

OPERATIONAL PROPERTY AND PROJECTS SUB COMMITTEE
Monday, 26 September 2022

Minutes of the meeting of the Operational Property and Projects Sub Committee held
at Committee Rooms, West Wing, Guildhall on Monday, 26 September 2022 at
11.30 am

Present

Members:

Alderman Timothy Hailes (Chair)
Deputy Rehana Ameer (Deputy Chairman)
Deputy Randall Anderson
Deputy Michael Cassidy
Deputy Madush Gupta
Paul Martinelli

Officers:

Genine Whitehorne	-	Commercial Director
Rohit Paul	-	
Sarah Baker	-	
Melanie Charalambous	-	
Tom Noble	-	
Kristian Turner	-	
Andrew Little	-	Chamberlain's Department
Peter Young	-	City Surveyor's Department
Ola Obadara	-	Property Projects Director, City Surveyor's Department
Simon Whelan	-	
Jonathon Poyner	-	Barbican Centre

1. APOLOGIES

Apologies were received from Deputy Keith Bottomley, Deputy Christopher Hayward, Deputy Shравan Joshi and Anett Rideg. Paul Martinelli issued apologies for lateness.

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

Deputy Randall Anderson noted that he was a Liveryman of Information Technologists, and this had implications for later discussions concerning the ownership issue of Bartholomew Place.

3. MINUTES

The Chair provided a brief clarification of what was included in the Project Review – which was distinct and separate the wider Capital Spending Review commissioned by the Resource Allocation Sub-Committee. It was, however,

recognised that the freeze was connected and that activities undertaken with respect to one, would inevitably have impact on the other (and vice versa).

RESOLVED, that the public minutes of the meeting held on 20 July 2022, be approved as an accurate record.

4. **PROJECT GOVERNANCE REVIEW**

Members considered a report of the Chief Operating Officer regarding the Project Governance Review.

Members were keen that all stakeholders were engaged in the consultation. How residents were consulted in project work that impacted them, was an area of particular interest that the Sub-Committee wished to draw to the attention of Policy & Resources Committee.

A query was raised on the size of the budget and the calibre of supplier that might be identified given the breadth of the work demanded. Assurances were provided as a proportion of the work would be dealt with in-house. The Chief Operating Officer agreed that further information could be shared with Members.

It was noted that Policy & Resources Committee needed to consider the recommended extension of the £1m officer delegation for project approval.

RESOLVED, that Members:-

- Approve the proposed scope and plan for the project governance review;
- Recommend to the Policy & Resources Committee the extension of the temporary delegation of £1m to (approved and trained) Officers for corporate projects;
- Approve the clarification to be made to the definition of a corporate project to descope routine procurements (NB – these will remain subject to the Procurement Code and appropriate corporate governance); and
- Note the intention to extend the interim resourcing arrangement for the Project Governance Director role for the duration of the review (to end of the 22/23 Financial Year) to enable review of the role and person specification required going forward

5. **REVISIONS TO THE PROCUREMENT CODE AND COMPETITIVE PROCUREMENT EXEMPTIONS POLICY**

Members considered a report of the Chief Operating Officer regarding Revisions to the Procurement Code and Competitive Procurement Exemptions Policy.

Following a request from the City Solicitor, Members agreed that under section 23: Appointment of External Procurement, Property and Legal Consultants, Officers planning to appoint external property and construction advisors must consult with the City Surveyor before all such appointments can be made.

RESOLVED, that Members:-

- Approve the revisions to the City Corporation's Procurement Code (subject to the revision of Section 23) effective from 3 January 2023, with further approvals to be sought from Finance Committee and Court of Common Council.
- Approve the revisions to the City Corporation's Competitive Procurement Exemptions Policy to be effective from 26 September 2022.

6. GATEWAY 2 - PROJECT PROPOSAL: SALISBURY SQUARE DEVELOPMENT HIGHWAY WORKS

Members considered a report of the Executive Director Environment, regarding the Salisbury Square Development Highway Works.

Following a question, it was confirmed that the City of London was acting as the developer.

RESOLVED, that Members:-

1. Note that funding is subject to the capital programme review and the final decision on whether to proceed will be dependent on the outcome of that review and approval by the Operational Property and Projects Sub Committee.
2. Approve to commence the project;
3. Approve a budget of £100,000 (amount already received) for detailed design, engagement with stakeholders and survey work to reach the next gateway, as identified in Appendix 2;
4. Authorise officers to agree the works with the City Corporation as the Developer;
5. Note the total estimated cost of the project at £3m-£4m (excluding risk);
6. Agree that the Corporate Programme Management Office, in consultation with the Chairman of the Operational Property and Projects Sub Committee and Chief Officer as necessary, is to decide whether any project issues or decisions that fall within the remit of paragraph 45 of the 'City of London Project Procedure – Oct 2018' (Changes to Projects: General), as prescribed in **Appendix 3** of this report, is to be delegated to Chief Officer or escalated to committee(s);
7. Delegate authority to the Executive Director Environment to approve budget adjustments, above the existing authority within the project procedures and in consultation with Chamberlains, between budget lines if this is within the approved total project budget amount; and
8. Delegate to the Executive Director Environment, in consultation with the Chamberlain, authority to further increase or amend the project budgets in the future (above the level of the existing delegated authority) should any increase be fully funded by the Developer.

