



## Policy and Resources Committee

**Date:** THURSDAY, 21 SEPTEMBER 2023  
**Time:** 1.45 pm  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:**

Deputy Christopher Hayward (Chairman)	The Rt. Hon. The Lord Mayor, Nicholas Lyons (Ex-Officio Member)
Deputy Keith Bottomley (Deputy Chairman)	Alderman Professor Michael Mainelli Paul Martinelli
Tijs Broeke (Vice-Chair)	Catherine McGuinness
Caroline Haines (Vice-Chair)	Deputy Andrien Meyers
Munsur Ali	Deputy Brian Mooney
Deputy Randall Anderson (Ex-Officio Member)	Deputy Alastair Moss (Ex-Officio Member)
Deputy Rehana Ameer	Benjamin Murphy
Deputy Henry Colthurst (Ex-Officio Member)	Alderman Sir William Russell
Mary Durcan (Ex-Officio Member)	Ruby Sayed (Ex-Officio Member)
Helen Fentimen	Tom Sleigh
Deputy Marianne Fredericks	Deputy Sir Michael Snyder
Jason Groves	Deputy James Thomson
Alderman Timothy Hailes	James Tumbridge
Deputy Ann Holmes (Chief Commissioner) (Ex-Officio Member)	Deputy Philip Woodhouse
Deputy Shravan Joshi	
Alderman Vincent Keaveny	

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**Ian Thomas CBE**  
**Town Clerk and Chief Executive**

# AGENDA

NB: Certain items presented 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 for information items have been collated into a supplementary agenda pack and circulated separately.

## Part 1 - Public Agenda

### 1. APOLOGIES

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

### 3. MINUTES

To consider minutes as follows:-

- a) To agree the public minutes of the Policy and Resources Committee meeting held on 6 July 2023 (Pages 9 - 22)

**For Decision**

- b) \*To note the public minutes of the Capital Buildings Board meeting held on 5 July 2023

- c) \* To note the draft public minutes of the Civic Affairs Sub-Committee meeting held on 13 July 2023

- d) \* To note the draft public minutes of the Member Development and Standards Sub-Committee meeting held on 21 July 2023

- e) \* To note the draft public minutes of the Resource Allocation Sub-Committee meeting held on 5 September 2023

**For Information**

### 4. APPOINTMENTS TO SUB-COMMITTEES

- a) Civic Affairs Sub-Committee

- b) Capital Buildings Board

**For Decision**

### 5. CROSS RIVER PARTNERSHIP

Chairman to be heard.

**For Decision**

6. **APPOINTMENTS TO WARD COMMITTEES: "PAIRING"**

Report of the Town Clerk.

**For Decision**  
(Pages 23 - 30)

7. **WARDMOTE RESOLUTION**

To consider the following Resolution from the Ward of Farringdon Within – 22<sup>nd</sup> March 2023, following the Committee’s deferral of the matter at its meeting on 8 June 2023.

“This Wardmote resolves that assurances be sought from the City of London Corporation that a new governance structure will be implemented in order to efficiently deliver the full Museum of London scheme in this Ward by 2028.”

**For Decision**

8. **CITY OF LONDON - LOCAL AREA ENERGY PLAN (LAEP)**

Report of the Executive Director for the Environment.

*NB - Appendix 3 has been circulated separately.*

**For Decision**  
(Pages 31 - 54)

9. **CAPITAL FUNDING UPDATE**

Report of the Chamberlain.

**For Decision**  
(Pages 55 - 68)

10. **\* VISION FOR ECONOMIC GROWTH - A ROADMAP TO PROSPERITY**

Report of the Executive Director of Innovation and Growth.

**For Information**

11. **\* PARLIAMENTARY BOUNDARY REVIEW**

Report of the City Remembrancer.

**For Information**

12. **\* CORPORATE PLAN 2018-2023 PROGRESS**

Report of the Chief Strategy Officer.

**For Information**

13. **\* DESTINATION CITY REPROFILE UPDATE AND FORWARD PLAN**  
Report of the Executive Director of Innovation and Growth.  

**For Information**
  
14. **\* RETAINED EU LAW (REVOCATION AND REFORM) ACT**  
Report of the Remembrancer.  

**For Information**
  
15. **\* NATIONAL SECURITY ACT 2023**  
Report of the Remembrancer.  

**For Information**
  
16. **\* REVENUE OUTTURN - 2022/23**  
Joint report of the Town Clerk, Deputy Town Clerk, Executive Director of Innovation and Growth, Remembrancer, Chief Operating Officer and City Surveyor.  

**For Information**
  
17. **\* UK-INDIA INFRASTRUCTURE FINANCING BRIDGE (UKIIFB)**  
Report of the Executive Director of Innovation and Growth.  

**For Information**
  
18. **\* POLICY INITIATIVES FUND AND COMMITTEE CONTINGENCY**  
Report of the Chamberlain.  

**For Information**
  
19. **\* DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS**  
Report of the Town Clerk.  

**For Information**
  
20. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
  
21. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

22. **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.

**Part 2 - Non-Public Agenda**

23. **NON-PUBLIC MINUTES**

To consider non-public minutes of meetings as follows:-

- a) To agree the non-public minutes of the Policy and Resources Committee meeting held on 6 July 2023 (Pages 69 - 74)

**For Decision**

- b) \* To note the non-public minutes of the Capital Buildings Board meeting held on 5 July 2023

- c) \* To note the draft non-public minutes of the Civic Affairs Sub-Committee meeting held on 13 July 2023

- d) \* To note the draft non-public minutes of the Member Development and Standards Sub-Committee meeting held on 21 July 2023

- e) \* To note the draft non-public minutes of the Resource Allocation Sub-Committee meeting held on 5 September 2023

**For Information**

24. **COMMUNITY INFRASTRUCTURE LEVY AND ON-STREET PARKING RESERVES CAPITAL BIDS (QUARTER 1 - 2023/24)**

Report of the Executive Director Environment.

**For Decision**  
(Pages 75 - 118)

25. **BECKFORD AND CASS STATUE PLAQUE TEXT AMENDMENTS & PROJECT UPDATE**

Report of the Executive Director of Innovation & Growth.

**For Decision**  
(Pages 119 - 130)

26. **CITY OCCUPIERS AND INVESTMENT STUDY**

Joint report of the Deputy Town Clerk and Director of Innovation and Growth.

**For Decision**  
(Pages 131 - 142)

27. **LONDON WALL WEST**  
Report of the City Surveyor.  
**For Decision**  
(Pages 143 - 154)
28. **GUILDHALL CHARGING REVIEW**  
Report of the Remembrancer.  
**For Decision**  
(Pages 155 - 176)
29. **\* MAJOR PROJECTS - HIGH LEVEL FORECASTS AND CASH FLOW**  
Joint report of the Chief Operating Officer and Chamberlain.  
**For Information**
30. **\* DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS**  
Report of the Town Clerk.  
**For Information**
31. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
32. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED.**

**Part 3 - Confidential Agenda – Circulated Separately**

33. **MINUTES**  
a) To note the confidential minutes of the Freedom Applications Sub-Committee meeting held on 12 June 2023
34. **RESOURCE ALLOCATION SUB COMMITTEE (RASC) AWAY DAY OUTCOMES - PEOPLE**  
Report of the Chief Operating Officer.  
**For Decision**
35. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS**  
Report of the Town Clerk.  
**For Information**

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## **POLICY AND RESOURCES COMMITTEE**

**Thursday, 6 July 2023**

Minutes of the meeting of the Policy and Resources Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 6 July 2023 at 1.45 pm

### **Present**

#### **Members:**

Deputy Christopher Hayward (Chairman)  
Deputy Keith Bottomley (Deputy Chairman)  
Tijs Broeke (Vice-Chair)  
Caroline Haines (Vice-Chair)  
Munsur Ali  
Deputy Randall Anderson (Ex-Officio Member)  
Deputy Henry Colthurst (Ex-Officio Member)  
Mary Durcan (Ex-Officio Member)  
Helen Fentimen  
Deputy Marianne Fredericks  
Alderman Timothy Hailes  
Deputy Ann Holmes (Chief Commoner) (Ex-Officio Member)  
Alderman Ian David Luder  
Paul Martinelli  
Catherine McGuinness  
Deputy Andrien Meyers  
Deputy Brian Mooney  
Deputy Alastair Moss (Ex-Officio Member)  
Alderman Sir William Russell  
Ruby Sayed (Ex-Officio Member)  
Tom Sleigh  
Deputy Sir Michael Snyder

#### **In Attendance (Guildhall)**

Deputy Henry Pollard  
Oliver Sells

#### **In Attendance (observing online)**

Deputy Rehana Ameer  
Deputy Mark Bostock

#### **Officers:**

Ian Thomas, CBE	- Town Clerk and Chief Executive
Bob Roberts	- Deputy Town Clerk
Gregory Moore	- Assistant Town Clerk and Executive Director, Governance and Members Services
Jen Beckermann	- Executive Director and Private Secretary to the Chairman of Policy and Resources Committee
Polly Dunn, Clerk	- Town Clerk's Department

Benjamin Dixon	- Town Clerk's Department
David Mendoza Wolfson	- Town Clerk's Department
Chris Rumbles	- Town Clerk's Department
Michael Cogher	- Comptroller and City Solicitor and Deputy Chief Executive
Caroline Al-Beyerty	- Chamberlain
Sonia Virdee	- Chamberlain's Department
Paul Double	- City Remembrancer
Paul Wright	- Deputy Remembrancer
Emma Moore	- Chief Operating Officer
Genine Whitehorn	- Chief Operating Officer's Department
Paul Martin (For Item 5a)	- Consultant
Emily Tofield	- Executive Director of Corporate Communications and External Affairs
Damian Nussbaum	- Executive Director of Innovation and Growth
Ola Obadara	- City Surveyor's Department
Peter Young	- City Surveyor's Department
Robert Murphy	- City Surveyor's Department
Rob McNicol	- Environment Department
Jack Joslin	- Bridge House Estates
Barbara Hook	- Strategy Planning Intelligence and Performance

The Chairman took the opportunity to place on record his thanks to Alderman Luder at this, his last Policy and Resources Committee, before he steps down from the Court. The Chairman, on behalf of Policy and Resources Committee, wished Alderman Luder all the very best for his retirement and thanked him for his many years of service not only to this Committee but to the wider City Corporation, to London and the nation.

**1. APOLOGIES**

Apologies were received from The Rt Hon The Lord Mayor Nicholas Lyons, Jason Groves, Michael Mainelli, Shravan Joshi, Philip Woodhouse and James Tumbridge.

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

Alderman Timothy Hailes and Tijs Broeke declared an interest in respect of matters concerning St Lawrence Jewry Church.

**3. MINUTES**

- a) The public minutes of the Policy and Resources Committee meeting on 8 June 2023 were approved as an accurate record.
- b) The public minutes of the Capital Buildings Board meeting on 20 April 2023 were noted.

- c) The draft public minutes of the Capital Buildings Board meeting on 10 May 2023 were noted.

4. **MEMBER DEVELOPMENT AND STANDARDS SUB-COMMITTEE**

The Chairman referred to having previously held over his nomination as Deputy Chair of Member Development and Standards Sub-Committee, to allow for all Committees to have completed their appointments and for the full composition to be known.

The Chairman confirmed that, with the Membership now largely known, he would like to nominate Helen Fentimen as Deputy Chair, which he hoped Members would support.

RESOLVED: That Members:-

- Approved the Chairman's nomination of Helen Fentimen as Chair of Member Development and Standards Sub-Committee.

5. **PROJECT GOVERNANCE REVIEW**

a) **Independent review of Project-related Member Governance**

The Committee considered a report of the Town Clerk and Chief Executive providing an update on findings from an independent review of project governance arrangements at the City Corporation and seeking approval to a number of recommendations in this regard.

The Chairman introduced the item and provided background to the Project Governance Review commissioned by Operational Property and Projects Sub-Committee to consider the City's project portfolio and an agreed revised scope of this review to include a review of Member Governance that would include, but was not limited to, Capital Buildings Board, Operational Property and Projects Sub-Committee, Markets Board and any other associated Committee, and with the outcome before Members today for their consideration.

Paul Martin thanked Members of Policy and Resources Committee for inviting him to undertake the review, which he hoped would offer a helpful contribution towards Members' thinking as part of a driver for change for political governance and oversight of projects at the City Corporation.

Alderman Tim Hailes proposed a motion to amend a number of recommendations within the report, with this being seconded by Sir Michael Snyder, and which had been provided to Members in a separately circulated pack for their consideration. Alderman Hailes thanked officers for all the work that had gone into the project governance process, the vast majority of which he supported. The Alderman referred to the overwhelming workload of Operational Property and Projects Sub-Committee providing the rationale for the proposed amendments, which would allow for oversight of project management and procurement to sit under Finance Committee, with decision making relating to operational assets and disposals being placed under the responsibility of Resource Allocation Sub-Committee with these being corporate assets.

Sir Michael Snyder spoke in support of the proposed amendments confirming they were clarification amendments that were looking to ensure that resources were sitting under an appropriate body.

A number of Members spoke in support of the proposed amendments, which would look to make use of existing structures at the City Corporation, provide clarity on reporting lines and allow for strategic alignment across key areas.

The motion and proposed amendments were unanimously supported by Members. The motion was carried.

A discussion continued, during which there was concern raised at the proposed abolition of Markets Board, the potential downgrading of the importance of the markets to the City Corporation and any damage this could present to the Markets Bill going through Parliament. Caution was expressed at the proposed abolition of Markets Board.

Brian Mooney, proposed a motion, seconded by Catherine McGuinness, that recommendation 7 relating to dissolution of Markets Board and recommendation 9 relating to the continuation of Barking Reach Group and a proposed amendment to its terms of reference should both be removed. Catherine McGuinness added her support to the proposed amendment suggesting the recommendations as presented would be the wrong step at the wrong moment.

The Chairman responded confirming that he had taken soundings from the Remembrancer who had advised that abolition of Markets Board would not impact on progress of the Markets Bill through Parliament. The Chairman refuted any suggestion of a downgrading of the importance of the Markets to the City Corporation, with there having been a commitment to spend over £600m on a brand-new combined markets site in Dagenham.

A discussion followed on the proposed amendment, with it being stressed that there was an important distinction between relocation and operation of the Markets, with two independent reviews having now come to the same view relating to Markets Board. It was now time to accept the outcome of a further review and accept the abolition of Markets Board.

A Member remarked on there being logic in moving Markets Board into Port Health and Environmental Services Committee (PHESC), with there being the option of including Markets in the name of the committee moving forward. Markets Board was too focussed on operational matters, with the role of Members being to provide strategic oversight.

A Member made a statement on behalf of the Market Tenants, remarking on how Markets Board was not intended to form part of the Member Project Governance Review, with no evidence having been sought from Market Tenants on its proposed abolition. The Member suggested that the City Corporation needed to maintain an expert Markets Board and, as such, offered their support for the proposed amendment to the recommendations.

A Member, also Chair of Port Health and Environmental Services Committee, expressed surprise at the suggestion that the decision to abolish Markets Board was not evidenced based, with this now being the third occasion on which the proposal has been presented for consideration. The Member added how they could see no issue with the transfer of responsibility of the markets into PHESC, with the committee already involved in work on parts of the markets and it being able to absorb this addition to its areas of responsibilities.

There was a suggestion that more time was needed to consider the recommendations and arguments being put forward by Markets Board. The proposal deserved greater consideration given its transformative impact. The City Corporation has a duty of care to the Markets and traders, with consultation needed before any decision was taken.

