

OPERATIONAL PROPERTY AND PROJECTS SUB COMMITTEE
Monday, 3 July 2023

Minutes of the meeting of the Operational Property and Projects Sub Committee held at Committee Rooms, West Wing, Guildhall on Monday, 3 July 2023 at 1.45 pm

Present

Members:

Alderman Timothy Hailes (Chairman)
Deputy Randall Anderson
Deputy Keith Bottomley
Deputy Madush Gupta
Caroline Haines
Deputy Charles Edward Lord
Paul Martinelli
Anett Rideg
Luis Felipe Tilleria

Officers:

Matthew Stickley	- Town Clerk's Dept.
Emma Moore	- Chief Operating Officer
Sarah Baker	- Chief Operating Officer's Dept.
Genine Whitehorne	- Chief Operating Officer's Dept.
Graeme Low	- City Surveyor's Dept.

1. APOLOGIES

Apologies for absence were received from Deputy Henry Colthurst, Deputy Chris Hayward, Deputy Shravan Joshi, Deputy Philip Woodhouse, and Tom Sleigh.

The Chairman advised the committee that items 7 and 22 relating to a procurement decision for the City Rough Sleeper Assessment Centre had been withdrawn due to identification of an issue with the building refurbishment works.

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

There were no declarations of interest.

3. MINUTES

RESOLVED - that the public minutes and summary of the meeting held on 5 June 2023 be approved as an accurate record.

4. GW5: BEECH STREET TRANSPORTATION AND PUBLIC REALM

The Sub-Committee considered a report of the Executive Director Environment informing Members of the public consultation on the Beech Street Zero

Emission scheme.

The committee discussed the management of the project, noting that the project formed part of an areawide scheme which would be reported to the Streets and Walkways Sub Committee on 8 July 2023.

RESOLVED – to approve

1. the adjusted project budget.
2. the updated Costed Risk Register.

5. **GW5: MOOR LANE ENVIRONMENTAL ENHANCEMENTS**

The Sub-Committee considered a report of the Executive Director Environment concerning the public realm enhancements in Moor Lane to provide greening and an improved walking environment, with the creation of a “linear park” and widened footways.

The committee noted that Transport for London owned the underground structure. In response to questions, the committee noted that the recommendations in the report, if agreed, would allow kerb realignment works to be undertaken.

RESOLVED – to:

1. Note the total budget for Area B to be £1,560,000 and approved allocation of the available funds as shown in the section 3 below and Table 2 in Appendix 3.
2. Approve the Risk Register in Appendix 2 and approved the costed risk provision of £100,000; and delegate the drawdown of funds from the risk register to Executive Director Environment.
3. Delegate to the Executive Director Environment authority to approve budget adjustments, above the existing authority within the project procedures and in consultation with Chamberlains, between budget lines if this is within the approved total project budget amount and within intended scope.
4. Agree that the Corporate Programme Management Office, in consultation with the Chairman of the Operational Property and Project Sub Committee and Chief Officer as necessary, is to decide whether any project issues or decisions that falls within the remit of paragraph 45 of the ‘City of London Project Procedure – Oct 2018’ (Changes to Projects: General), as prescribed in Appendix 6 of this report, is to be delegated to Chief Officer or escalated to committee(s).

6. **GW6: ALDGATE HIGHWAY CHANGES AND PUBLIC REALM IMPROVEMENTS**

The Sub-Committee considered a report of the Executive Director Environment concerning removing the 1960s era Aldgate four lane gyratory system and create a new high quality public square.

The committee expressed concerns about the project exceeding budgets but that the outcome was positive.

RESOLVED - that Members:

1. Note and approved the content of this outcome report;
2. Authorise Officers to complete the final account for the project;
3. Note that the unspent Section 106 funds are to be reallocated to other projects in accordance with the requirements of their related legal agreements and a separate report will be brought to Members that would set out details of the proposed reallocations; and
4. Agree to close the project.

7. **CITY ASSESSMENT CENTRE STAGE 2 PROCUREMENT**

The item was withdrawn.

8. **INCREASE IN CONTRACT VALUE - WORK AND HEALTH PROGRAMME - CENTRAL LONDON WORKS**

The Sub-Committee considered a report of the Director of Economic Development, Innovation and Growth concerning the approval sought for the increase in value of the Work and Health Programme – Central London Works by £6m, or 7.1% of current contract value.

The committee noted that the project was funded through the Department for Work and Pensions and UK Shared Prosperity Fund and that 24 City of London residents had been helped in the past year but that the full contract value was for this work to be provided across the whole of London.