7. GATEWAY 2 - PROJECT PROPOSAL: COMBINED SECTION 278 PROJECT INITIATION REPORT

Members considered a consolidated report of the Executive Director Environment, regarding five Section 278 Project Initiation Reports (Gateway 2).

RESOLVED, that Members:-

1. That project budgets are approved for each project as set out in the tables in Section 2;
2. Note the total estimated costs of the projects (excluding risk) as set out in the Project Briefings.
3. Agree that the Corporate Programme Manager, in consultation with the Chairman of the Operational Property and Projects Sub Committee and Chief Officer as necessary, is to decide whether any project issues or decisions that fall within the remit of paragraph 45 of the 'City of London Project Procedure – Oct 2018' (Changes to Projects: General is to be delegated to Chief Officer or escalated to committee(s));
4. Delegate authority to the Executive Director Environment to approve budget adjustments, above the existing authority within the project procedures and in consultation with the Chamberlain, between budget lines if this is within the approved total project budget amounts;
5. Delegate to the Executive Director Environment, in consultation with the Chamberlain, authority to further increase or amend the project budgets in the future (above the level of the existing delegated authority) should any increase be fully funded by the Developer.

8. GATEWAY 3 - OUTLINE OPTIONS APPRAISAL: ST PAUL'S GYRATORY PROJECT

Members considered a Gateway 3 Options Appraisal report of the Executive Director Environment regarding St Paul's Gyratory Project.

RESOLVED, That Members:-

1. Note the revised project budget of £1,235,942 (excluding risk);
2. Note the total estimated cost of the project at £10-22 million (excluding risk);
3. Approve Options 1, 3 and 4 for further assessment and progressed to Gateway 4;
4. Note that funding is subject to the capital programme review and the final decision on whether to proceed will be dependent on the outcome of that review and approval by the Operational Property and Projects Sub-Committee.

9. GATEWAY 5 - COMPLEX: BANK JUNCTION IMPROVEMENTS: ALL CHANGE AT BANK

Members considered a Gateway 5 report of the Executive Director Environment regarding Bank Junction: All Change at Bank.

RESOLVED, that Members:-

1. Approve the additional allocation from the Climate Action Strategy 'Cool Streets and Greening' programme of £165,000 (approved in February 2022) is added to the project budget to deliver (and maintain) the street trees and SUDS gardens in Queen Victoria Street and Threadneedle Street;
2. Note the revised Project Budget of £6,842,930 including risk (subject to recommendation 2 being approved)
 - a. This is made up of £6,176,432 excluding risk, and the current risk provision of £666,498,
3. Note the minimum total estimated cost of the project to deliver the base scheme has increased to £6.17m (excluding risk);
4. Approve the Costed Risk provision be drawn down by £423,502 from risk 16 to cover the estimated uplift in the costed base project.

- a. The remaining risk provision of £276,498 against risk 16 will remain in the register to protect from any further increase in material or labour cost during the construction that is currently unknown (including for security aspects within the design).
5. Approve a revised total for the Costed Risk Provision of £666,498, to be drawn down via delegation to Chief Officer, (of which £562,598 is currently funded (see section 3)
6. Agree to delegate authority to the Executive Director Environment to accept additional funding into the project (that is outside of the capital funding remit) to deal with the currently unfunded S106 shortfall of £103,900 as it is within the existing agreed overall project total.
7. Agree that in principle (subject to the Chamberlain's agreement of the future staff overhead calculation methodology), that the funding released from this revised calculation should in this instance be retained within the project budget to cover items detailed in paragraph 26.
 - a. And that the budget adjustment be delegated to the Executive Director Environment and the Chamberlain, if agreed, to action once the details of the split of funding against the various tasks has been fully identified.
8. Approve the public realm priorities in Table 2.
9. Note the change in the estimated construction programme to completion in Spring 2024, with Gateway 6 likely to be Autumn 2025

10. **GATEWAY 5 - ISSUE REPORT: BEECH STREET TRANSPORTATION AND PUBLIC REALM PROJECT**

Members considered a Gateway 5 report of the Executive Director Environment regarding Beech Street Transportation and Public Realm Project.

Following discussion, it became clear that approval was not strictly granted by the Streets and Walkways Sub-Committee at its meeting on 5 September, Progression relied upon further discussions with Islington Council, which were still ongoing.

On this basis, the Sub-Committee agreed to delay approvals until Streets & Walkways Sub-Committee were satisfied and approved the recommendations.