A number of Members spoke in support of the recommendations as presented, with the proposals appearing to present a logical conclusion. A number of Committees have consultative committees with their users e.g., Open Spaces and the Chairman of PHESC could consider how best to convene consultative committees on operational matters on the markets.

At the conclusion of the discussion, Brian Mooney responded to the debate remarking on how he hoped the report would come forward to Court of Common Council as more balanced. The Remembrancer's advice was welcomed that no damage would be done to the Markets Bill, but there was still likely to be complaints from the Markets through any abolition of Markets Board. Rather than PHESC taking over Markets Board, it should be a merger with Markets Board and with markets to be included in the title of the Committee moving forward to create a sense of continuity.

The Chairman proposed moving to a decision on the motion and proposed amendment before Members. A vote followed with 3 Members in favour of the amendment, 16 Members being against and there being 2 abstentions. The motion was defeated.

Tijs Broeke put forward a motion, seconded by Andrien Meyers that the name of Port Health and Environmental Services Committee should be amended to include a markets element e.g., Port Health, Environmental Services and Markets Committee.

The Deputy Chairman expressed concern at renaming a Committee on the hoof without allowing for a proper level of consideration. A Member endorsed the Deputy Chairman's view, whilst adding how it was important that a paper goes forward to Court of Common Council with a firm proposal from this Committee.

During the discussion that followed, Members were supportive of the proposal to include Markets in the name of the Port Health and Environmental Services Committee, whilst agreeing a need for proper consideration of the proposal.

The Deputy Chairman added how all Members had understood the spirit of what had been proposed in wanting to include Markets in the name of Port Health and Environmental Services Committee. The Deputy Chairman proposed delegated authority be granted to the Town Clerk, in consultation with the Chairman and Deputy Chairman, and to include consultation with Members of Port Health and Environmental Services Committee.

Tijs Broeke, seconded by Andrien Meyers, confirmed their withdrawal of the motion to amend the name of Port Health and Environmental Services Committee.

Sir Michael Snyder, seconded by Randall Anderson, proposed a motion to add a recommendation that delegated authority be granted to the Town Clerk, in consultation with the Chairman and Deputy Chairman, and to consult with Members of the Port Health and Environmental Services Committee to consider and approve the renaming of Port Health and Environmental Services Committee to include Markets.

A vote followed on the motion, with 1 Member voting to the contrary, there being 1 abstention and with all other Members offering the support for the motion. The motion was carried.

The Chairman concluded the item and thanked Members for the debate. With the views of Policy and Resources Committee now being known it was hoped the item can now go forward to Court of Common Council to take a final decision. The Chairman proposed moving to a vote on the amended substantive motion as presented by Alderman Hailes.

A vote followed, with 17 Members voting in support of the recommendations and there being 2 abstentions. The recommendations, as amended by Alderman Tim Hailes, were carried.

RESOLVED: That Members: -

- Note the findings of independent review into project-related Member governance set out in Appendix 1.
- Approve the following recommendations:
  1. Service committees are recognised as the sponsoring body for projects and responsible for taking decisions about the delivery of individual projects with the exception of projects over £100m which fall under the authority of the Capital Buildings Board.
  2. The existing capital projects over £100m will remain the remit of the Capital Buildings Board supported by any sub-Group it may establish.
  3. The Museum of London new museum project is not a Corporation project and as such oversight remains with the New Museum Board and any funding issues managed through the tri-partite meetings.

4. Changes to the terms of reference for Operational, Property and Projects Sub-Committee (OPPSC), including a revised name, as set out in the revised sub-Appendix A to establish it as the oversight body for the new portfolio management approach.
5. Reporting line for OPPSC should be to a single grand committee namely, the Finance Committee, and subsequent changes to the terms of reference for Policy & Resources Committee (sub-Appendix B) and Finance Committee (sub-Appendix F).
6. Changes to the CBB terms of reference as set out in the revised sub-Appendix C.
7. The dissolution of the Markets Board and the transfer of its responsibilities to the Port Health and Environmental Services Committee (PHESC) and the subsequent changes to the PHESC terms of reference as set out in sub-Appendix D.
8. To delegate authority to the Town Clerk to consider the renaming of the Port Health and Environmental Services Committee, to include 'Markets', in consultation with the Chairman and Deputy Chairman of Policy & Resources Committee, and to consult with Members of the Port Health and Environmental Services Committee.
9. Changes to the terms of reference of the Resource Allocation Sub-Committee to grant it responsibility for Operational Property, as set out in sub-Appendix E.
10. The continuation of the Barking Reach Group with an amendment to its terms of reference to include two Members with relevant experience and expertise, to be co-opted annually by the Barking Reach Group.

b) **Project Governance Review - key findings and proposals for new approach**

The Committee considered a report of the Chief Operating Officer responding to the findings of the Project Governance Review and seeking approval of a proposal to introduce a portfolio management approach that would look to provide a greater level of assurance to Members regarding the delivery of strategic objectives, allocation of resources and management of strategic risks and issues.

A Member, also Chairman of Finance Committee, suggested the delegation proposed in relation to the Project Procedure should include the Chairman of Finance Committee given the single line of reporting moving forward, with the Deputy Chairman offering his endorsement of this proposal.

A Member remarked on finding the report difficult to follow, with there being a huge amount of information and that moving forward of there being a need to present information more clearly. There was a risk of Members getting too close to operational matters and stressed their role being to provide strategic oversight and scrutiny, not getting involved in operational matters and spending too much time looking into the detail.

Henry Colthurst proposed a motion, seconded by Alderman Tim Hailes, that the recommendation that delegated authority be granted to the Town Clerk, in consultation with the Chairman and Deputy Chairman of Policy and Resources Committee, to amend the project procedure, should include the Chairman of Finance Committee.

The motion received the unanimous support of Members. The motion was carried. The Chairman confirmed moving to the substantive recommendations, as amended by Henry Colthurst.

RESOLVED: That Members: -

- Note the findings of the externally led Project Governance Review set out in this report and in Appendix 1.
- Note proposals for the creation of an Enterprise Portfolio Management Office as part of an integrated Commercial, Change and Portfolio Delivery directorate and the subsequent merger of the existing Commercial Director role with the Project Governance Director role, which has been covered by the Commercial Director since the TOM changes (01/04/2022).
- Approve option 4B of this report for the development of a portfolio management framework including the new definition of projects and programmes (as set out in paragraph 19).
- Note the current Project Procedure will be retained for a period of 3-6 months whilst detailed design work is undertaken, and the final version of the new Project Procedure will be presented to Members for decision.
- Delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of Policy and Resources and Chairman of Finance Committee, to amend the current project procedure to incorporate the temporary measures previously approved by the Operational Property and Projects sub-Committee, namely delegation to (approved and trained) Officers to approve project-related decisions up to £1m for corporate projects and to descope routine procurements from the Project Procedure
- Note the implementation plan set out in Appendix 3.

6. **NOMINATING SUBSTITUTE MEMBERS FOR OUTSIDE BODIES ON WHICH THE CHAIR SERVES (DELEGATIONS FROM THE POLICY CHAIRMAN)**

The Committee considered a report of the Deputy Town Clerk seeking approval to the Chairman nominating a Member to be their designated replacement on different outside bodies.

A Member offered their support for the proposal, whilst adding how any final decision should be that of the Chairman rather than through a delegated decision each time. The Town Clerk clarified the position confirming that certain outside body appointments seek a formal nomination from Policy and Resources Committee and with a recommendation included that can deal with these nominations as necessary.



RESOLVED: That Members: -

- Endorse the proposal to allow for the Chair of Policy and Resources to nominate specific Members to either replace them on an outside body or act as their substitute, as set out in Annex 1.
- Agreed to delegate authority to the Town Clerk in consultation with the Chair and Deputy Chair of Policy and Resources to nominate replacements if any of the nominated individuals were no longer able to fulfil their role due to personal or professional commitments, as well as to make similar appointments to other outside bodies as and if identified throughout the civic year.

7. **ALLOCATING SAFER CITY PARTNERSHIP PROCEEDS OF CRIME ACT FUNDING**

The Committee considered a report of the Executive Director of Community and Children's Services seeking approval of arrangements relating to the allocation of Proceeds of Crime Act funding.

RESOLVED: That Members: -

- Endorse the Safer City Partnership's decision to utilise the Central Grants Unit to administer and manage Safer City Partnership Proceeds of Crime Act grants including making grant recommendations to the Safer City Partnership.
- Approve the Executive Director of Community and Children's Services (or other chief officer nominated by the Town Clerk) to formally authorise the payment of POCA grants approved by the Safer City Partnership.

8. **PROMOTION OF THE CONSIDERATE LIGHTING CHARTER**

The Committee received a report of the Executive Director of Environment in relation to a proposal to engage a consultant to undertake targeted stakeholder promotion and encourage the adoption of the Considerate Lighting Charter with City building owners, managers and occupiers.

The Chairman confirmed that the Lighting Policy had received a lot of positive media coverage when it originally went out for public consultation. It was felt that at this stage, when it was about to be endorsed by the Planning & Transportation Committee, that a strong media campaign would help get early adoption of the voluntary element of the policy, related to the Charter for existing buildings.

On reflection, however, the market interest had been positive and there was enough organic interest in this policy, which should lead to good, early adopters coming forward and building momentum amongst the property operators.

As such, Policy Initiatives Funding would no longer be needed to commission a specialist stakeholder consultant. The item was being withdrawn on this basis.

RESOLVED: That Members: -

- Note the withdrawal of this item.

9. **APPROACH TO THE NEXT CORPORATE PLAN**

The Committee considered a report of the Chief Strategy Officer seeking approval for a revised approach to delivering the next Corporate Plan.

A Member questioned at what point the success of outcomes included in the Corporate Plan would be reviewed to look at their impact and taking this into account as part of the consideration for any new plan. The Deputy Chairman acknowledged the importance of the City Corporation holding itself to account over delivery on Corporation Plan outcomes and key City Corporation strategies.

A Member added how they considered the previous Corporate Plan to be too light on detail and, as such, it being difficult to measure success.

The Town Clerk confirmed the intention to seek a strategic steer from Members on a new Corporate Plan and outcomes included within it, with key performance indicators being built in and ensuring alignment to the People Strategy. It would be brought forward to Members at an appropriate point to review progress and achievements.

RESOLVED: That Members: -

- Agreed that the next Corporate Plan be produced to cover April 2024 - March 2029, commencing on 1<sup>st</sup> April 2024.
- Agreed to the Corporate Plan 2018-23 being extended (without any additions) to end on 31<sup>st</sup> March 2024 and this recommendation being proposed for agreement at the Court of Common Council on 20<sup>th</sup> July.

10. **TARGET OPERATING MODEL - FINAL REPORT**

The Committee received a report of the Chief Strategy Officer providing an update on the Target Operating Model programme.

The Chairman confirmed this report follows the interim Target Operating Model report received by Policy and Resources Committee in February. The Chairman confirmed his decision to withdraw this item after it had been brought to his attention that the timing of this report may, albeit wholly unintentionally, send a negative and potentially insensitive message to those who were currently going through Target Operating Model implementation. A decision would be taken in consultation with the Town Clerk as to when this paper should return to Policy and Resources Committee.

A Member remarked on it being an important report, with lessons to be learned and in ensuring these were going to be embedded at the City Corporation moving forward. The Member added how the morale of staff was at rock bottom, with this report referring to roles and jobs that were currently at risk. Caution was expressed at rolling out a staff survey due to staff fatigue, with staff feeling as though they were not being heard. There was a need to think of the health and wellbeing of staff, with staff being the City Corporation's greatest asset but not

currently feeling it. The Member confirmed that they would like to see a report come back for detailed discussion. The Member stressed how names should not be put into the public domain when reporting.

The Chairman remarked on the intention of the report being to bring an end to the constant reporting on the Target Operating Model, but whilst noting that certain departments had been badly impacted by and were still working through implementation it had been considered appropriate to allow the report and its conclusions to go through all relevant forums before coming back to this committee at its conclusion.

RESOLVED: That Members: -

- Note the withdrawal of this item.

**11. POLICY LEADS QUARTERLY REPORT OF ACTIVITIES**

The Committee received a report of the Deputy Town Clerk providing a quarterly update and setting out the activities undertaken by Policy Leads during the previous quarter.

RESOLVED: That Members: -

- Receive the report and note its content.

**12. POLICY AND RESOURCES CONTINGENCY / DISCRETIONARY FUNDS**

The Committee received a report of the Chamberlain providing a schedule of projects and activities which have received funding from the Policy Initiatives Fund (PIF), the Policy and Resources Committee's Contingency Fund and Committee's Project Reserve for 2023/24 and future years with details of expenditure in 2023/24.

RESOLVED: That Members: -

- Receive the report and note its content.

**13. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

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

The Chairman was very sorry to have to report to the Committee the very sad news of the death of a City of London Academy Islington pupil on Friday night.

The Chairman added how he knew that all Members of the Committee would wish to join him in sending their thoughts to the family and friends of those involved as well as to the wider school community.

The Chairman confirmed that he was not able to say more at this time.

**15. 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 the Schedule 12A of the Local Government Act.

16. **NON-PUBLIC MINUTES**

- a) The non-public minutes of the Capital Buildings Board meeting on 20 April 2023 were noted.
- b) The draft non-public minutes of the Capital Buildings Board meeting on 10 May 2023 were noted.
- c) To consider the non-public minutes of the informal meeting of Members of Resource Allocation Sub-Committee on Thursday 22 June and Friday 23 June 2023.

17. **PROPOSAL TO TRANSFER THE BARKING REACH SITE FROM BARKING POWER LIMITED TO CITY OF LONDON CORPORATION**

The Committee considered a report of the Chamberlain relating to a proposal to transfer the Barking Reach Site from Barking Power Ltd to City of London Corporation.

18. **BASTION HOUSE/MUSEUM OF LONDON SITE - 140-150 LONDON WALL - STRIP OUT WORKS AND APPLICATION FOR NEW CERTIFICATE OF IMMUNITY FROM LISTING (CITY FUND)**

The Committee considered a report of the City Surveyor relating to Bastion House/Museum of London Site – 140-150 London Wall - Strip out works and application for new certificate of immunity from listing.

19. **ST LAWRENCE JEWRY CHURCH - EXTENSION TO MEMORANDUM OF UNDERSTANDING**

The Committee considered a report of the City Surveyor relating to St Lawrence Jewry Church Extension of Memorandum of Understanding.

20. **FINANCE FOR GROWTH: A ROADMAP**

The Committee received a report of the Director of Innovation and Growth providing an update on Finance for Growth: A Roadmap.

21. **MAJOR PROJECTS - HIGH LEVEL FORECASTS AND CASH FLOW**

The Committee received a joint report of the Chamberlain and Chief Operating Officer providing an update on Major Projects – High Level Forecasts and Cash Flow.

22. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS.**

The Committee received a report of the Deputy Town Clerk advising Members of action taken by the Town Clerk, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and 41(b) since the last meeting.

23. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were none.

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

The Chairman provided an update on a City of London Police related matter.

**The meeting ended at 3.40pm**

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Chairman

**Contact Officer: Polly Dunn**  
**[polly.dunn@cityoflondon.gov.uk](mailto:polly.dunn@cityoflondon.gov.uk)**

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<b>Committee(s):</b> Policy and Resources – For Decision	<b>Date:</b> 21 September 2023
<b>Subject:</b> Appointments to Ward Committees: “Pairing”	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	1 - 12
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of:</b> Town Clerk	<b>For Decision</b>
<b>Report author:</b> Greg Moore	

## Summary

Committees of the Court of Common Council fall broadly into two general categories in respect of their method of appointment: Ward and non-Ward committees. Non-Ward Committees are generally comprised of a smaller number of Members, who are elected or appointed by the Court. Ward Committees, which tend to be much larger in size, are structured such that each Ward is entitled to appoint at least one of their Members to serve. The intention of the latter is to ensure representation from each Ward, such that the whole City is represented.