RESOLVED: To approve an increase in contract value of £6m, to give a total value of £89.6m.

9. **PROCUREMENT CODE ADJUSTMENTS: BRIDGE HOUSE ESTATES**

The Sub-Committee considered a report of the Chief Operating Officer concerning reviews of the Procurement Code.

The committee noted that Bridge House Estates had been consulted on the proposals.

RESOLVED: to approve technical adjustments for Bridge House Estate procurements contained in rules 16.2, 25.1, 30.2 and 30.4 of the Procurement Code, relating to the approval processes for contract lettings, waivers, extensions where contracts terms allow for extensions and increases in contract value, to be effective from 3 July 2023.

10. **ADOPTION OF CONSIDERATE LIGHTING CHARTER**

The Sub-Committee considered a report of the City Surveyor concerning the Considerate Lighting Charter document.

The committee noted that the charter contained proposals with which properties in the City of London would be encouraged to comply, but that Corporation-

owned properties would adopt the charter in due course if approved by the Planning and Transport Committee.

In response to questions, the committee noted that it was forecast that approximately 25% of office space carbon emissions were generated by lighting but that the impact on the City of London and Corporation had not been calculated.

Following discussion about the reputational risk of adopting but not complying with the charter, the committee requested a future report setting out the timeline for implementation and the impact this would have on Corporation-owned properties.

The Chairman proposed that the committee had expressed concern about the adoption of the charter whilst it remained unclear to what extent Corporation-owned properties complied with the charter and that the second recommendation should therefore not be adopted. This was put to the committee and agreed.

RESOLVED – to note the report and contents of the Considerate Lighting Charter and agree that, if approved by the Planning and Transportation Committee, a report should be presented to the committee outlining a proposed timeline and assessment of impact of adoption for Corporation-owned buildings.

11. ADOPTION OF DESIGN STANDARD

The item was withdrawn.

12. CYCLICAL WORKS PROGRAMME 2022/23 OUTTURN

The Sub Committee received a report from the City Surveyor concerning the cyclical works programme (CWP) financial outturn against fund (City's Cash, City Fund and Guildhall) and against location type (Corporate, Guildhall School for Music & Drama, Heritage Assets, Open Spaces, and the Barbican).

RESOLVED - that the committee:

1. Note the progress of current CWP programmes of work.
2. Note that RASC have approved the underspend on all existing projects to be carried forward and completed in 23/24.

13. 2022/23 Q4 OPERATIONAL PROPERTY ENERGY AND CARBON PERFORMANCE UPDATE

The Sub Committee received a report of the City Surveyor concerning the 2022/23 Quarter 4 energy performance for City of London Corporation operational sites.

In response to questions, officers confirmed that savings had flattened but that the impact of the power purchase agreement was now shown.

RESOLVED - that the committee:

- Note that for the rolling year, Q4 22/23 weather corrected energy consumption has reduced by 17% compared to the baseline year 2018/19.
- Note the recent acquisition of Local Energy Accelerator funds totalling £80k to support an investigative project for Guildhall battery storage and Barbican Estate Electrical Flexibility.
- Note the Public Sector Decarbonisation Scheme (PSDS) funded work is complete and the savings are now being monitored and verified.

14. THE CITY SURVEYOR'S 2022-27 BUSINESS PLAN - 2022/23 Q4 UPDATE

The Sub Committee received a report of the City Surveyor concerning details of progress in quarter 4 (January to March) 2022/23 against the 2022-27 Business Plan.

RESOLVED - that the report be noted.

15. THE CITY SURVEYOR'S CORPORATE AND DEPARTMENTAL RISK REGISTER - JUNE 2023 UPDATE

The Sub Committee received a report from the City Surveyor concerning a quarterly update on the management of risks within the City Surveyor's Department.

RESOLVED – to note the report, and the actions taken within the City Surveyor's Department to effectively monitor and manage risks arising from our operations.

16. CLIMATE ACTION STRATEGY UPDATE

The Sub Committee received a report from the City Surveyor concerning the key actions of the operational buildings workstreams as part of the Climate Action Strategy (CAS).

RESOLVED:

1. To note progress made in delivery of project tasks including energy surveys, heat decarbonisation, and design and technology guidance.
2. To note the progress on the delivery of capital projects including PSDS phase 1.

17. PROJECT GOVERNANCE REVIEW UPDATE

The Sub Committee received a report of the Chief Operating Officer concerning the findings of the review and the proposal to introduce a portfolio management approach that provides greater assurance to Members regarding the delivery of strategic objectives, allocation of resources and management of strategic risks and issues.