RESOLVED, that delegated authority be granted to the Town Clerk in consultation with the Chair and Deputy Chair, to consider options presented on the future if the Beech Street Transportation and Public Realm Project.

11. **GATEWAY 6 - OUTCOME REPORT: CITY CLUSTER HEALTHY STREETS PLAN**

Members considered a Gateway 6 report of the Executive Director Environment regarding the City Cluster Healthy Streets Plan.

RESOLVED, that Members:-

1. Approve the content of this outcome report; and
2. Agree to close the project.

12. ***CITY SURVEYOR'S BUSINESS PLAN 2022-27 - QUARTER 1 (2022/23) UPDATE**

Members received an update report of the City Surveyor regarding the City Surveyor's Business Plan 2022-27 Quarter 1 (2022/23).

RESOLVED, that the report be noted.

13. ***THE CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER - SEPTEMBER UPDATE**

Members received an update report of the City Surveyor regarding the City Surveyor's Departmental Risk Register.

RESOLVED, that the report be noted.

14. ***THE COMMERCIAL SERVICE REPORT FORWARD PLANNER**

Members received a report of the Chief Operating Officer regarding the Commercial Service Forward Planner.

It was noted that a Business Plan for the Commercial Service would be coming in due course.

RESOLVED, that the report be noted.

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

There were no questions.

16. **ANY OTHER BUSINESS THE CHAIR CONSIDERS URGENT**

There were two items of urgent business.

16.1 **Gateway 4 Issue Report: City Cluster - Wellbeing and Climate Resilience programme: Green Streets project**

Members considered a report of the Executive Director Environment regarding City Cluster – Wellbeing and Climate Resilience Programme: Green Streets Project.

RESOLVED, that Members:-

1. Approve the change in scope and funding strategy as set out in this report.
2. Note the total estimated cost of the project at £350,000-400,000 as a result of the additional external funding, and the resulting increased programme budget, details of which will be set out in a forthcoming programme update report in September 2022.
3. Agree the installation of a prototype in September 2022 at a total estimated cost of £20,000 to be funded by the EC BID with soft landscaping costs of £7,000 covered by the City's Cool Streets and Greening programme (Climate Action Strategy).
4. Note that, following the review of the prototype, a Gateway 5 report is to be prepared under Delegated Approval to Chief Officer for delivery of the installations proposed within Green Streets project.

16.2 ***Climate Action Strategy - Purchased Goods and Services Project Plan Update**

Members received a report of the Chief Operating Officer regarding the Climate Action Strategy, Purchased Goods and Services Project Plan update.

RESOLVED, that the report be noted.

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 item(s) 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**

RESOLVED, that the non-public minutes of the meeting held on 20 July 2022, be approved as an accurate record.

19. **GATEWAY 3 - OUTLINE OPTIONS APPRAISAL: EASTERN CITY CLUSTER SECURITY SCHEME**

Members considered a Gateway 3 report of the Executive Director Environment regarding the Eastern City Cluster Security Scheme.

20. **GATEWAY 3 - ISSUE: CITY FUND – REFURBISHMENT/EXTENSION OF 1-6 BROAD STREET PLACE AND 15-17 ELDON STREET**

Members considered a Gateway 3 report of the City Surveyor regarding City Fund – Refurbishment/Extension of 1-6 Broad Street Place and 15-17 Eldon Street.

21. **GATEWAY 4 - PROGRESS: ASSESSMENT CENTRE FOR ROUGH SLEEPERS**

Members considered a joint Gateway 5 report of the Director of Community & Children's Services and City Surveyor, regarding an Assessment Centre for Rough Sleepers.

22. **CONTRACT EXTENSION - WORK AND HEALTH PROGRAMME - CENTRAL LONDON WORKS**

Members considered a report of the Town Clerk regarding a contract extension for Work and Health Programme: Central London Works.

23. ***GATEWAY 3: ORACLE PROPERTY MANAGER (OPN) REPLACEMENT**

Members received a Gateway 3 report of the City Surveyor regarding Oracle Property Manager (OPN) Replacement.

24. ***PROJECT PORTFOLIO OVERVIEW**

Members received a report of the Chief Operating Officer regarding an overview of the Project Portfolio.

25. ***NON-PUBLIC APPENDICES - CITY SURVEYOR'S BUSINESS PLAN 2022-27 QUARTER 1 (2022/23 UPDATE)**

Members received the non-public appendices to item 12.

26. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE

There were no questions.

27. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There was one item of urgent business.

27.1 Report of Action Taken Between Meetings

Members received a report of the Town Clerk regarding actions taken between meetings under urgency procedures.

27.2 *Non-Public Appendix: Climate Action Strategy - Purchased Goods and Services Project Plan Update

Members received a non-public appendix to item 16b.

The meeting ended at 12.15 pm

Chairman

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