Conscious of the demands on Members’ time, in 2004 the Court introduced the practice of "pairing" on Ward Committees, which allows geographically adjacent Wards to represent each others' interests, thereby meaning that each Ward was not mandated to appoint an individual from within their own Ward to serve. In addition to pairing, in 2011 the Court introduced the option for Wards to decline to fill vacancies either directly or through pairing, and to open them up to election from amongst the wider Court instead. These processes are governed by Standing Order No. 23.

In April 2023, a large number of Wards attempted to make late changes to their Ward Committee appointments in respect of pairing or opening up vacancies, which may have caused some confusion, particularly amongst those less familiar with the practice. This paper responds to a request for an exploration of options arising from this, and outlines the history and intention of Ward Pairing and Ward Committee appointments, presenting options to clarify the existing arrangements and improve transparency around the process moving forwards.

### Recommendation(s)

Members are asked to consider and endorse one of the three options set out in paragraphs 12 – 25, which in summary are:

1. Continue with the current process but add a strict deadline for pairing decisions to be made;
2. Remove the provision/requirement for unfilled Ward vacancies to be advertised to the wider Court;
3. A combination of both options 1 and 2, as set out within revised Standing Order 23 (Appendix 1). This is the recommended option.

## **Main Report**

### **Background**

1. Ward Committees are a longstanding feature of the governance arrangements of the City of London Corporation. They allow for each Ward to make at least one appointment to that Committee, thereby providing a guaranteed opportunity for every Ward in the City to be represented, should they so wish. Ward Committees generally have remits which cover areas of the Corporation's responsibilities which affect the entire City.
2. Whilst there has been a move away from Ward Committees over recent decades, the Court has been clear in its desire to retain the arrangements generally and for specific areas. Today, the remaining Ward Committees are: Finance, Planning & Transportation, Community & Children's Services, Culture Heritage & Libraries, and Port Health & Environmental Services.
3. Historically, some Wards — usually those with fewer Members — sometimes found it challenging to fill all their allocations on Ward Committees whilst also pursuing areas of interest or expertise on non-Ward Committees. This was exacerbated by the introduction of an upper threshold on the number of committees on which any one Member might serve.
4. A review was undertaken by the Audit Commission in 2002 which highlighted the burdens on Members through these arrangements as a specific issue and, consequently, in 2004, the system of Ward pairing was introduced, to "reduc[e] the demands placed on Members" in a "voluntary and flexible arrangement". The idea behind this was to allow for Wards which were geographically adjacent and shared characteristics to effectively share the responsibility, such that one Member essentially represented both Wards. This was considered to retain the spirit of ensuring Wards were able to be served by someone they felt would well understand and represent their local area.
5. In 2011, it was further decided that, in addition to the option to pair, Wards should have the option to open up the vacancy for appointment to be made by and from amongst the wider Court.
6. There are, therefore, now three options available in respect of Ward Committees:
  - a. A Ward can fill the vacancy directly;
  - b. A Ward may pair with another Ward, and have that Ward's appointed Member represent both Wards' interests;
  - c. A Ward may relinquish the vacancy altogether and cede it to the Court.

### **Current Position**

7. Since the 2011 change, some Wards have continued to elect to use the pairing arrangements, whilst others leave their position unfilled, thus leaving an additional place on the Committee to be appointed to by the Court.
8. The appointment process to Ward Committees is set out by Standing Order No 23 and essentially requires the Ward Deputy to make nominations annually, following consultation with their colleagues. This process usually takes place in



March of each year. The nominations are then collated and presented to the Court as part of the “White Paper” document, in April of each year, when the committees are constituted.

9. Since the introduction of the 2011 change, Ward Deputies are asked to provide their final nominations in good time ahead of publication of the Court’s agenda, in order that any vacancies left unfilled (and where pairing is not exercised) can be advertised and nominations placed on the Summons in keeping with the requirements of Standing Orders.
10. However, just as individuals standing for non-Ward Committees can withdraw their nominations at any time (including at the April Court meeting itself), the Ward Deputy may also seek to make changes to their submissions at any time. Ultimately, the power to determine whether to accept those changes rests with the Court.
11. In previous years there had been very few changes to the initial submissions of Ward Deputies and so this approach presented no major challenges. However, in April 2023, several Wards were making changes well beyond the date outlined for response and then further still, after the Summons had been published. There were as many as 100 emails issued to the Governance and Member Services Team on this specific issue in the days leading up to the publication. This placed a significant, albeit unintentional, administrative burden on agenda preparations and subsequently impacted the ability to communicate the relevant last minutes changes to the wider Court.
12. In addition to all the changes that had taken place ahead of publication, at the Court meeting, the Town Clerk outlined two further amendments to the Summons in relation to the Ward Committee appointments. These amendments were agreed but led to a reduction in the number of Ward Committee vacancies available to the wider Court. This prompted ‘on the spot’ withdrawals of nominations. It is fair to say the matter caused some confusion and gave rise to concern with the general process of Ward Committee appointments.
13. Considering all the above, in the interests of clarity, it is considered beneficial to consider the arrangements for the annual Ward Committee appointments process and whether there is scope for improved procedures to be made for future years.

### **Options**

14. Recognising that the purpose of Ward Committees is to allow every Ward to be represented, whilst remaining cognisant of the demands on Members and the limit on the number of Committees on which Members may serve, it can be argued that pairing is and remains a key mechanism through which a Ward can ensure that it obtains its desired representation. Therefore, each of the options below is predicated on the retention of the ability to pair.

#### Option 1: Impose a stricter deadline

15. Whilst a deadline exists for the nomination of Ward Committee appointments to be submitted to the Town Clerk, this is not a hard deadline strengthened by a

Standing Order and therefore operates on the best intentions of Members, with late changes accommodated wherever possible.

16. Therefore, one option could be to retain the existing arrangements but with a formal requirement for all Ward Committee appointments, including pairing decisions, to be made and communicated to the Town Clerk by a fixed date. After this deadline, no changes can be made to the listed names in the papers presented to the Court and it would require a formal Motion to be moved and agreed in order to allow for changes.
17. This option would reduce confusion from Members around what vacancies exist on Ward Committees and make clear what ballots were to take place at Court, whilst still retaining the Court's ultimate discretion in this matter. The position would also be consistent with the approach for non-Ward Committee vacancies, whereby vacancies must be advertised by a set date, thereby allowing sufficient time for interested Members to express their interest in any vacancies.
18. A new Standing Order, 23(8), could make this clear, viz:-: "All nominations for Ward Committee appointments made as part of the annual appointments process (see: Standing Order 21), including pairing decisions, shall be made and communicated to the Town Clerk by no later than 12 noon, twelve working days before the meeting of the Court, for inclusion in the Summons. After this deadline, no changes can be made to such names listed in the Summons and any amendment shall require the explicit approval of the Court via a Motion (pursuant to Standing Order No. 12(4))." In the absence of any nominations by this deadline, the vacancies shall be held unfilled until the next meeting of the Court.
19. By fixing the deadline as twelve working days before the meeting, it allows for any vacancies to be advertised two weeks before the meeting, pursuant to Standing Order 25(2).

Option 2: Remove the option to "open up" appointments to the wider Court

20. One option would be to remove the provision whereby, when a Ward does not wish to nominate one of their number to fill a vacancy, nor pair with another Ward, the vacancy is opened up to the Court (i.e., the option introduced in 2011). Instead, the vacancy would to be left unfilled.
21. This would have the benefit of potentially leading to smaller committees, going some modest way towards one of the outcomes of the most recent Governance Review (which recommended a reduction in the number of Members on committees, where possible, down to an optimal size of 10-12).
22. However, it should be observed that this might disadvantage those Members, particularly from larger Wards, where there is a keen interest in the service area and where such vacancies facilitate their participation.
23. It might also be said that the Committee benefits from having enthusiastic and engaged Members and thus there is a risk that the removal of this option could limit the opportunities of those Members, to the potential detriment of the Committee.

24. Additionally, those vacancies can often be a mechanism to ensure that additional expertise, available on the wider Court but not appointed by Wards directly, can be obtained by Committees through the election of suitably experience Members.

Option 3: Increase Ward Choice

25. The third option is a blend of the foregoing options, i.e., to add a provision such that the Ward can decide:
- whether it wishes to appoint a Member
  - whether it wishes to pair
  - to open their vacancy to the wider Court
  - to choose to leave their Ward unrepresented and not offer the vacancy up, thereby reducing the membership of that Ward Committee by one.
26. This option would give the Ward Deputies the ability to choose how they feel their Ward would be best represented at a Ward Committee, and so remain most true to the spirit governing the role of Ward Committees. Standing Order Nos. 23(1-6) would remain unchanged, but Standing Order 23(7) would be amended to read:
- 23(7). "If a Ward chooses not to nominate a Member(s) (Common Councillors or the Alderman of the Ward) to serve on a Ward Committee, the Ward will notify the Town Clerk by no later than 12 noon, twelve working days before the meeting of the Court:*
- a. that they wish for the appointment to remain unfilled, thereby reducing the number of Members on the Committee by the number of unfilled appointments;*
  - b. that the Town Clerk should notify the vacancy to all Members and seek nominations prior to the appointment being made by the Court.*
27. The deadline arrangement, set out in Option 1, would also be retained in order to help provide clarity to all Members as to a Ward's intention, well ahead of the Court meeting in question. This would be particularly important given the additional variable that would be introduced through Option 3.
28. In coming to their determination, as with the existing arrangements, Ward Deputies should be encouraged to bear in mind the impact on the Committee in question: any decisions as to nominations, or decisions not to nominate, should take into consideration the balance of skills and expertise of Members willing to serve and the best interests of the Committee. For instance, if a Ward does not wish to appoint to the Finance Committee but there are several Members on the wider Court with relevant expertise, it would be optimal to open up the vacancy to the wider Court.
29. Members should note that none of the proposed changes impact the current approach to fill vacancies arising mid-year.

### **Proposal**

30. While any of the above options would improve on the current Ward Committee appointment arrangements, Option 3 provides the Deputy of each Ward with the most ability to choose how their Ward is best represented and is therefore the recommended option.

### **Further consideration**

31. In discussing the above options, a further consideration, highlighted through the most recent Governance Review, should be acknowledged. Through that process, several Members promulgated initial thinking in respect of “hardwiring” pairing arrangements, in such a way as to retain the spirit and ethos of Ward Committees whilst achieving smaller compositions. For instance, decreasing the size of a committee to say 15 and “merging” small Wards for the purposes of appointment, such that a maximum one individual was selected to represent two small Wards. Similarly, the additional places on Ward Committees awarded to the larger Wards, in recognition of their size, could be decreased commensurately.
32. It should be observed that, should there be a desire to pursue this, it would require further activity in order to identify how this might be achieved practically, if at all, and in a way which was considered acceptable to all Wards and the Court generally. Mechanisms for identifying Wards which might be suited for combining representation; providing mechanisms for dispute resolution between Wards (if an agreement on representation cannot be reached); and so on.

### **Corporate & Strategic Implications**

- Financial implications - None
- Resource implications – Introducing a deadline for Ward Committee nominations would assist with staff resourcing and management of the April Court meeting.
- Legal implications - None
- Risk implications - None
- Equalities implications – Ward Committees can be a vehicle through which diversity of Members of Committees can be improved. As new Members are sometimes less likely to be elected on to non-Ward Committees, Ward Committees provide an opportunity for all Members to gain experience of sitting on a Committee.
- Climate implications - None
- Security implications - None

### **Conclusion**

33. The use of Ward Committees is an established City Corporation convention to ensure balanced representation on key committees from amongst all Wards. This paper advances options to consider in respect of the process of appointment to these Committees and recommends the adoption of a fixed deadline for nominations, as well as the option for Wards to neither fill allocations nor relinquish them to the Court, in order to provide Wards with maximal flexibility in determining how their interests are best represented on certain committees.

### **Appendices**

- Appendix 1- Proposed revisions to Standing Order 23 (as per Option 3).

### 23. Ward Committees

1. Ward Committees comprise at least two Aldermen together with a number of Commoners as detailed in Standing Order No. 23(3).
2. The Aldermen shall be appointed on the basis of nominations by the Court of Aldermen (notwithstanding SO 23(5)).
3. The Commoners shall be appointed on the basis of:-
  - a. one Member from each Ward (regardless of whether the Ward has sides) having five or fewer Members;
  - b. two Members from each Ward (regardless of whether the Ward has sides) having six or more Members;
  - c. one Member representing a Ward or Side of Ward that has agreed to pair with another Ward, which is geographically nearby, for the purpose of representation on one or more Ward Committees;
  - d. up to two Members on the Community and Children's Services Committee from Wards with 200 or more residents.
4. Wards shall choose whether to nominate a Member(s) to serve on each of the several Ward Committees.
5. In the event that a Ward's Common Councillor/s does not wish, for whatever reason, to be nominated to serve on a Ward Committee, the appointment can, if the Ward so chooses and the Alderman is in agreement, be taken by the Alderman of the Ward.
6. After consultation with the Members of their Wards, the Deputies of the Ward shall submit the nominations to the Town Clerk subject to the following:-
  - a. the term of office of a Member on a Ward Committee is one year;
  - b. a Member who has served four terms on a Ward Committee, separately or consecutively, is not eligible for appointment for a further term whilst there is a Member of the Ward who has not served and wishes to do so, unless the majority of the Members of the Ward so decide.
- ~~7. If a Ward chooses not to nominate a Member(s) (Common Councillors or the Alderman of the Ward) to serve on a Ward Committee, the Town Clerk shall notify the vacancy to all Members and seek nominations prior to the appointment being made by the Court.~~
7. If a Ward chooses not to nominate a Member(s) (Common Councillors or the Alderman of the Ward) to serve on a Ward Committee, the Ward will notify the Town Clerk by no later than 12 noon, twelve working days before the meeting of the Court:

- a. that they wish for the appointment to remain unfilled, thereby reducing the number of Members on the Committee by the number of unfilled appointments;
  - b. that the Town Clerk should notify the vacancy to all Members and seek nominations prior to the appointment being made by the Court.
8. All nominations for Ward Committee appointments made as part of the annual appointments process (see: Standing Order 21), including pairing decisions, shall be made and communicated to the Town Clerk by no later than 12 noon, twelve working days before the meeting of the Court, for inclusion in the Summons. After this deadline, no changes can be made to such names listed in the Summons and any amendment shall require the explicit approval of the Court via a Motion (pursuant to Standing Order No. 12(4)).

<b>Committee(s):</b> Policy & Resources Committee	<b>Dated:</b> 21/09/2023
<b>Subject: City of London - Local Area Energy Plan (LAEP)</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	4; 5; 10; 11.
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No – please see section on financial implications</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of: Acting Executive Director for the Environment</b>	<b>For Decision</b>
<b>Report author: Aled Thomas, Department for the Environment</b>	

## Summary

The City Corporation's Climate Action Strategy committed to producing a Local Area Energy Plan (LAEP) for the Square Mile. The LAEP Executive Summary is included as Appendix 1. This report provides a summary of the LAEP produced as well as initial considerations on the implementation phase.

