

CORPORATE ASSET SUB (FINANCE) COMMITTEE
Wednesday, 11 July 2018

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at
Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 11 July 2018 at
1.45 pm

Present

Members:

Nicholas Bensted-Smith (Chairman)
Dominic Christian (Deputy Chairman)
Randall Anderson
Marianne Fredericks
Alderman Alison Gowman
Michael Hudson
Deputy Jamie Ingham Clark
Jeremy Mayhew
Deputy Joyce Nash

Officers:

John Cater	- Clerk
Paul Wilkinson	- City Surveyor
Peter Young	- City Surveyor's Department
Dianne Merrifield	- Chamberlain's Department
Andrew Crafter	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
Alison Hurley	- City Surveyor's Department
Chris Hartwell	- City Surveyor's Department
Richard Litherland	- City Surveyor's Department
Andrew Little	- Chamberlain's Department
John Galvin	- City Surveyor's Department
Nia Morgan	- City Surveyor's Department

1. APOLOGIES

Apologies were received from Jeremy Simons.

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

No declarations of interest were made.

3. MINUTES

RESOLVED – That the public minutes of the previous meeting held on 21st May 2018 are approved as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

The City Surveyor informed Members that the Carbon Descent Plan 2018 required further work and would be finalised for the 5th September meeting of the Sub-Committee.

RESOLVED – That the Sub-Committee notes the report.

5. **WORK PROGRAMME FOR FUTURE MEETINGS**

The Sub-Committee considered a joint report of the Town Clerk and City Surveyor which provided information of the Work Programme for future meetings.

The City Surveyor clarified that the next meeting of the Sub-Committee would take place on the 5th September, it was incorrectly marked on the Work Programme as the 14th September.

RESOLVED – That the Sub-Committee notes the report.

6. **RISK REGISTER Q4 2017/18**

The Sub-Committee received a Report of the City Surveyor concerning the City Surveyor's Departmental risk register for Q1.

Members were concerned that risk actions were not being updated, highlighting SMT 008 (Substantial vessel strikes) as appearing to have made zero progress since March. They requested officers to ensure future iterations of this report included clear updates on progress made over the previous quarter. The City Surveyor responded that this would be actioned as a priority for the Q2 report.

A Member queried whether there was scope to reduce the risk for the Thames Tideway tunnel, given the works were winding down, another Member responded that piling work was still taking place, so officers should remain cautious for now about downgrading the risk, another Member suggested that associated works in the Blackfriars area were still some way from being resolved, this was causing consternation amongst local businesses and residents.

The City Surveyor added that the Tideway risk was still uncertain. The City had experienced difficulties with this and other large-scale projects due to tenders being actively avoided by some in the industry because they were deemed too complex; the potential reputational damage of the projects being delayed or failing outweighed the value of the contract.

Members were concerned that departmental ownership of the City Bridges risk was too muddled, City Surveyors owned the assets and risk, whilst many mitigation actions were undertaken by the Department of the Built Environment (DBE) which provides technical engineering expertise. Furthermore, a Member suggested that heavy vehicle usage of the bridges should be given more

attention, as the damage caused had a long-term impact on the resilience of the bridges. It would be helpful to consider any work/study in conjunction with the London Borough of Southwark.

Additionally, Members stressed that officers should ensure that as a public report, actions against terrorism had to be carefully worded or put in the non-public section of the Agenda.

Members noted that Guildhall programme delivery progress report was not delivered in Q1, the City Surveyor will prepare the Report for the September meeting of the Sub-Committee.

Finally, with regards SMT002, Members noted the risk around insufficient budgets for maintaining the portfolio, and the issue of ring fenced budgets held by certain departments. They also expressed concerns about the lack of visibility of decision making, specifically when service committees had rejected cyclical building maintenance and renewal recommendations made by the City Surveyor's department due to budget constraint or investment in other priorities. They suggested that in future the Sub-Committee should be able to see a summary record of these rejections. The City Surveyor would consider when and how best to present this Members and report back to the Sub-Committee.

RESOLVED – that the Sub-Committee notes the Report.

7. **CDP 2018 - UPDATE REPORT**

The Report was withdrawn due to incomplete information, a finalised Report will be submitted to the Sub-Committee in September.

8. **MANSION HOUSE EXTERIOR WORKS**

The Sub-Committee received a Report of the City Surveyor concerning the exterior works at the Mansion House.

The Chairman of Finance suggested that it would be appropriate to update the Court of Common Council as the original request to examine these works came via a Member's question at the January meeting of the Court. The City Surveyor would work with the Town Clerk to ensure Court was kept informed.

A Member queried whether these works can be aligned with Bank junction works and avoid the Lord Mayor's show? The City Surveyor responded that given the delays in the surveys and the knock-on effects for Committees approvals, any conflicts with the 2018 Lord Mayor's show would be avoided. The City Surveyor would examine the potential timelines to see if work could take place in conjunction with the Bank Junction work (if the work was made permanent)

Additionally, a Member suggested that the stone cleaning could be tendered with the St Lawrence Jewry stone cleaning. The City Surveyor would examine the opportunity to align both projects.

