



Operational Property and Projects Sub Committee

Date: WEDNESDAY, 26 OCTOBER 2022

Time: 11.00 am

Venue: COMMITTEE ROOMS, WEST WING, GUILDHALL

Members:

Alderman Timothy Hailes (Chair)	Deputy Christopher Hayward
Deputy Rehana Ameer (Deputy Chairman)	Deputy Shravan Joshi
Deputy Randall Anderson	Deputy Edward Lord
Deputy Keith Bottomley	Paul Martinelli
Deputy Michael Cassidy, Co-opted Member 22/23	Anett Rideg, Co-opted Member 22/23
Deputy Madush Gupta, Chairman of Finance Nominee	

Enquiries: Polly Dunn
Polly.Dunn@cityoflondon.gov.uk

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John Barradell
Town Clerk and Chief Executive

NB: Certain matters for information have been marked * and will be taken without discussion, unless the Committee Clerk has been informed that a Member has questions or comments prior to the start of the meeting. These information items have been collated in a supplementary agenda pack and circulated separately.

AGENDA

1. **APOLOGIES**

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

3. **MINUTES**

To agree the public minutes and non-public summary of the meeting held on 26 September 2022.

For Decision
(Pages 5 - 12)

4. **CORPORATE CLEANING SERVICES AGREEMENT EXTENSION**

Report of the City Surveyor.

For Decision
(Pages 13 - 16)

5. **GW6: OUTCOME REPORT - PURCHASE OF STEINWAY MODEL D PIANO FOR THE BARBICAN CENTRE CONCERT HALL**

Report of the Chief Executive Officer of the Barbican Centre.

For Decision
(Pages 17 - 24)

6. ***22/23 ENERGY & DECARBONISATION PERFORMANCE Q1 UPDATE FOR THE OPERATIONAL PORTFOLIO**

Report of the City Surveyor.

For Information

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

Report of the City Surveyor.

For Information

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

9. **ANY OTHER BUSINESS THE CHAIR 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 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.

For Decision

11. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 26 September 2022.

For Decision
(Pages 25 - 28)

12. **EXTENSION OF THE MANAGED SERVICE TEMPORARY AGENCY RESOURCE CONTRACT**

Report of the Chief Operating Officer.

For Decision
(Pages 29 - 36)

13. **BUSINESS TRAVEL SERVICES - OPTIONS (STAGE 1) AND AWARD (STAGE 2) REPORT**

Report of the Chief Operating Officer.

For Decision
(Pages 37 - 46)

14. **MINOR WORKS MEASURED TERM CONTRACTS - PROCUREMENT STRATEGY REPORT AND EXTENSION OF CURRENT CONTRACT**

Joint report of the City Surveyor and Chief Operating Officer.

For Decision
(Pages 47 - 60)

15. **GW3: ISSUE REPORT - PHASE 2, 3 & 4 - CITY OF LONDON SCHOOL MASTERPLAN**

Report of the City Surveyor.

For Decision
(Pages 61 - 80)

16. **GW4C: DETAILED DESIGN - CENTRAL CRIMINAL COURT PLANT REPLACEMENT: PHASE 5 - FEES TO GATEWAY 5**
Report of the City Surveyor.

For Decision
(Pages 81 - 98)

17. **GW5: ISSUES - CITY OF LONDON SCHOOL FOR GIRLS - SUMMER WORKS 2022**
Report of the City Surveyor.

For Decision
(Pages 99 - 108)

18. ***OPERATIONAL PROPERTY PORTFOLIO - DELEGATED AUTHORITIES UPDATE - 1ST APRIL 2022 TO 30TH SEPTEMBER 2022**
Report of the City Surveyor.

For Information

19. ***CITY OF LONDON OPERATIONAL TENANTS - ARREARS UPDATE AND RENTAL SUPPORT**
Joint report of the Chamberlain and City Surveyor.