The LAEP sets out a routemap and priority intervention areas for transitioning the energy system in the Square Mile to net-zero by 2040, in line with the ambitions of the Climate Action Strategy. It sets out high-level estimates of the capital expenditure required to deliver the LAEP, the governance arrangements for supporting implementation and a set of short and medium-term actions to be taken forward by the City Corporation and local stakeholders.

A LAEP is becoming the established approach to delivering effective local energy planning, led by local government and developed collaboratively with defined stakeholders. The approach is encouraged by Ofgem, the energy regulator, and approximately 20 local authorities have adopted LAEPs to date. The City Corporation commissioned Arup to produce the LAEP and a broad range of stakeholder were engaged in its development, from the provision of key data through to proposed actions. The following summarises the key points and recommendations:

- **The recommended pathway to a net-zero energy system by 2040 is a blend of deep retrofit interventions applied to the City's building stock and heat networks, using both centralised and decentralised heat pumps.**
- **Seven priority intervention areas** should be the focus for the City Corporation and wider stakeholders within the City in pursuing the recommended pathway. The areas are - **maximising the energy-efficiency of buildings; maximising**

**rooftop PV; decarbonise transport; decarbonise heat; implement waste capture and exchange; reinforce the electricity distribution network; rollout energy system flexibility.**

- A **roadmap and proposed actions** across the 7 priority interventions areas. Each action includes a description, a proposed action owner, key stakeholders and suggested City Corporation resources commitment to take forward the action. The actions are mapped against a short- and medium-term timeline.
- An **indicative capital expenditure programme of £1.2bn - £3.1bn+ up to 2040 has been calculated as a high-level estimate. which underlines the high level of investment required to achieve the desired goals of a net-zero energy system** which includes some key uncertainties as to the costs of the specific interventions to be pursued. The proposed actions are subject to further study and feasibility assessments.
- A **spatial analysis of the potential mix of low carbon technologies** (rooftop solar; air-sourced heat pumps; electric vehicle chargers; and heat networks) across 11 sub-zones in the Square Mile, based on UKPN's electricity sub-stations.
- **Three specific initiatives should be considered as a way of enabling the delivery of the LAEP** – a dedicated **LAEP committee** to include key stakeholders identified in the plan; a **business-led grouping to support the decarbonisation of commercial buildings**; and the procurement of a **strategic energy partner** to unlock opportunities regarding the scaling and implementation of some of the actions.

The LAEP provides a valuable evidence-base for a whole-system approach to energy decarbonisation in the Square Mile. It sets out the changes needed to the local energy system and built environment detailing 'what, where, when and by whom.'

The following sets out the proposed next steps:

- A Square Mile 2040 partnership is one of the agreed CAS actions for this year and is in the process of being established. The partnership will oversee the implementation of the LAEP and related climate actions in the City and will formalise the collaborative arrangements developed in the production of the LAEP. The partnership proposal is set out in Annex 2.
- The partnership would be the forum to assess the proposed actions; explore and confirm commitments; and develop more detailed delivery plans, including resourcing. The City Corporation will seek to take forward those actions allocated to it, through existing CAS programmes and through other means. For example, the CAS programme is already supporting work on those recommendations relating to the energy-efficiency of buildings, heat networks and multi-offtake Power Purchase Agreement.
- Those recommendations which have strategic implications for the City Corporation, such as the procuring a strategic energy partner to enable the



implementation of the LAEP, will require more detailed exploration and assessment. The committee will be updated on the progress with these assessments as they develop.

- In the last few weeks, the GLA has confirmed it will be supporting and funding the development of a sub-regional LAEP for Central, Inner East and North London, to include the City of London and 10 other London boroughs. This work will build on the City of London LAEP and facilitate a common approach to cross-boundary energy planning in terms of the provision of data and taking forward specific actions e.g. heat networks. The work will be completed by March 2024 and the City Corporation will be fully involved.

### **Recommendation(s)**

Members approve the recommended pathway to a net-zero energy system in the City (points 21-24 below) and priority intervention areas (point 25).

Members note the routemap and proposed actions (summarised in points 26-30 below).

Members endorse the proposal for the Square Mile 2040 partnership to oversee the further development and implementation of the Local Area Energy Plan, in particular the routemap and proposed actions (summarised in points 26-30).

## **Main Report**

### **Background**

1. In April 2023, the Committee approved the Climate Action Strategy Project Plans for Year 3 (2023/24). The development of a 'City of London Local Area Energy Plan' was one of the actions of the CAS Square Mile Project Plan.
2. As the UK transitions to net zero, our energy system will be required to transform from the current, predominantly centralised, fossil fuel intensive gas and electricity system to a flexible, decentralised predominantly electrified low carbon system.
3. Local Area Energy Planning (LAEP) is a data driven and whole energy system, evidence-based approach that sets out to identify the most effective route for the local area to contribute towards meeting the national net zero target, as well as meeting its local net zero target. The LAEP process is led by local government and developed collaboratively with defined stakeholders.
4. The City Corporation has worked with Arup and a range of external stakeholders to produce the Plan, set out in Appendix 1. The following technical analysis has been carried out:

- Baseline current demand and infrastructure for provision of heat, cooling, power and transport.
  - Estimations of future energy demands, accounting for climate change, building energy efficiency improvements and the effects of new development
  - Modelling of key decarbonisation scenarios including heat pumps, heat networks and waste heat, renewable energy generation, transport electrification and the future role of hydrogen
  - Carbon emissions and energy pathways analysis and high-level costing.
5. The results are a spatial plan for the City that sets out the change needed to the local energy system and built environment and the potential combination of low carbon technologies in different parts of the Square Mile. It defines a long-term vision for a clean energy system and identifies near-term actions and projects, providing stakeholders with a basis for taking forward activity and prioritising investments and action. Additional detailed design work is required for identified projects to progress to implementation.

### **Current Position**

6. The move towards decarbonisation and a more decentralised energy system, will increase the level of interaction between local interventions and actors. Currently, the decisions made by these stakeholders are often made in isolation, with divergent plans, objectives, incentives and actions across spatial and energy planning frameworks.
7. Recent modelling work by the Energy System Catapult revealed that without local planning and coordination to manage a higher energy demand, the power system could end up increasing by almost 40% in capacity terms and require increased compensatory investments in production, storage transmission and distribution to help balance supply and demand.
8. The City of London LAEP attempts to secure the benefits of a more coordinated approach to energy planning, action and investment in the Square Mile.

### *Sub-regional Local Area Energy Plans*

9. In August 2023, the Greater London Authority confirmed it had secured funding to develop 2 sub-regional Local Area Energy Plans in London in 2023/24. These sub-regional areas will cover i) Central, Inner, East and North London; and ii) South London. The City of London will be part of the former grouping together with Camden, Enfield, Hackney, Haringey, Islington, Newham, the Royal Borough of Kensington and Chelsea, Tower Hamlets, Waltham Forest and Westminster.
10. The sub-regional work will provide added value to the City of London LAEP by facilitating cross-borough energy planning and produce data visualisation tools to inform plans and actions.

## Options

11. Drawing on extensive technical analysis, the LAEP assessed emission reduction pathways in three ways:

- i) a series of '**optimised**' scenarios drawing on current energy consumption and future energy demand in the City;
- ii) the **cumulative emissions** of these pathways up to 2027 and 2040 (key timelines for the Climate Action Strategy).
- iii) A multi-criteria assessment of non-technical factors (achieving CAS net zero targets; benefits to society; affordability; deliverability)

These assessments are summarised below.

### *Optimised scenario*

12. The LAEP sets out a series of 'optimised' scenarios which draws on emission pathways, drawing on current energy consumption and future energy demand. In addition, a multi-criteria assessment (covering net-zero target alignment, benefits to society, affordability and deliverability) has been used to identify and compare other criteria that are important to the City and the City Corporation.

13. An examination of the current energy consumption and associated emissions across the City has produced the definition of an energy baseline, from which this study builds upon. Future energy demands have then been projected out to 2040 accounting for the development of new buildings, retrofit of existing buildings and future transport projections and associated decarbonisation.

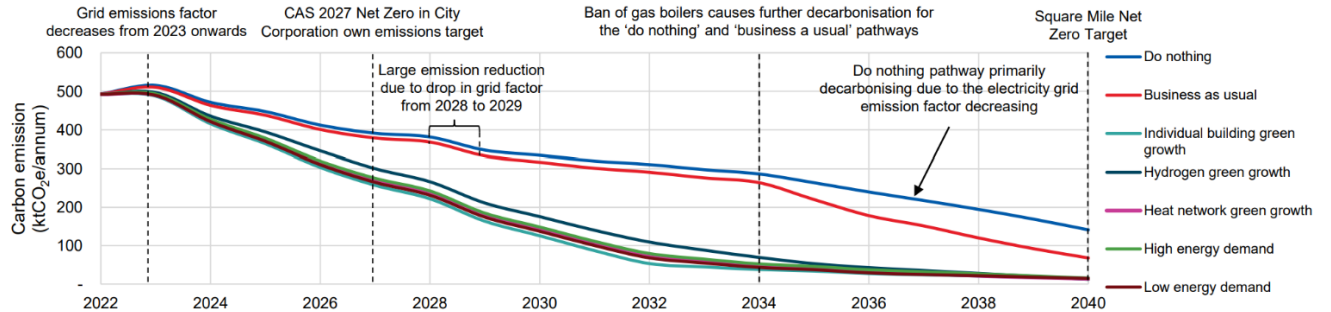
14. Variations in these inputs were combined with energy system components to test future energy scenarios and pathways:

- **High Energy Demand** - tests the potential maximum system demand and resulting electricity grid capacity/upgrades.
- **Low Energy Demand** - tests the synergies of both centralised (heat networks) and decentralised (building-level) heat pump deployment.
- **Green Growth** - tests an 'ideal' low carbon future demand scenario regarding new development and efficient energy consumption reduction via considerable retrofit of the existing building stock. Within green growth, three pathways are analysed:
  - Individual building – decentralised electrification of heat on a building-by-building basis
  - Heat Network – maximum heat network deployment
  - Hydrogen – conversion of the current gas grid to low carbon hydrogen

15. The following figure displays this series of future pathways that demonstrate how the City's carbon emissions could change between now and 2040. The business as usual curve shows the current trajectory, whilst the green growth curves reduce emissions through deeper building energy efficiency improvement, and deeper

electrification, hydrogen or heat network rollout, representing the scale of the opportunity to reduce carbon

The following figure sets out the City of London projected annual carbon emissions based of energy transition pathways.

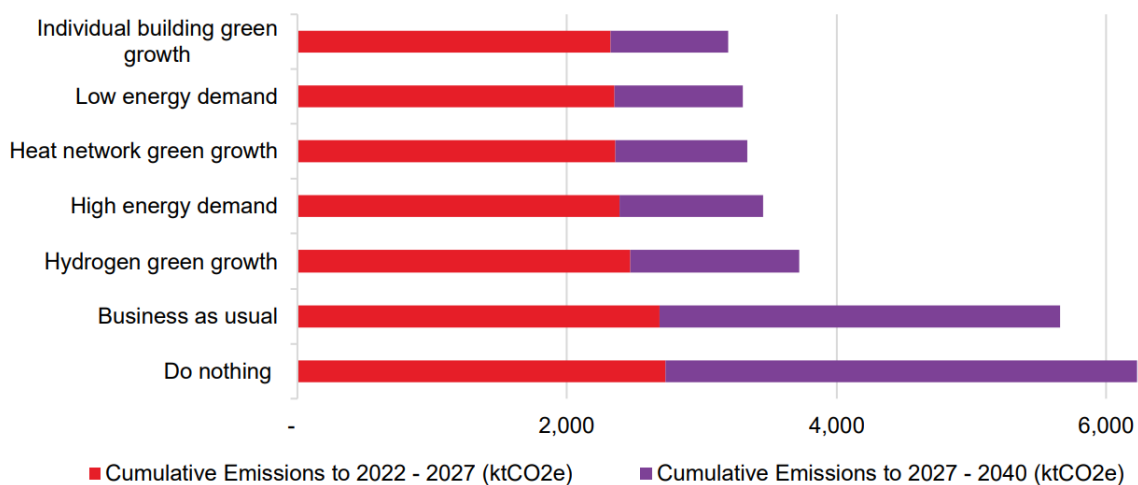


The 2040 carbon emissions for the 5 optimised scenario pathways are set out in the figure below.

Pathway	2040 emissions (ktCO <sub>2</sub> e)
High energy demand	16.02
Low energy demand	14.64
Individual building green growth	14.15
Heat network green growth	14.01
Hydrogen green growth	12.64

### Cumulative emission scenarios

16. The following figure sets out the modelled cumulative emissions of each pathway from 2022 to both 2027 and 2040.



17. This indicates that the lowest cumulative carbon emissions are associated with the individual building green growth pathway. The low energy demand scenario is associated with a lower level of building development and hence is not reflective of the likely demand for growth in the Square Mile – it is therefore not included within the recommend future pathway.

#### *Multi-Criteria Assessment (MCA)*

18. In addition to the analysis undertaken for energy, carbon and infrastructure of the future energy system a multi-criteria assessment has been used to identify and compare other criteria that are important to the City and the City Corporation.

19. Four overarching criteria themes were defined that encompass the City Corporation's wider ambition beyond the carbon focussed analytical modelling undertaken for the scenarios - achieves CAS net zero targets; benefits to society; affordability; deliverability.

#### **Proposals**

20. The scenario modelling outlined in the previous section resulted in:

- i) a recommended emission reduction pathway;
- ii) priority intervention areas;
- iii) a routemap and proposed actions;
- iv) governance, implementation, monitoring and review.

These are summarised in the sections below

#### *Recommended pathway*

21. The modelling resulted in a recommended pathway which is a blend of the heat network and individual building green growth pathways. It focuses on deep retrofit interventions to the building stock in the Square Mile and heat networks which combine both centralised and decentralised heat pumps and other low carbon technologies where feasible. Hydrogen was discounted due to the lack of credible plans to supply hydrogen into the City within the timeframes required.

22. The level of heat network deployment will be driven by up-coming Heat Network Zoning policy, currently under development by the UK Government through its Energy Security Bill. The UK Government has identified heat networks as playing a crucial role in delivering its net-zero strategy. The zoning policy will introduce a formal regulatory framework for district heating in England and Wales to incentivise growth and investment. It will establish a zoning coordinator role for enforcing zoning requirements and it will require certain buildings and heat sources to connect to a heat network. The City is already participating in the Advanced Zoning Pilot run by the Department for Energy Security and Net Zero.

