

The Committee received an oral request of the City Surveyor seeking delegated authority to approve the prioritisation of Guildhall Complex and Walbrook Wharf proposed capital bids, in advance of submission to Resource Allocation in September.

The Chairman asked that the proposed bids be circulated to all Members to allow them an opportunity to comment on these before a final decision was taken.

Resolved, that delegated authority be granted to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to approve the prioritisation of capital bids.

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 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.

17. NON-PUBLIC MINUTES

The non-public minutes of the previous meeting held on 22 June 2021 were approved as an accurate record.

18. 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.

19. WOODREDON FARM (RIDING SCHOOL) DISPOSAL

The Sub-committee considered a report of the City Surveyor relating to disposal of Woodredon Farm riding School.

20. OPERATIONAL PROPERTY REVIEW - PROGRESS REPORT

The Sub-committee received a report of the City Surveyor summarising progress with the Operational Property Review.

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

There were no questions.

22. **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 non-public business.

23. **CONFIDENTIAL MINUTES**

The Confidential minutes of the previous meeting held on 22nd June 2021 were approved as an accurate record.

The meeting ended at 3.28pm.

Chairman

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