For Information

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

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

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:

Emma Moore	- Chief Operating Officer
Genine Whitehorne	- Chief Operating Officer's Department
Rohit Paul	- Chief Operating Officer's Department
Sarah Baker	- Chief Operating Officer's Department
Melanie Charalambous	- Environment Department
Tom Noble	- Environment Department
Kristian Turner	- Environment Department
Andrew Little	- Chamberlain's Department
Simon Whelan	- Chamberlain's Department
Peter Young	- City Surveyor's Department
Ola Obadara	- City Surveyor's Department
Graeme Low	- City Surveyor's Department
Jonathon Poyner	- Barbican Centre
Polly Dunn	- Town Clerk's Department

Observing:

Deputy Marianne Fredericks

1. APOLOGIES

Apologies were received from Deputy Keith Bottomley, Deputy Christopher Hayward, Deputy Shravan 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.

- a) **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.

b) *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.

a) Report of Action Taken Between Meetings

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

b) *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

Contact Officer: Polly Dunn
Polly.Dunn@cityoflondon.gov.uk

Agenda Item 4

Committee(s): Operation Property and Projects Sub (Finance) Committee – For Decision Finance Committee – For Information Court of Common Council – For Decision	Dated: 26/10/2022 15/11/2022 08/12/2022
Subject: Corporate Cleaning Services Agreement Extension	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£1.9m
What is the source of Funding?	Existing revenue budgets
Has this Funding Source been agreed with the Chamberlain’s Department?	Y
Report of: Paul Wilkinson, The City Surveyor	For Decision
Report author: Daniel Tyler - Property Contracts Performance Manager, City Surveyor’s Department. Darran Reid – Assistant Director Commercial Operations, Chief Operating Officer’s Department	

Summary

The City has a cleaning contract with Atalian Servest to provide cleaning and window cleaning services across the Corporate, Investment, Police and Barbican Centre property portfolios. This contract is due to expire on 31st October 2022. The City is currently tendering for an Integrated Facilities Management model which includes the provision of cleaning services; the service commencement date of the Integrated Facilities Management model is 1st April 2023.

This report seeks approval for an interim extension to the Atalian Servest contract to maintain cleaning services and standards whilst the tender exercise is completed, contracts awarded, and services commence on 1st April 2023.

Recommendation(s)

Members are asked to:

1. Endorse for onward approval by the Court of Common Council, the following variations to the Corporate Cleaning Services Agreement with Atalian Servest Limited:
 - a. a variation to the expiry date of the contract term to 31st March 2023;
and
 - b. an increase in the Total Contract Value of £1.9m to to £32.7M.

Main Report

Background

1. The City Surveyor's Department is undertaking a project to transform its facilities services Bundled delivery model into an Integrated Facilities Management (IFM) model.
2. At the Operational Property and Projects Sub Committee, 20th July 2022, members approved the award of an Integrated Facilities Management Services Framework Agreement. The framework agreement commenced 29th August 2022. An invitation to tender (ITT) exercise is underway to appoint under a call-off contract(s), a supplier, or a number of suppliers, to deliver integrated facilities services for the City of London's property portfolio. The planned commencement date of these contracts is 1st April 2023.
3. All existing facilities services supply agreements expire 31st March 2023, except for Corporate Cleaning Services, supplied by Atalian Servest Limited, which expires 31st October 2022.
4. There is a need to extend the Corporate Cleaning Services agreement to co-terminate with the other facilities services agreements. This is critical as the supplier's employees will need to be transferred across one or more suppliers of the IFM services agreements, commencing 1st April 2023.