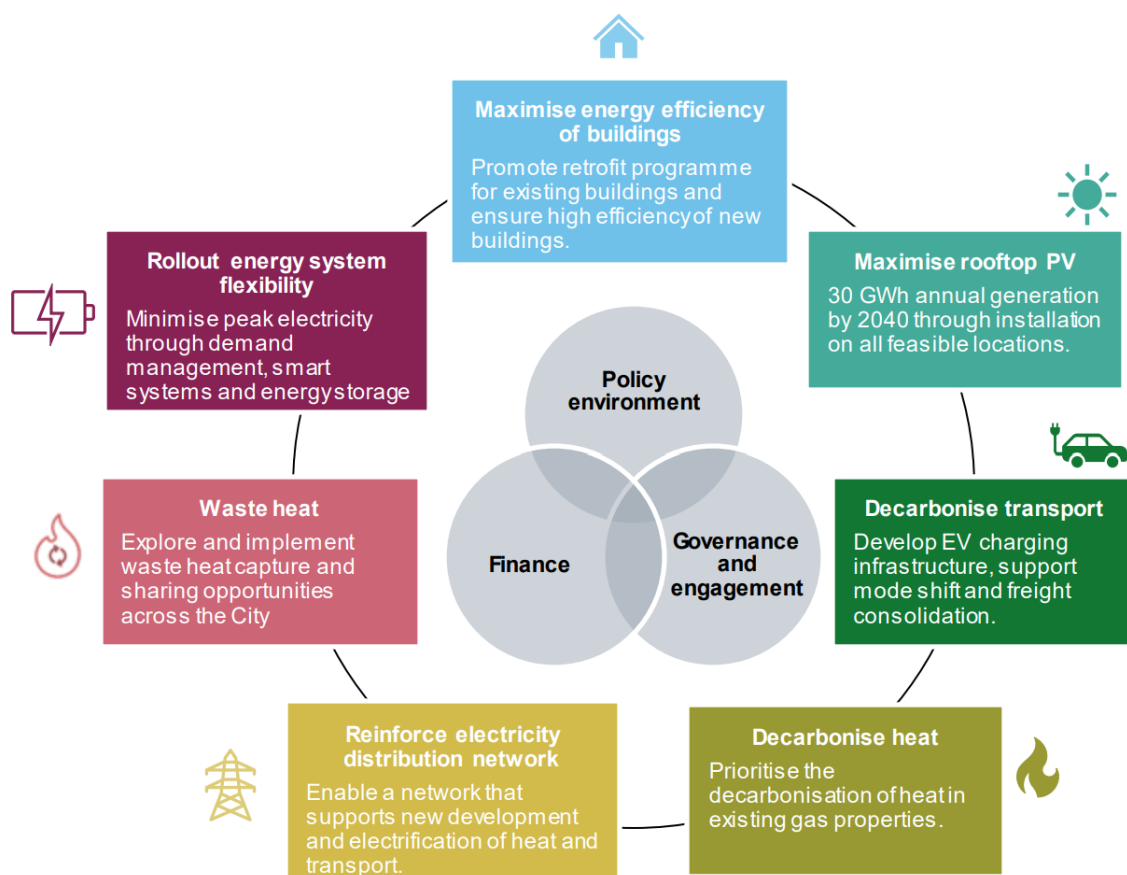
23. Where buildings are not mandated to connect to heat networks, it is recommended that individual heat pumps are used to decarbonise heat. Office buildings should also participate in wider City heat networks where possible as heat suppliers, sharing rejected thermal energy from their cooling systems. The new Local Plan

and Supplementary Planning Document on Sustainability will reinforce this approach.

24. Due to the quantum of office buildings present, there may also be opportunities for the area to become a heat exporter at certain times of the year, where heat rejected is supplied into surrounding areas, where residential heat demands are higher.

*Priority Intervention Areas*

25. The recommended pathway is further developed into a series of priority intervention areas together with their interdependencies, the level of investment required for each area, uncertainty risk analysis and costing considerations. These priority intervention areas are set out in the following figure.



*Routemap and Proposed Actions*

26. This section of the LAEP sets out a number of specific actions within each of the seven intervention areas (summarised in the figure above), alongside high-level routemaps to set these actions out over time. An action priority matrix has been created to identify the actions that are high priority (higher effort but higher impact) and quick wins (lower effort and higher impact) to aid action prioritisation.

27. Actions are described in further detail with the action owners, other stakeholders involved and resource commitments from the City Corporation detailed. There will be a need for additional third-party resources as well.
28. The route maps provide a focused view of actions that will be taken in the coming decade, while also showing key milestones on the decarbonisation trajectory to 2040. Each intervention requires four key elements to be successful:
- Mobilising finance
  - Strong and consistent policy framework
  - Delivery owners
  - Local engagement
29. The role that the City Corporation can play for each intervention will vary. Some intervention areas will call for direct action from the City Corporation in the material delivery of programmes, while other interventions will require the City Corporation to act more as a facilitator for market driven change.
30. Although the exact form of the decarbonised energy system in 2040 is uncertain, there are actions that can be taken now to maintain the ability to meet the 2040 and interim targets.

## **Governance, implementation, monitoring and review**

### *Governance*

31. A significant aspect of developing this plan was the engagement of local and wider energy system stakeholders. This engagement process was utilised to both collate and verify data used within the modelling and enable the development of actions for both the City Corporation and wider stakeholders, which accompany the recommended pathway.
32. Meeting the recommended pathway is highly dependent on a number of factors outside of the City Corporation's control, or at least heavily reliant on action from others, such as delivering significant energy efficiency improvements in commercial buildings, grid reinforcement at scale, heat network deployment, maximising solar generation and capturing waste heat. The City Corporation will play a key role in enabling and influencing others to ensure this plan and the recommended actions are undertaken.
33. To support the delivery of the actions defined within this LAEP it is recommended to establish a City of London LAEP partnership to include key parties from the wider stakeholder group identified in the proposed actions.

### *Implementation*

34. A Net-Zero Delivery Unit will be established to support the implementation of the plan. This will consist of dedicated staff from the City Corporation as well as staff and resources from the wider partnership.

35. Beyond the partnership structures, the LAEP recommends two key enabling actions:

- **Sustainable City Charter.** This business-led group will support the decarbonisation of commercial buildings and include building owners/operators in the area.
- **Procurement of a strategic energy partner(s).** This could unlock opportunities regarding the scaling and implementation of some of the actions that have been defined.

These actions will require further assessment by the City Corporation and partners.

#### *Monitoring and review*

36. The LAEP recommend the City Corporation identify a set of indicators against which to measure progress in meeting the LAEP objectives, summarising these in an Annual Monitoring Report.

37. Although spanning out to 2040, this plan and the associated actions will need to be reviewed and revised on a 3- to 5-yearly basis. The revisions will be focussed on progress to date, developments of targets and ambitions, and the uptake of novel mechanisms and technologies that might assist in accelerated decarbonisation of the whole energy system.

#### **Key Data**

38. The LAEP sets out key data, scenarios and modelling on an emission-reduction pathway with recommended actions to achieve a net-zero energy system in the Square Mile by 2040, in line with the ambitions of the Climate Action Strategy.

#### **Corporate & Strategic Implications**

39. The Local Area Energy Plan is a key component in delivering the ambitions of the Climate Action Strategy, in particular the goal of supporting a net-zero Square Mile by 2040.

40. It also connects to various other important policy initiatives such as the new City Plan, the Transport Strategy, the forthcoming Infrastructure Strategy and other Climate Action Strategy actions.

#### **Financial implications**

41. It is clear the fulfilment of the energy strategy envisioned in the LAEP would require a substantial programme of capital investment up to 2040 by a range of parties. The Plan includes a high-level estimate of capital expenditure of between £1.2bn - £3.1bn+ for the recommended scenario to reach net-zero by 2040 in line with the targets set out in the Climate Action Strategy.



42. The Climate Action Strategy has funded the development of the LAEP and is also providing resources to initiate some of the actions identified in the LAEP, for example on heat networks and the Multi-Offtake Power Purchase Agreement.
43. However, the scale of investment to deliver the Plan would require additional public and private funding. A substantial part of the investment needed to undertake deep retrofit of buildings and the expansion of heat networks is anticipated to come from the private sector, with public funding focused on pre-commercial activity or de-risking particular schemes.
44. The main proposal in the LAEP for attracting commercial investment at scale is for the City Corporation to procure a strategic energy partner as a way of attracting commercial investment at scale. This model has been established or is being pursued by local authorities in other parts of the UK e.g. Bristol and Coventry. This proposal will require further detailed assessment and will also need to consider the future regulatory framework for heat networks in particular.
45. The partnership established to oversee the implementation of the LAEP will be tasked with developing an implementation plan which captures these funding possibilities and options. As part of this process, the City Corporation will explore the suitability of various funding mechanisms, such as the Community Infrastructure Levy, in supporting the planned actions.
46. At this stage, there are no requests for additional City Corporation funding. Where additional investment and expenditure is required, these will be subject to 'business as usual' governance and approval processes for capital and revenue expenditure.

### **Resource implications**

47. The Climate Action Strategy is providing initial funding to coordinate the development and delivery of the LAEP. The Square Mile workstream manager has led the development of the LAEP, as part of the Square Mile project plan, and will continue to coordinate the implementation. CAS funding has also been provided to initiate some of the immediate LAEP actions on heat networks and the Power Purchase Agreement. Further consideration will need to be given as to how the Square Mile project plan and other CAS workstreams can resource the implementation phase, while recognising several actions will be for partner organisations to lead.
48. As set out in the LAEP and the approved Square Mile project plan for this year, the resources provided to support delivery will be brought together into a Net-Zero Delivery Unit (NZDU) to enable a coordinated approach to implementation and build the necessary capacity and capability. The NZDU would not be restricted to City Corporation staff but will also encompass those individuals from partner organisations or contracted consultants involved in the delivery of specific actions. The NZDU involve will also act as the secretariat and project team for the Square Mile 2040 Partnership.

### **Legal implications**

49. Part of the recommended pathway and actions relate to upcoming primary legislation regarding energy and heat zoning, and as such the City Corporation will monitor and (if necessary) seek to influence such powers as they evolve through the parliamentary process.

### **Risk implications**

50. A risk analysis of the priority intervention areas is included in the LAEP (page 70). As expected from a plan up to 2040, there are significant uncertainties and risks related to the future energy system, not least in terms of wider policy changes as well as technology development, adoption and cost. The LAEP is an attempt to manage these risks in a planned and coordinated way, in partnership with local stakeholders.

### **Climate Implications**

51. The Local Area Energy Plan is a central part of the Climate Action Strategy and delivering on the ambition of a net-zero Square Mile by 2040.

### **Equalities, Resource and Security implications**

52. None

### **Conclusion**

53. The Local Area Energy Plan sets out a whole-system approach to energy decarbonisation in the City. It provides a robust evidence-base and routemap for collaborative action over the short and medium-term to support a net-zero Square Mile by 2040.

54. A dedicated partnership will be established to oversee the delivery of the LAEP and other related actions of the Climate Action Strategy. The partnership will include key local stakeholder, many of whom contributed to the development of the LAEP.

### **Appendices**

- Appendix 1 – City of London Local Area Energy Plan (Summary)
- Appendix 2 – Square Mile Partnership 2040
- Appendix 3 - City of London Local Area Energy Plan (Full) - Circulated Separately

### **Background Papers**

- Year 2 quarter 4 update on Climate Action Strategy & Year 3 Plan, 20<sup>th</sup> April 2023

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City of London Corporation

# City of London Local Area Energy Plan

July 2023

Page 45



## Contents

Executive Summary	3	• Introduction	53
1. Introduction	7	• Pathways	54
• Overview	7	• Future energy system mix	60
• Context	8	6. Priority intervention areas	64
• Methodology overview	12	• Introduction	64
• City of London Local Area Energy Plan report structure	17	• Priority investment areas	65
2. Current energy system baselining	18	• Investment required	69
• Introduction	18	• Uncertainty risk analysis	70
• Electricity	19	• Costing considerations	71
• Energy networks	22	7. Route map and proposed actions	72
• Heating	23	• Introduction	72
• Transport	25	• Medium term route map	73
• Aggregated baseline characterisation	27	• Long term route map and high level targets	76
3. Future energy system	28	• Action priority matrix	77
• Introduction	28	• Delivery Actions	78
• Existing buildings and transport	29	8. Governance, monitoring and review	96
• Growth and development projections	30		
• Aggregated future demand: all scenarios	33	Bibliography	97
• Aggregated future demand: Green Growth scenario	34	Appendices	98
4. Meeting future demand	35	A. Modelling methodology	99
• Introduction	33	B. Modelling zones information	107
• Low carbon cooling and heating	36	C. Retrofit intervention mapping and classification	109
• Renewable energy generation	42	D. New development distribution across the KAOC	113
• Optimisation modelling scenarios	44	E. Waste heat sources	115
• Optimisation modelling results	45	F. Modelling Assumptions	120
5. Energy Transition Pathways	53	G. 2040 scenarios - End use electricity demand	124
		H. SkenarioLabs baseline energy demand methodology	126

## Executive summary

In 2020 the City of London Corporation published its Climate Action Strategy that detailed its commitments to reach net zero carbon emissions within its own operations by 2027, and net zero across the Square Mile and the City Corporation’s supply chain by 2040.

This Local Area Energy Plan for the City of London sets out the details of what the future energy system could look like in the Square Mile, combining robust technical analysis with stakeholder engagement to develop priority action areas that should be focussed on by the City Corporation and wider stakeholders within the City, as summarised in Figure 0.1

The following technical analysis has been carried out:

- Baseline current demand and infrastructure for provision of heat, cooling, power and transport.
- Estimations of future energy demands, accounting for climate change, building energy efficiency improvements and the effects of new development
- Modelling of key decarbonisation scenarios including heat pumps, heat networks and waste heat, renewable energy generation, transport electrification and the future role of hydrogen
- Carbon emissions and energy pathways analysis and high level costing.

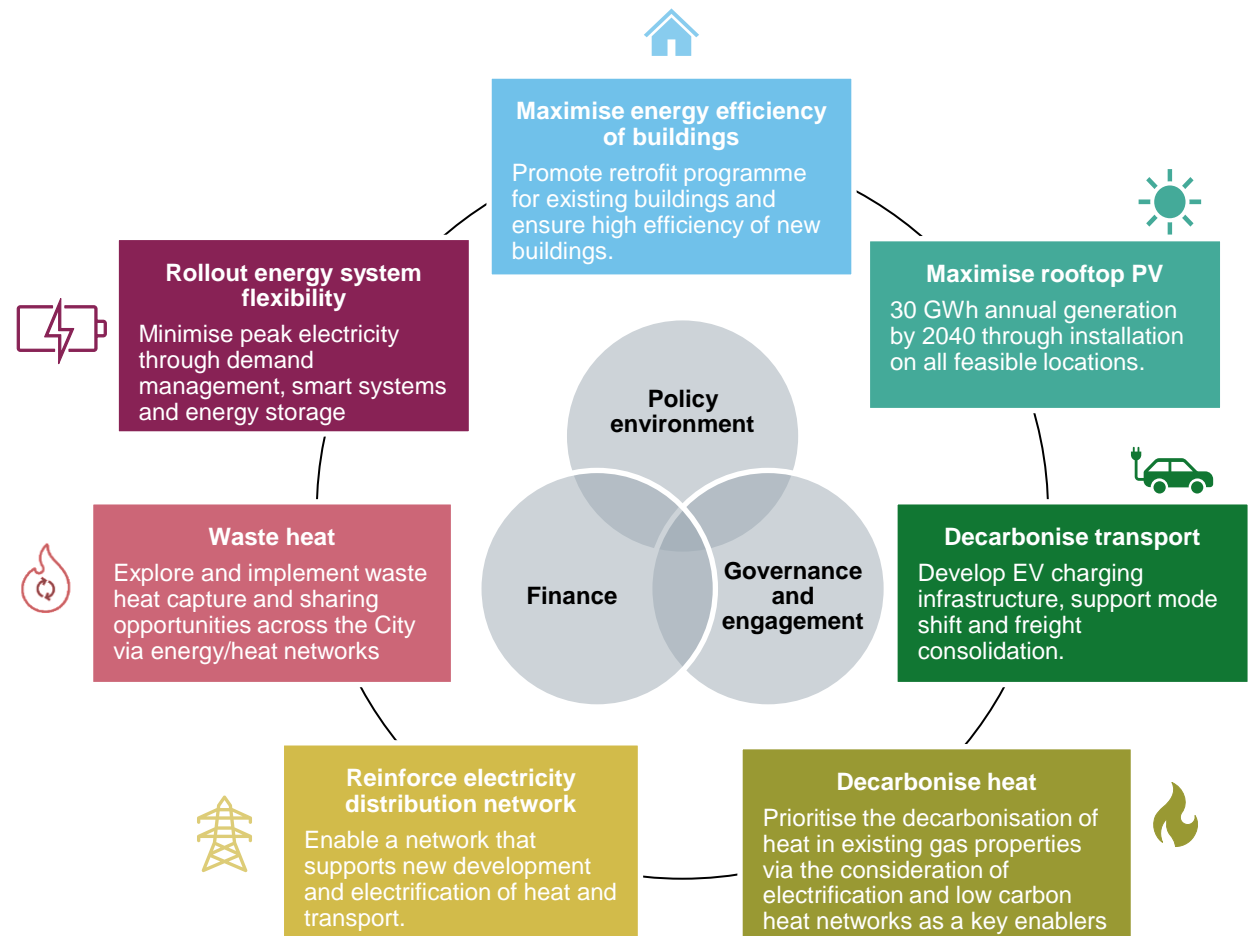


Figure 0.1: The City of London LAEP priority intervention areas.