The committee discussed the risks of authorising increased delegations to officers prior to the new project governance arrangements being adopted and embedded within the Corporation, what criteria would lead to delegated decisions being taken by the delegating body, and the accountability of Senior Responsible Officers.

The committee discussed a transition period for new project governance arrangements, noting the need for cultural change and improvement of officer capability prior to increased delegations being issued, and for a mechanism through which projects which were on a negative trajectory could be identified and reported to the appropriate committee. In response to questions, officers confirmed that plans included the establishment of Portfolio and Financial Review Boards, a mechanism for a committee to review specific projects, and a dashboard which members and officers could use to review the progress of projects. Members noted an inaccuracy in the report which suggested Mr Paul Martin had been commissioned to review member governance rather than specifically members' governance of projects.

RESOLVED:

1. To note the findings of the externally led Project Governance Review set out in this report and in Appendix 1.
2. To note the 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).

To endorse the following recommendations for onward approval by the Court of Common Council:

3. To 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)
4. To 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.
5. To delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of Policy and Resources, 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
6. To note the implementation plan set out in Appendix 3.

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

There were no questions.

19. ANY OTHER BUSINESS THE CHAIR CONSIDERS URGENT

There were no urgent items.

20. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the remainder of the meeting on the grounds that the remaining items involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act 1972.

21. **NON-PUBLIC MINUTES**

RESOLVED – The non-public minutes and summary of the meeting held on 5 June 2023 be agreed as an accurate record.

22. **APPENDIX: CITY ASSESSMENT CENTRE STAGE 2 PROCUREMENT**

The item was withdrawn.

23. **GW2: GUILDHALL SCHOOL OF MUSIC AND DRAMA AND BARBICAN CENTRE ROOF**

The Sub Committee considered a report of the Barbican Centre and Guildhall School of Music and Drama concerning how to prevent further damage to building fabric due to water ingress through the roof and expansion joints and to improve water and drainage system across the Guildhall School (Silk Street) building and the Barbican Centre.

The committee noted that officers would ensure the project dovetailed with other Corporation projects related to the site.

24. **GW6: REQUEST FOR DELEGATED AUTHORITY: CITY'S ESTATE: REFURBISHMENT/EXTENSION OF THE COURTYARD - 1 ALFRED PLACE W1**

The Sub Committee considered report from the City Surveyor concerning a Major refurbishment/extension of existing office building at 1 Alfred Place comprising a net internal area of 38,310sq ft (subject to planning) to maximise income and capital value.

The committee noted the proposals would be presented to the Investment Committee on 7 July 2023.

25. **ST LAWRENCE JEWRY CHURCH**

The Sub Committee considered report from the City Surveyor concerning 'Essential Works' to ensure that St Lawrence Jewry Church (SLJC) is brought back to a satisfactory standard in terms of Health & Safety and to safeguard the city's reputation as a responsible freeholder.

Alderman Tim Hailes and Deputy Edward Lord noted that they were members of the St Lawrence Jewry Guild Church Council.

26. **CATERING CONTRACT EXTENSION FOR CITY OF LONDON SCHOOL AND THE CITY OF LONDON SCHOOL FOR GIRLS**

The Sub Committee considered a report of the Headmistress, City of London Girls School, and Head, City of London School concerning approval sought for a two-year contract extension to September 2025.

27. **CATERING CONTRACT EXTENSION FOR MANSION HOUSE AND THE CENTRAL CRIMINAL COURT**

The Sub Committee considered a report of the Executive Director and Private Secretary to the Lord Mayor concerning a catering contract with CH & Co to provide catering services to Mansion House (MH) and the Central Criminal Court (CCC).

28. **MINOR WORKS MEASURED TERM CONTRACTS - AWARD REPORT**

The Sub Committee considered a joint report of the City Surveyor and Chief Operating Officer concerning recommended award of contracts for each lot, following the completion of the competitive tender exercise.

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

There were no questions.

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

The Chairman advised the committee that he had accepted an urgent item of business relating to a request for delegated authority to progress Guildhall Cooling Plant Replacement.

RESOLVED – to delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Operational Property and Projects Sub Committee, to approve a Gateway 5 Report (Authority to Start Work).

31. **CONFIDENTIAL MINUTES**

RESOLVED - The confidential minutes and summary of the meeting held on 5 June 2023 be agreed as an accurate record.

The meeting ended at 3.06 pm

Chairman

Contact Officer: Matthew Stickley
Matthew.Stickley@cityoflondon.gov.uk