Current Position

5. A decision is required from Members, as according to the Corporation's Standing Orders, 51. Procurement and Contract Letting, all procurement and contracts activity must be undertaken in accordance with the Corporation's agreed Procurement Regulations, The Procurement Code.
6. The Procurement Code regulation 31. Contract Variations, requires approval from the Operational Property and Projects Sub (Finance) Committee, and the Court of Common Council, where New Total Contract Value is £4M or higher. This report considers a matter valued at £32.7M.
7. The supplier, Atalian Servest Limited, has agreed to continue its services for a further five months, terminating 31st March 2023, subject to the City agreeing to a revised commercial proposal.
8. The proposed charge for the additional five months is £1.9M. The total contract spend 1st November 2015 to 31st October 2022 is £30.8M. The revised total contract value to 31st March 2023 is estimated at £32.7M.
9. The £1.9M proposal includes an increase to the fixed cost element of the service, in the sum of £79,250.54. The supplier attributes this to increases in its delivery costs, arising from increases to London Living Wage. No further changes to the Terms are proposed.

Options

10. Approve, compliant to Standing Order 51, Procurement Code Regulation 31, and the Public Contracts Regulations 2015:
 - a. A variation to the expiry date of the contract term to 31st March 2023; and
 - b. An increase in the Total Contract Value to £32.7M.

11. Members should note that up to £79,250.54 of this £32.7M value is not currently budgeted for. This increased cost is a result of a change to the London Living Wage from £11.05/hour to £11.95/hour. We expect this to reduce with the Government's reversal of the decision to increase contributions to National Insurance. It should be possible for departments who use the service to absorb the resulting small net increase in cost within their overall local risk budgets. All other non-salary related costs remain within the existing approved budget.

12. Officers can present Members with only one realistic option in this matter.

Proposals

13. Approve the option at paragraph 10 of this report. This provides continuity of service to the Corporation's buildings occupiers, maintains regulatory compliance in this area of service, provides stability to employees affected by TUPE over the five months term, in advance of their potential transfer to another employer at the implementation of the IFM Services 1st April 2023.

Strategic implications

The proposal supports the strategic decision to implement an Integrated Facilities Management model across the City's property portfolios. If the contract is not extended to end co-terminus with the City's other Facilities Management contracts, then an integrated service model cannot be delivered and release the efficiencies which that brings. It would also disrupt the current tender process with a material change and present significant risk to the delivery of all Facilities Management services from 1st April 2023.

Financial implications

There is an impact to the cost of service, but this is in relation to changes in common law and increases in London Living Wage both of which would have been experienced if the current contract's core term expired on 31st March 2023. Atalian Servest have not increased the charges to the City during the extension period by any other index and have absorbed the impact of inflation.

Resource implications

Current cleaning staff resources are employees of Atalian Servest, if an extension is not awarded the City will be liable for significant TUPE implications with all Atalian Servest employees being subject to transfer to City of London employment.

Legal implications

Continuity of the Atalian Service contract and the delivery of cleaning services will ensure that the City continues to meet its obligations under The Workplace (Health, Safety and Welfare) Regulations 1992

Risk implications

Not extending the current contract exposes the City to risk in respect of reputation by not having clean buildings and service areas across both employee working areas e.g. offices, educational facilities e.g. Schools and public facing areas and attractions e.g. Barbican Centre and Tower Bridge. There is further risk by not being compliant with statutory H&S regulations and financial risk via TUPE implications with incumbent staff employed by Atalian Servest.

Equalities implications

The current contract has been subject to a fully compliant City of London tender process which ensures that all legal requirements and City of London policies in respect of equality have been met.

Climate implications

The current contract has been subject to a fully compliant City of London tender process which ensures that all legal requirements and City of London policies in respect of climate and responsible procurement have been met.

Security implications

The current contract has been subject to a fully compliant City of London tender process which ensures that all legal requirements and City of London policies in respect of security have been met.

Conclusion

To approve this extension, Members will be supporting an efficient delivery of the IFM project, preventing interim operational disruption, mitigating risks to the corporation relating to employee transfers. It is compliant with Standing Order 51, Procurement Code Regulation 31, and the Public Contracts Regulations 2015.

Appendices

None

Daniel Tyler

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Darran Reid

Assistant Director Commercial Operations, COO
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Agenda Item 5

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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