## Executive summary

### Emissions pathways

An examination of the current energy consumption and associated emissions across the City has produced the definition of an energy baseline, from which this study builds upon. Future energy demands have then been projected out to 2040 accounting for the development of new buildings, retrofit of existing buildings and future transport projections and associated decarbonisation. Variations in these inputs were combined with energy system components to test future energy scenarios and pathways:

**High Energy Demand** - tests the potential maximum system demand and resulting electricity grid capacity/upgrades.

- **Low Energy Demand** - tests the synergies of both centralised (heat networks) and decentralised (building-level) heat pump deployment.
- **Green Growth** - tests an 'ideal' low carbon future demand scenario regarding new development and efficient energy consumption reduction via considerable retrofit of the existing building stock. Within green growth, three pathways are analysed:
  - Individual building – decentralised electrification of heat on a building-by-building basis
  - Heat Network – maximum heat network deployment
- **Hydrogen** – conversion of the current gas grid to low carbon hydrogen

Figure 0.2 displays this series of future pathways that demonstrate how the City's carbon emissions could change between now and 2040. The business as usual curve shows the current trajectory, whilst the green growth curves reduce emissions through deeper building energy efficiency improvement, and deeper electrification, hydrogen or heat network rollout, representing the scale of the opportunity to reduce carbon. The 2040 carbon emissions for the 5 optimised scenario pathways can be seen in further detail in table 0.1 overleaf.

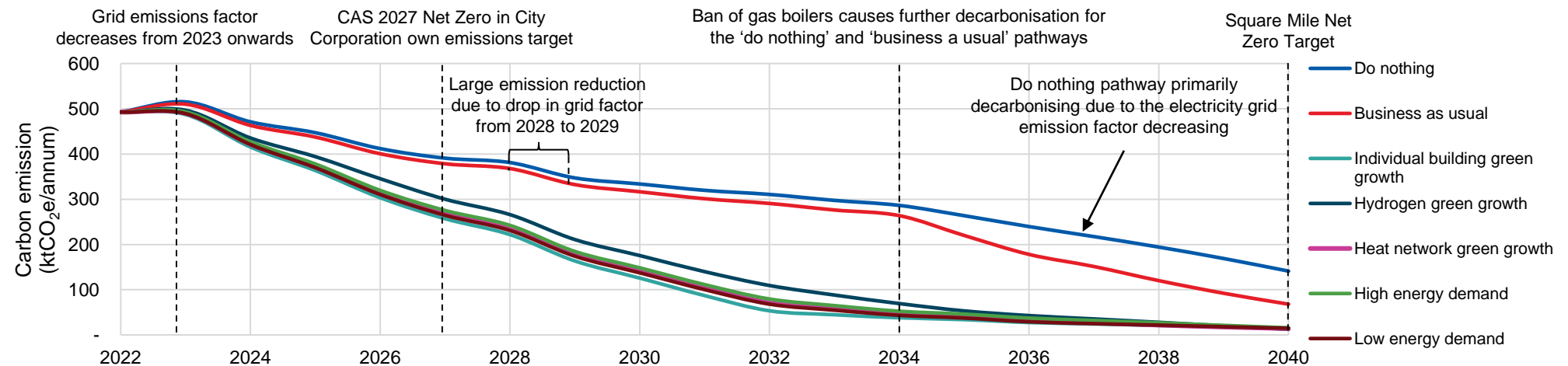


Figure 0.2: The City of London projected annual carbon emissions based of energy transition pathways.



## Executive summary

### Recommended pathway

Figure 0.3 displays the modelled cumulative emissions of each pathway from 2022 to both 2027 and 2040.

This indicates that the lowest cumulative carbon emissions are associated with the individual building green growth pathway. The low energy demand scenario is associated with a lower level of building development and hence is not reflective of the City Corporation’s ambition regarding growth – it is therefore not included within the recommend future pathway.

In addition to the analysis undertaken for energy, carbon and infrastructure of the future energy system a **multi-criteria assessment** has been used to identify and compare other criteria that are important to the City and the City Corporation. This resulted in a **recommended pathway** which is a blend of the heat network and individual building green growth pathways. Hydrogen was discounted due to the lack of credible plans to supply hydrogen into the City within the timeframes required.

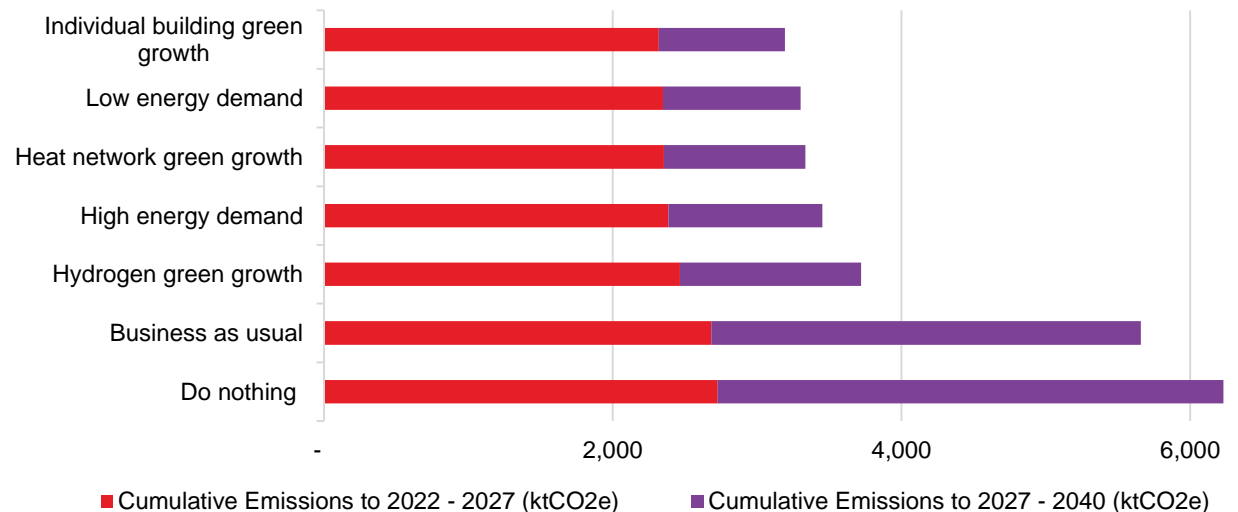
It is expected that the level of heat network deployment will be driven by up-coming Heat Network Zoning policy, currently under development by DESNZ. The City is already participating in the Advanced Zoning Pilot.

Where buildings are not mandated to connect, it is recommended that individual heat pumps are used to decarbonise heat. Office buildings should also participate in wider City heat networks where possible as heat suppliers, sharing rejected thermal energy from their cooling systems.

Due to the quantum of office buildings present, there may also be opportunities for the area to become a net heat exporter, where heat rejected is supplied into surrounding areas like Islington, where residential heat demands are higher.

**Table 0.1: Final annual 2040 emissions for 5 optimised pathways.**

Pathway	2040 emissions (ktCO <sub>2</sub> e)
High energy demand	16.02
Low energy demand	14.64
Individual building green growth	14.15
Heat network green growth	14.01
Hydrogen green growth	12.64



**Figure 0.3: Cumulative emissions for the energy system pathways.**

## Executive summary

### Actions, governance, monitoring and review

A significant aspect of developing this plan was undertaken through engaging with the following local and wider energy system stakeholders:

- City of London Corporation departments such as climate, energy, transport and planning.
- Utilities and ESCos: UKPN, Cadent, E.ON

The four City of London Business Improvement Districts

The City Property Association

Other energy stakeholders like Ofgem and TfL

This engagement process has been utilised to both collate and verify data used within the modelling, and enable the development of actions for both the City Corporation and wider stakeholders, which accompany the recommended pathway.

Meeting the Green Growth trajectories is highly dependent on a number of factors outside of the City Corporation's control, or at least heavily reliant on action from others, such as delivering significant energy efficiency improvements in commercial buildings, grid reinforcement at scale, heat network deployment, maximising solar generation and capturing waste heat. The City Corporation will play a key role in enabling and influencing others to ensure this plan and the recommended actions are undertaken.

This LAEP and its implementation is to be governed under the Square Mile workstream of the Climate Action Strategy, within which two new management posts are proposed:

- Project & Partnerships – additional resource to support the delivery of the LAEP
- Investment & Delivery – role to aid in the development of financing and delivery mechanism for LAEP-related actions

These posts represent the initial steps towards creating a Net Zero Delivery Unit (NZDU), a defined group responsible for facilitating the LAEP implementation. The NZDU should set up and facilitate a City of London LAEP Steering Group, that includes third parties like the BIDs, CPA, utilities like UKPN and E.ON, and major land owners .

To support the delivery of the actions defined within this LAEP the following additional initiatives are recommended:

- 1. Establishment of a London LAEP committee.** To include key parties from the wider stakeholder group including the NZDU, equivalent groups from neighbouring boroughs, representatives from the GLA, TfL, UKPN and Cadent.
- 2. Sustainable City Charter.** A business-led group to support the decarbonisation of commercial buildings.

- 3. Procurement of a strategic energy partner.** To unlock opportunities regarding the scaling and implementation of some of the actions.

#### Monitoring and review

The City Corporation should identify a set of indicators against which to measure progress in meeting the LAEP objectives, summarising these in an Annual Monitoring Report. This should include establishing specific indicators and monitoring frameworks to measure progress towards objectives, such as monitoring building decarbonisation / retrofit, or the rollout of flexibility in the City. This would provide supporting evidence of progress alongside policy specific indicators to understand how the measures are supporting the City Corporation's climate change targets.

Progress and actions should be reviewed and revised on a 3- to 5-yearly basis. This process should also ensure that additional information and studies undertaken in neighbouring boroughs are considered and integrated into future plans as cross-LAEP collaboration will help to accelerate shared goals of areas and authorities.

## **ANNEX 2: Square Mile 2040 Partnership**

### **Introduction**

1. The Climate Action Strategy's Square Mile Project Plan for 2023-24 includes an action to '*explore the possibility of establishing a Square Mile 2040 partnership to formalise stakeholder engagement*' in the delivery of the Climate Action Strategy.
2. The City of London Local Area Energy Plan (LAEP) also includes a recommendation to establish a new governance structure, comprised of key delivery stakeholders, to oversee the implementation of the LAEP actions.
3. This paper sets out the key components of a Square Mile Net-Zero 2040 Partnership as a mechanism for supporting the delivery of the Local Area Energy Plan and the City's Climate Action Strategy.

### **Context and Rationale**

4. The Climate Action Strategy has set four overarching goals:
  - Net zero by 2027 in the City Corporation's operations
  - Net zero by 2040 across the City Corporation's full value chain
  - Supporting Net zero by 2040 in the Square Mile
  - Climate resilience in our buildings, public spaces and infrastructure

The first and second goals relate to the City Corporation's own operations and value chain. Achieving the third and fourth goals will depend on broader collaboration, commitments and action by a range of organisations in the Square Mile.

4. The goal of a net-zero and climate resilient Square Mile requires the engagement and collective action of a broad range of stakeholders
5. Several CAS actions are already fostering a more collaborative approach to addressing climate challenges – e.g. the Square Mile Local Area Energy Plan; the retrofit of historic buildings; and the Multi-Offtake Power Purchase Agreement. The Square Mile Local Area Energy Plan (LAEP) recommends the establishment of a LAEP steering group to oversee the management and delivery of the plan.
6. This presents an opportunity to consider the most appropriate partnership and delivery structures, not only for the LAEP but more broadly for the delivery of the Climate Action Strategy in the Square Mile.
7. Several other Local Authorities and London Boroughs have established new forms of partnership to foster collaborative working. For example, the Camden Climate Alliance, Zero Carbon Westminster 2040, Haringey Climate Forum, Leeds Climate Commission, Zero Carbon Manchester, Local Energy Oxfordshire, Bristol Green Capital Partnership.

### **Building on Climate Action Strategy structures**

8. A new partnership structure would build on strong foundations established by the Climate Action Strategy and its processes:
  - The Climate Action Strategy provides a clear evidence-base from which the partnership can develop its activities.
  - It has established a baseline greenhouse gas emissions inventory for the Square Mile, covering Scope 1, 2 and 3 emissions (from a 2018-19 baseline) with annual reporting against this baseline.
  - Progress against the emission reduction targets of the CAS are tracked and shared publicly through a climate dashboard and annual progress reports.
  - CAS has established a series of workstreams, project plans and actions which respond to the main emission-reduction and resilience challenges in the Square Mile. Several of these workstreams would provide the core action programme for any partnership.
  - The City Corporation's own actions provide a comprehensive approach to emission reduction with the potential to share learning and insights with others.
  - The City Corporation has developed significant delivery capacity through a central Climate Action Programme Management team and distributed workstream leads and teams across Departments.

### **Partnership - Scope**

9. The partnership would support the broader scope the Climate Action Strategy, covering both net-zero carbon and resilience. It would support the delivery of the 4 overarching goals of the Climate Action Strategy, while recognising some actions will be more City Corporation-focused.
10. Several of the actions currently being developed also encourage a more integrated approach to planning and actions e.g. the Local Area Energy Plan develops a whole-energy system perspective which integrates buildings, energy and mobility.
11. The partnership would only cover those aspects of green finance which relate to investment in the Square Mile. Wider aspects of international green finance would not be covered by the partnership.

### **Partnership - Aims and Objectives**

12. The partnership would have the following aims and objectives:
  - **Leadership and ambition:** champion and support the delivery of the Climate Action Strategy by raising awareness and promoting urgent and sustained action across the Square Mile. It would aspire to establish the Square Mile as a world class city for action on climate change.
  - **Strategy and Action:** building on the Climate Action strategy and its workstreams, the partnership would develop and agree a partnership-based action and implementation plan with clear roles and responsibilities.

- **Collaboration:** work collaboratively through the partnership and related structures to incentivise and assist others in the Square Mile to act.
- **Monitoring, Evaluation and Learning (MEL):** develop and deliver a monitoring and evaluation framework, aligned with the Climate Action Strategy's performance and reporting framework. Develop a framework for continuous learning.
- **Thought leadership:** develop a programme of research, information-sharing and policy insights which draw on learning from policy and practice. This would engage a range of leading practitioners in the Square Mile and beyond on various climate topics.

### **Partnership - Membership & Governing Board**

13. Partnership board members would be expected to:

- Be committed to supporting the delivery of the Climate Action Strategy objectives.
- Have their own science-based climate / net-zero strategy, or are working towards such ambition.
- Have a clear role (interest and influence) to play in supporting the delivery of the Climate Action Strategy in the Square Mile and able to influence others.

14. The following provides an indicative list of partnership members based on those already involved in CAS actions and with a clear role in supporting delivery. These organisations would form the basis of a Governing Board.

- City of London Corporation
- Greater London Authority
- London Councils
- Business Improvement Districts
- City Property Association
- Livery companies (Liveries Climate Action Group)
- Heart of the City
- Better Buildings Partnership
- Barbican Residents Association & Golden Lane Estate
- Repowering London
- UKPN
- Cadent
- Citigen/E.on
- Transport for London
- Thames Water
- Port of London Authority
- Environment Agency
- Higher Education representative

- Green Finance Institute
- NHS St Bart's
- Places of Worship

### **Partnership - Operation**

15. The Governing Board would meet quarterly or bi-annually. The meetings would align with the City Corporation's internal Project Board timetable to reduce the need to produce additional reports and updates.
16. The Governing Board would establish sub-groups in order to progress particular areas of work. These could mirror the existing workstreams established by the City Corporation or focus on specific issues.
17. These sub-groups could also engage a wider range of organisations, particularly those which offer a particular skill, experience, knowledge or position that would enable the sub-group to successfully complete its tasks.
18. The City of London Corporation would provide the secretariat for the Partnership. This would consist of the central Climate Action Team and workstream leads. The workstream leads would be expected to lead and present on the topics relevant to their area of work.
19. A Net Zero Delivery Unit (NZDU) will be established to develop the capacity and capability to support the delivery of the partnership's action plan. The Unit will consist of City Corporation and partnership staff. The City Corporation has already started to allocate resources to support the delivery of its Square Mile project plan and specific priorities set out in the Local Area Energy Plan.
20. Partners are also dedicating resources. For example, the Business Improvement Districts have recently appointed a Sustainability Director to support its work on net-zero. UKPN are also building a team to support the development and delivery of Local Area Energy Plans across their region.

### **Partnership – identity, branding and communication**

21. The partnership would develop its own identity, including a dedicated brand and website, which could be used and promoted by the partnership.
22. The partnership would develop its own series of publications – reports, guidance, policy insights covering a range of issues relevant to the Square Mile
23. The partnership would develop a programme of events to promote the partnership and its work as well as engage a broad range of stakeholders.

# Agenda Item 9

<b>Committee(s):</b> Resource Allocation Sub Committee Policy and Resources Committee	<b>Date(s):</b> 5 September 2023 21 September 2023
<b>Subject:</b> Capital Funding Update	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	The schemes for which funding is now requested span across a range of corporate outcomes
<b>For Bridge House Estates (BHE), which outcomes in the BHE Bridging London 2020 – 2045 Strategy does this proposal aim to support?</b>	
<b>Does this proposal require extra revenue and/or capital spending?</b>	Yes
<b>If so, how much?</b>	£1.104m
<b>What is the source of Funding?</b>	£0.604m from City Fund Reserves, £0.4 from CIL, £0.1m from City's Cash Reserves
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	Yes
<b>Report of:</b> The Chamberlain	<b>For Decision</b>
<b>Report author:</b> Yasin Razaaq, Acting Group Accountant	

## Summary

This report follows on from previous papers on capital prioritisation, the capital review and the 2020/21, 2021/22 and 2022/23 rounds of annual capital bids. There are to be no new bids in 2023/24 but a further round of new bids will be considered for 2024/25.

Members are reminded of the two-step funding mechanism via the annual capital bid process:

- Firstly, within available funding, 'in principle' approval to the highest priority bids is sought and appropriate provisions are set aside in the annual capital and revenue budgets within the MTFPs.
- Secondly, following scrutiny via the gateway process to provide assurance of robust option appraisal, project management and value for money, Members are asked to confirm that these schemes remain a priority for which funding should be released at this time.

The purpose of this report is for Members to consider release (following gateway approvals) to allow schemes to progress.

The approved annual capital bids for 2020/21 currently total £87.1m of which draw-downs of £36.7m have been approved to date. A schedule of the current 2020/21

allocations is included as Appendix 1 for information. It is proposed that unused funding for Dominant House Footbridge be applied towards forecast overspends on the Guildhall Cooling and Rough Sleepers' Assessment Hub projects. See Table 1 'One-In, One-Out' Proposals.

The second annual bid round for 2021/22 granted in principle funding approval to bids with a current value of £82.5m of which draw-downs of £12.3m have been agreed. A schedule of the current 2021/22 allocations is included in Appendix 2.

The approved annual capital bids for 2022/23 total £26.7m of which draw-downs of £3.6m have been agreed.

Release of £1.104m to allow progression of four schemes summarised in Table 2 'Project Funding Requests' is now requested. Funding for these schemes can be met from the provisions set aside from the reserves of the three main funds via the annual capital bids plus the Fundamental Review for projects which predate the annual bids process.

Projects which have been through the capital review and have been classified as any of the following have been included in this report:

Category	Outcome
1	Project can continue – noting the revised funding allocation.
2	Project can continue – noting the reduced scope
3	Project can continue – but any overspend needs to be covered from external funding sources. This can include ringfenced capital funding pots (e.g. CIL, On-Street Parking Reserve) or external grant funding. No additional funding has been agreed from City Fund or City's Cash budgets.

## Recommendations

Resource Allocation Sub Committee Members are requested -

- (i) To review the schemes summarised in Table 2 and, particularly in the context of the current financial climate, to confirm their continued essential priority for release of funding at this time and accordingly:
- (ii) To agree the release of up to £1.104m for the schemes progressing to the next Gateway in Table 2 from the reserves of City Fund (£0.604m), CIL (0.400m) and City's Cash (£0.100m)

## Main Report

### Background

1. As part of the fundamental review, Members agreed the necessity for effective prioritisation of capital and SRP projects, with central funding allocated in a measured way. This has been achieved via the annual capital bid process which applies prioritisation criteria to ensure that corporate objectives are met, and schemes are affordable.



2. The following criteria against which capital and supplementary revenue projects are assessed have been agreed as:
  - i. Must be an essential scheme (Health and Safety or Statutory Compliance, Fully/substantially reimbursable, Major Renewal of Income Generating Asset, Spend to Save with a payback period < 5 years.)
  - ii. Must address a risk on the Corporate Risk register, or the following items that would otherwise be escalated to the corporate risk register:
    - a. Replacement of critical end of life components for core services;
    - b. Schemes required to deliver high priority policies; and
    - c. Schemes with a high reputational impact.
  - iii. Must have a sound business case, clearly demonstrating the negative impact of the scheme not going ahead, i.e. penalty costs or loss of income, where these are material.

The above criteria were used as the basis for prioritising the annual capital bids and should continue to be applied when consider release of funds.

3. The scope of schemes subject to this prioritisation relates only to those funded from central sources, which include the On-Street Parking Reserve, Community Infrastructure Levy (CIL), flexible external contributions and allocations from the general reserves of City Fund, City's Cash or BHE<sup>1</sup>. This means that projects funded from most ring-fenced funds, such as the Housing Revenue Account, Designated Sales Pools and Cyclical Works Programmes *are excluded*, as well as schemes wholly funded from external grants, and tenant/developer contributions e.g. under S278 agreements and S106 deposits.
4. Members are reminded of the two-step funding mechanism via the annual capital bid process:
  - Firstly, 'in principle' approval to the highest priority bids within available funding is sought and appropriate provisions are set aside in the annual capital and revenue budgets and the MTFPs.
  - Secondly, following scrutiny via the gateway process to provide assurance of robust option appraisal, project management and value for money, RASC is asked to confirm that these schemes remain a priority for which funding should be released at this time.

## Current Position

5. From the 2020/21 bid round, central funding of £87.1m is currently allocated for new capital bids across the three main funds. To date, £37.4m has been drawn down to allow 37 of these schemes to be progressed. A schedule of the current 2020/21 allocations is included in Appendix 1 for information.
6. Central funding of a further £82.5m across the three main funds for the 2021/22 new bids is currently allocated, of which drawdowns of £12.8m has been approved in respect of 19 schemes. A schedule of the 2021/22 allocations is included in Appendix 2 for information.

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<sup>1</sup> Contributions from Bridge House Estates are limited to its share of corporate schemes such as works to the Guildhall Complex or corporate IT systems and are subject to the specific approval of the Bridge House Estates Board.

Central Funding of £26.7m has been agreed for the 2022/23 new bids of which draw-downs of £4.2m have been approved in respect of 12 schemes. A schedule of the 2022/23 allocations is included in Appendix 3 for information.

7. In addition, there are a small number of ongoing schemes for which funding was allocated as part of the Fundamental Review (such as Wanstead Park Ponds).
8. All schemes in this report have been through the capital review as part of a reprioritisation and value-engineering exercise to mitigate the effects of significant inflationary pressures. These pressures need to be carefully managed over the short to medium term to prevent a potential significant overspend. In instances where capital projects are approved assuming any element of external funding, risks must be managed to prevent additional unplanned cost pressures impacting on central funding.

### Current Requests for the Release of Funding

9. There are four schemes with 'in principle' funding approved as part of the capital bids or the Fundamental Review that have progressed through the gateways, for which release of up to £1.104m is requested:

<b>Table 2: Project Funding Requests</b>		Next Gateway	Funding Status	Capital Bid Round	City Fund	City's Cash	Bridge House Estates	Total
<b>Funding to progress to the next gateway</b>								
	I.T - Rationalisation of Financials, HR & Payroll Systems (ERP project)	GW4		2020/21	0.128			0.128
	SVY - Riverbank House, Swan Lane - repairs to foreshore river defence	GW5		2021/22	0.328			0.328
	BEMS Upgrade Phase 2 - Heathrow Animal Reception Centre and various OS sites at Epping	GW3		2022/23	0.148	0.100		0.248
	Secure City Programme 2022/23- Progress the Secure Management System	GW6- SMS		2022/23	0.400			0.400
								<b>1.104</b>
<b>Total Requested Release of Funding</b>					<b>1.004</b>	<b>0.100</b>	<b>-</b>	<b>1.104</b>

10. Further details of the individual schemes are provided in Appendix 4 attached.
11. In accordance with step two of the capital funding mechanism, Members will wish to confirm that these schemes remain a priority for funding to be released at this time particularly in the context of the current financial climate.
12. Funding for these schemes can be met from the provisions set aside from the reserves of the City Fund £0.604m, £0.400m from CIL and £0.100m from City Cash.

### **Conclusion**

13. Members are requested to:
  - 1) review the above and consider in the context of the completion of the capital review and the current financial climate their continued support for the schemes requesting internal resources to proceed, and;
  - 2) approve the associated release of funding in Table 2.

## **Appendices**

Appendix 1 - 2020/21 Approved Bids

Appendix 2 - 2021/22 Approved Bids

Appendix 3 - 2022/23 Approved Bids

Appendix 4 - Requests for Release of Funding – Scheme Details

## **Background Papers**

- Annual Capital Prioritisation Report, 12 December 2019 (Non-Public).
- Prioritisation of Remaining 2020/21 Annual Capital Bids (Deferred from December 2019 Meeting), 23 January 2020 (Non-Public)
- Re-prioritisation of 2020/21 Approved Capital Bids, 18 September 2020 (Non-Public)
- Capital Funding – Prioritisation of 2021/22 Annual Capital Bids – Stage 2 Proposals, 10 December 2020 (Public)
- Capital Funding – Prioritisation of 2022/23 Annual Capital Bids – Stage 2 Final Proposals
- Capital Review 2022 – final recommendations to RASC

## **Yasin Razaq**

Capital & Projects Manager

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## Appendix 1

Approved Bids 2020/21				THIS REPORT	THIS REPORT			
Project Name	City Fund £'m	City's Cash £'m	BHE £'m	Total Funding Allocation £'m	Funding Allocation After Re- prioritisation	Release of Funding Previously agreed	Reallocation of Funding now requested	Release of Funding now requested
<b>Critical End of Life Replacement</b>								
Barbican Replacement of Art Gallery Chiller	0.300	-	-	0.300	0.300	0.018		
Car Park - London Wall Joints and Waterproofing	2.000	-	-	2.000	2.000	-		
Car Park - Hampstead Heath, East Heath Car Park Resurface	-	0.415	-	0.415	0.415	0.387		
Central Criminal Court - Replacement for Heating, Cooling and Electrics for the East Wing Mezzanine including the sheriff's apartments.*****	1.000	-	-	1.000	0.626	0.626		
Finsbury Circus Garden Re-instatement	2.558	-	-	2.558	2.558	2.542		
Guildhall - North and East Wing Steam Generator replacement – including Art Gallery	0.744	0.396	0.060	1.200	0.002	0.002		
Guildhall - West Wing - Space Cooling - Chiller Plant & Cooling Tower Replacement *****	1.860	0.990	0.150	3.000	4.702	4.554		
Guildhall event spaces - Audio & Visual replacement / upgrade	-	0.330	-	0.330	0.330	0.045		
Guildhall Yard - Refurbishment/ Replacement of Pavours	-	3.000	-	3.000	3.000	-		
I.T - Computer Equipment rooms (CER) Uninterrupted Power Supplies (UPS)Upgrades and Replacements	0.090	0.100	0.010	0.200	0.200	0.200		
I.T - Essential Computer (Servers) operating system refresh programme	0.068	0.075	0.008	0.151	0.095	0.095		
I.T - Personal device replacement (Laptops, Desktops and tablet/mobile device)	1.013	1.125	0.112	2.250	2.250	2.250		
I.T - Rationalisation of Financials, HR & Payroll Systems (ERP project)	2.654	2.949	0.295	5.898	9.800	0.554		0.128
I.T - Telephony replacement ***	0.873	0.343	0.034	1.250	-	-		
LMA : Replacement of Fire Alarm, Chillers and Landlords Lighting and Power	1.397	-	-	1.397	1.397	0.145		
Oracle Property Management System Replacement	0.713	0.380	0.058	1.151	1.151	1.150		
Structural - Lindsey Street Bridge Strengthening	5.000	-	-	5.000	5.000	0.030		
Structural - Dominant House Footbridge*****	1.025	-	-	1.025	0.575	0.575		
Structural - West Ham Park Playground Refurbishment	-	1.279	-	1.279	1.279	0.863		
<b>Fully or substantially reimbursable</b>								
Barbican Turret John Wesley High Walk	0.043	-	-	0.043	0.043	0.043		
Chingford Golf Course Development Project	-	0.075	-	0.075	0.075	-		
<b>High Profile Policy Initiative</b>								
Bank Junction Transformation (All Change at Bank)	4.000	-	-	4.000	4.000	4.000		
Culture Mile Implementation Phase 1 incl CM experiments and Culture Mile Spine	0.580	-	-	0.580	0.580	0.580		
I.T - Smarter working for Members and Officers	0.113	0.125	0.013	0.251	0.185	0.185		
Rough Sleeping - assessment hub*****	1.000	-	-	1.000	1.196	1.498		
Rough Sleeping High Support Hostel - Option 3	0.500	-	-	0.500	0.500	0.500		
Secure City Programme	15.852	-	-	15.852	15.852	7.174		
<b>Statutory Compliance/Health and Safety</b>								
Barbican Exhibition Halls	5.000	-	-	5.000	1.549	1.548		
Barbican Podium Waterproofing, Drainage and Landscaping Works (Ben Jonson, Breton & Cromwell Highwalk) Phase 2 – 1st Priority	13.827	-	-	13.827	13.827	2.417		
Covid19 Phase 3 Transportation Response*	-	-	-	-	0.568	0.568		
City of London Primary Academy Islington (COLPAI) temporary site	-	0.300	-	0.300	0.583	0.583		
Golden Lane Lighting and Accessibility	0.500	-	-	0.500	0.500	0.500		
Guildhall - Great Hall - Internal Stonework Overhaul	-	2.000	-	2.000	2.000	1.740		
Guildhall - Installation of Public Address & Voice Alarm (PAVA) and lockdown system at the Guildhall (Security Recommendation)	0.930	0.495	0.075	1.500	1.500	0.118		
I.T - Critical Security Works agreed by the DSSC **	0.112	0.125	0.013	0.250	-	-		
I.T - GDPR and Data Protection Compliance in addition saving money in being able to share and find information quickly	0.090	0.100	0.010	0.200	0.200	-		
Confined and Dangerous Spaces - Barbican Centre	2.000	-	-	2.000	2.000	0.098		
Confined and Dangerous Spaces - GSMD	-	0.400	-	0.400	0.400	0.019		
Fire Safety - Car Park London Wall - Ventilation, electrics, lighting and fire alarm works	1.370	-	-	1.370	1.370	0.250		
Fire Safety - Works in car parks	1.032	-	-	1.032	1.032	0.699		
Fire Safety - Frobisher Crescent, Barbican Estate (compartmentation) *	0.550	-	-	0.550	1.203	1.203		
Fire Safety - Smithfield sprinkler head replacement and fire door replacement.	-	0.150	-	0.150	0.150	0.020		
Queen's Park Public Toilet Rebuild	-	0.380	-	0.380	-	-		
Spitalfields Flats Fire Door Safety	0.146	-	-	0.146	0.146	-		
<b>Spend to save with a payback &lt; 5 years</b>								
Energy programme of lighting and M&E upgrade works (Phase 1)****	0.440	0.489	0.049	0.978	0.268	0.165		
I.T - GDPR Compliance Project Unstructured data	0.112	0.125	0.013	0.250	-	-		
Wanstead Flats Artificial Grass Pitches (spend to save > 5 years)	-	-	-	-	1.700	-		
The Monument Visitor Centre	-	2.500	-	2.500	-	-		
<b>Total Approved Funding Bids</b>	<b>69.492</b>	<b>18.646</b>	<b>0.900</b>	<b>89.038</b>	<b>87.107</b>	<b>37.444</b>	<b>-</b>	<b>0.128</b>

<b>Previous Funding Allocation</b>	89.038
Net reductions from previous reprioritisation exercise (September 2020)	- 4.032
* Reallocated from the 2021/22 annual bids and fundamental review schemes	0.653
* £0.500m of capital funding foregone in place of revenue funding solution (telephony/security)	- 0.500
*** £0.250m of capital funding foregone in place of a revenue funding solution (telephony/security)	- 0.250
****Reallocation of £0.229m to 2021/22 scheme (BEMS Phase 1)	- 0.229
*****£0.246m of central funding no longer required and returned to the centre	- 0.246
*****£0.374 reallocated to Walbrook Wharf M&E replacement project	- 0.374
***** £0.269 central contingency reallocated to meet increased cost	0.269
***** £0.196m increase at G5 approved under Urgency	0.196
***** £0.450m of central funding no longer required and returned to the centre	- 0.450
Additional amount for ERP (October 2022)	3.032
	<b>87.107</b>

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## Appendix 2

Approved Bids 2021/22							THIS REPORT	THIS REPORT
Project Name	City Fund £'m	City's Cash £'m	BHE £'m	Total Funding Allocation £'m	Latest Funding Allocation after Reprioritisation	Release of Funding Previously agreed	Reallocation of Funding now requested	Release of Funding now requested
<b>Critical End of Life Replacement</b>								
OSD - Tower Hill Play Area Replacement Project	0.120			0.120	0.120	0.120		
SVY - BEMS Upgrade Project-CPG Estate – Phase 1***	0.507	0.375	0.022	0.904	1.133	0.626		
SVY - Smithfield Condenser Pipework Replacement		0.564		0.564	0.564			
CHB - IT SD WAN /MPLS replacement	0.320	0.145	0.035	0.500		0.100		
CHB - IT LAN Support to Replace Freedom Contract	0.096	0.043	0.011	0.150	0.150			
CHB - Libraries IT Refresh	0.220			0.220	0.220			
BBC - Barbican Centre - Catering Block Extraction	0.400			0.400	0.400	0.024		
<b>High Profile Policy Initiative</b>								
DBE - Secure City Programme Year 2	4.739			4.739	4.739	1.700		
SVY - Guildhall Complex Masterplan - initial feasibility and design work		0.350		0.350	0.350	0.350		
<b>Statutory Compliance/Health and Safety</b>								
DCCS - Fire Doors Barbican Estate*	20.000			20.000	19.597	0.275		
SVY - St Lawrence Jewry Church - Essential works (Top-Up Funding)		2.565		2.565	2.565	2.136		
SVY - Denton Pier and Pontoon Overhaul Works	1.000			1.000	1.000	0.050		
OSD - Hampstead Heath Swimming Facilities - Safety, Access and Security Improvements		0.755		0.755	0.755	0.755		
DBE - Public Realm Security Programme	1.238			1.238	1.238	0.027		
DBE - Beech Street Transportation and Public Realm project (Top-Up Bid)	0.900			0.900	0.900	0.191		
MAN - Central Criminal Courts, Fire Safety and associated public address system (Top-up bid)	0.683			0.683	0.683			
MAN - Central Criminal Court Cell Area Ducting and Extract System Balancing	1.000			1.000	1.000	0.220		
SVY - Riverbank House, Swan Lane - repairs to foreshore river defence	0.500			0.500	0.500	0.110		0.328
CHB - Public Services Network replacement	0.064	0.029	0.007	0.100	0.000			
GSMD - Guildhall School - Silk Street Ventilation Heating and Cooling		2.000		2.000	2.000			
GSMD - Guildhall School - Milton Court Correction of Mechanical Systems		0.600		0.600	0.600	0.200		
GSMD - Guildhall School - John Hosier Ventilation and Temperature Control		0.700		0.700	0.700			
CHB - IT Security**	0.192	0.087	0.021	0.300	0.000			
<b>Spend to save with a payback &lt; 5 years</b>								
SVY - Energy Reduction Programme – Phase 2	0.194	0.181		0.375	0.375			
<b>Climate Action</b>	<b>32.173</b>	<b>8.394</b>	<b>0.096</b>	<b>40.663</b>	<b>39.689</b>	<b>6.884</b>	<b>0.000</b>	<b>0.328</b>
<b>Climate Action :</b>								
DBE - Public Realm (Pedestrian Priority)	6.050			6.050	6.050	2.454		
OSD - Climate Action Strategy		2.120		2.120	2.120	0.795		
DBE - Embed climate resilience measures into Public Realm works (Cool Streets and Greening)	6.800			6.800	6.800	2.580		
SVY -Energy Efficiency / Net Zero Carbon - Investment Estate - City Fund	4.340			4.340	4.340			
SVY - Energy Efficiency / Net Zero Carbon - Investment Estate - Strategic Estate City Fund	0.000			-	-			
SVY - Climate Resilience Measures	4.000	0.000		4.000	4.000			
SVY - Climate Action Strategy Projects CPG Operational Properties	11.723	7.138	0.649	19.510	19.510	0.109		
<b>Sub-Total - Climate Action</b>	<b>32.913</b>	<b>9.258</b>	<b>0.649</b>	<b>42.820</b>	<b>42.820</b>	<b>5.938</b>	<b>0.000</b>	<b>-</b>
<b>Total Bids Fulfilling the Funding Criteria</b>	<b>65.086</b>	<b>17.652</b>	<b>0.745</b>	<b>83.483</b>	<b>82.509</b>	<b>12.822</b>	<b>0.000</b>	<b>0.328</b>

<b>Previous Funding Allocation</b>		83.483
£0.403m reallocated as top-up funding for the Frobisher Crescent Fire Compartmentation Project (2020/21 Bid)*		-0.403
£0.300m of capital funding foregone in place of a revenue funding solution (telephony/security)**		-0.300
£0.229 reallocated from savings on Energy Reduction Programme (2020/21 bid)***		0.229
Re-prioritised in June 2022 under 'One in - One out' principle****		-0.500
<b>Latest Funding Allocation</b>		<b>82.509</b>

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Appendix 3

Approved Bids 2022/23	THIS REPORT		THIS REPORT					
	City Fund £'m	City's Cash £'m	BHE £'m	Total Funding Allocation £'m	Funding Allocation After Re- prioritisation	Release of Funding Previously agreed	Reallocation of Funding now requested	Release of Funding now requested
<b>Critical end of life replacement:</b>								
BEMS Upgrade Phase 2 - Heathrow Animal Reception Centre and various OS sites at Epping	0.150	0.100	-	0.250	0.250			0.248
IT - Members IT refresh (to align with new personal device roll-out for staff)	0.192	0.087	0.021	0.300	0.300	0.300		
IT - Managed Service re-provisioning (one-off costs due to end of current contract)*	0.320	0.145	0.035	0.500	1.300	1.300		
IT - Corporate Managed Print Service (one-off costs due to end of current contract)*	0.032	0.015	0.004	0.050	0.000			
IT - Server Upgrade/replacement	0.064	0.029	0.007	0.100	0.100	0.100		
Mansion House - essential roof repairs	-	0.330	-	0.330	0.330			
OS Hampstead Heath - Parliament Hill Athletics Track Resurfacing	-	2.000	-	2.000	2.000		0.276	
Guildhall School - Repairs to roof, expansion joint repairs and drainage and water systems (subject to holistic approach for highways, Barbican and School)	-	1.750	-	1.750	1.750			
<b>Health and Safety/Statutory Compliance:</b>								
Fire Safety - Guildhall Complex Fire Stopping all basement and plant areas	0.202	0.210	0.008	0.420	0.420			
Fire Safety - Baynard House Car Park Sprinklers Replacement (remaining floors)	0.250	-	-	0.250	0.250			
Central Criminal Court: Cells Ventilation - Top-Up bid to meet full scope of statutory requirements. (£1m bid agreed in principle as part of the 2021/22 capital bid round.)	1.000	-	-	1.000	1.000			
OS Epping Forest - COVID-19 Path Restoration Project	-	0.250	-	0.250	0.250			
OS Queen's Park Play Area and Sandpit: replacement of equipment	-	0.055	-	0.055	0.055			
Barbican Centre - Replacement of Central Battery Units for Emergency Lighting system	0.280	-	-	0.280	0.280			
Guildhall School - Rigging infrastructures in Milton Court Concert Hall	-	0.460	-	0.460	0.460			
Guildhall School - Safe technical access and working at height - Silk Street Theatre	-	0.345	-	0.345	0.345			
Smithfield Market - Glass Canopy Overhaul	-	0.300	-	0.300	0.300			
Smithfield Market - East Poultry Avenue Canopy Repairs and Remedial Works	-	0.600	-	0.600	0.600			
Smithfield Car Park - Ceiling Coating and Damp Works	-	1.050	-	1.050	1.050			
Beech Street Transportation and Public Realm project top-up to deliver permanent air quality and associated public realm improvements following successful experiment.	2.500	-	-	2.500	2.500			
DCCS - Social Care Case Management System	0.144	-	-	0.144	0.144			
IT - Building Management System Wired Network to maximise efficiencies of new BEMS systems	0.083	0.038	0.009	0.130	0.130	0.130		
<b>High Priority Policy:</b>								
Secure City Programme - Year 3	8.936	-	-	8.936	8.936			0.400
IT Security*	0.128	0.058	0.014	0.200	0.100	0.100		
Guildhall Complex Masterplan - Redevelopment of North and West Wing Offices (top-up)	-	1.150	-	1.150	1.150		0.25	
Bank Junction Improvements: All Change at Bank - top-up to cover inflation risk of delivering the minimal scheme	0.700	-	-	0.700	0.700	0.700		
IT - HR System Portal required in advance of the new ERP system delivery*	0.160	0.073	0.017	0.250	0.100	0.100		
Walbrook Wharf Feasibility - 2027 and beyond	0.150	-	-	0.150	0.150	0.150		
St Paul's Gyratory - Design Development	0.556	-	-	0.556	0.556			
St Paul's Cathedral External Re-lighting	1.160	-	-	1.160	1.160	0.250		
<b>Total Green Funding Bids</b>	<b>17.007</b>	<b>9.044</b>	<b>0.115</b>	<b>26.166</b>	<b>26.666</b>	<b>4.212</b>	<b>0.000</b>	<b>0.648</b>
<b>Previous Funding Allocation</b>								
Re-prioritised in June 2022 under 'One in - One out' principle*						26.166		
IT - Managed Service re-provisioning (one-off costs due to end of current contract)*						0.300		
						0.800		
						26.666		

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### Requests for Release of Funding – Scheme Details

The following provides details of the four schemes for which approval to release central funding of up to £1.104m is now sought, as summarised in Table 2 of the main report.

#### I.T - Rationalisation of Financial, HR & Payroll Systems (ERP project)– release of £128k to progress the scheme

- Capital Project to provide The City with a fully integrated HR, Payroll, Finance and Procurement solution.
- The original 'In principle' funding was £5.9m was agreed as part of the 2020/21 annual bids process to deliver the project. Increased to £6.8m after reprioritisation. Increase to £9.8m due to inflationary pressures (approved at Resource Allocation Sub Committee on 22/10/22).
- The request is for the release of £89k for next gateway for completion of the procurement process and £39k for costed risk provision. The total budget required to reach 4B is 258k(excluding provision) and includes 169k remaining from GW2.

#### SVY - Riverbank House, Swan Lane - repairs to foreshore river defence of £328k to progress the scheme

- Refurbishment, replacement or removal of the camp shed in front of the river wall at Riverbank House, Thames Path West. The Environment Agency have notified the City that repairs are required to this structure.
- In principle' central funding from City fund up to £0.5m was approved.
- The request is for the release of £78k for detailed design of the rock armouring of the camp shed plus a £250k costed risk provision to progress the scheme to Gateway 5.

#### BEMS Upgrade Programme – Phase £248K to progress the scheme

- This is the second phase of the upgrade of the corporate Building Energy Management System (BEMS). This involves the replacement of critical end-of-life components for core services – heating cooling and ventilation and life-safety systems. The BEMS upgrades of the below sites support the Climate Action Strategy (CAS).
- An 'In principle' central funding 'top-up' of £0.25m from City Cash was approved as part of the 2022/23 new bids.
- The request is for the release of £200k to appoint a consultant & principal Contractor via the Minor Works Framework and programme the works on each site with the BEMS Specialist. In addition, a £48k costed risk provision is requested to progress the scheme through gateway 3-5.

### Secure City Programme 2022/23- 400k to progress the Secure Management System

- The Secure City Programme (SCP) seeks to establish a stable CCTV security platform and capability that is commensurate with the needs of modern-day security and services across The City.
- Secure City programme is split into five workstreams, one of which is the secure management system.
- Delays to the Video Management System (VMS) project have occurred due to the complexity of the innovative IT architecture. In Nov22, the new projected end date for the programme is Sep24.
- The 400k from CIL funding enables the programme to retain the needed existing staff and consultant resources with the critical IT knowledge to allow the programme to complete.

**05/09/2023 P&R Delegated (for RASC)**

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