RESOLVED – that the Sub-Committee notes the Report.

9. **WOODREDON ESTATE PROPERTIES PROGRESS UPDATE**

The Sub-Committee considered a Report of the City Surveyor concerning the Woodredon estate.

The City Surveyor informed Members that the Epping Forest & Commons Committee had proposed a change to evaluation criteria 2 to 20% and criteria 3 up to 15% (page 29).

A Member queried criteria 2, it was, he suggested, too broadly defined. Officers needed to ensure that covenants were in place to protect the City's long-term interests and reputation. The City Surveyor agreed, covenants on the site were vital – these will be further defined once the shortlist had been selected (the deadline for offers is end of July 2018).

As an aside, the City Surveyor welcomed the useful dialogue between Epping Forest and Commons Committee and the Corporate Asset Sub-Committee thus far.

RESOLVED – that the Sub-Committee approved the following:

- Approve the proposed bid evaluation criteria for the disposal of Woodredon House and The Coach House with the suggested amendments from Epping Forest and Commons Committee to enable the City Surveyor and Savills to assess and determine the best offers over the summer recess and finalise a proposal for future recommendation.
- Delegate Authority to the Town Clerk in consultation with the Chairman and Deputy Chairman of Corporate Asset Sub Committee to approve the terms for the disposals of The Lodge and Laundry Cottage over the summer recess.
- Note the City Surveyor will be seeking delegated authority to deal with minor issues of a non - financial nature and where necessary in consultation with the Comptroller and City Solicitor. The Comptroller and the City Solicitor being instructed accordingly.

10. **GUILDHALL WEST WING - MEZZANINE LEVEL OFFICES IMPROVEMENT**

The Sub-Committee received a Report of the City Surveyor concerning the Guildhall West Wing Mezzanine level.

Members noted the postponement of the project. A Member suggested that it might be opportune to roll the project into a broader strategy for the whole of the West Wing. In response Members, whilst sympathetic to the needs to improve the West Wing were keen that a broader project did not unduly delay the work on the mezzanine level. Additionally, a Member asked officers to

consider making the space generic and as flexible as possible to take into account new ways of working in the future.

Members asked officers to return to the Sub-Committee in November with a progress report.

RESOLVED – that the sub-Committee notes the Report

11. ASSET MANAGEMENT - SERVICE BASED REVIEW - INTERIM REPORT

The Sub-Committee received a Report of the City Surveyor concerning the Asset Management Service Based Review.

RESOLVED – that the Sub-Committee notes the Report.

12. ADDITIONAL REPAIRS & MAINTENANCE PROGRAMME (AWP) - QUARTERLY PROGRESS REPORT

The Sub-Committee received a Report of the City Surveyor concerning the Additional Repairs & Maintenance Programmes (AWP).

RESOLVED – that the Sub-Committee notes the Report.

12.A ENERGY PERFORMANCE - 2017/18 Q4 AND UPDATE ON ENERGY PROCUREMENT

To note: The Chairman decided to move this item into the public section of the agenda.

The Sub-Committee received a Report of the Sub-Committee concerning energy performance across the operational portfolio for Q4 2017/18.

A Member asked whether a temperature policy was in place for the Guildhall complex. Officers responded that a policy was in place and had generated significant savings, however, despite cyclical maintenance work being undertaken, the heating and cooling system in the Guildhall West Wing in particular, wasn't optimum – for example, the cooling equipment was now 22 years old. The City Surveyor stressed that a piecemeal approach to improvement works was time consuming and costly, the West Wing was a key operational hub for the Corporation, so a clear strategy needs to be put in place.

A Member reminded Members that decant options for Members (and associated officers) was under consideration, specifically involving a move to the Chartered Institute of Insurers (CII) Building that the City purchased in late 2017. The City Surveyor responded that work was being undertaken to explore all utilization options for the CII Building; the aim was to bring a Report back to the Policy and Resources Committee meeting in September. This would also be made available to Corporate Asset Sub Committee for information.

RESOLVED – that the Sub-Committee notes the Report.

13. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE

A question was asked regarding the need to address sustainability for the operational portfolio.

The City Surveyor responded that currently the Corporation took building sustainability on a case-by-case basis, however, if Members would like to review boarder sustainability principles, officers would consider and bring back to Members in the autumn. The City Surveyor cautioned Members that aligning the same approach with the Investment portfolio may not be the best approach as the portfolios were very different and require appropriate consideration.

14. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

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 Schedule 12A of the Local Government Act.

16. NON-PUBLIC MINUTES

The non-public minutes of the previous meeting held on 21st May were approved as an accurate record.

17. OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS

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

18. 65/65 A BASINGHALL STREET - UPDATE

The Sub-Committee received a Report of the City Surveyor concerning the proposals for 65/65a Basinghall Street. The Report included a presentation by the architectural consultants RCKa Architects.

19. COMBINED HEAT AND POWER SYSTEM - FUTURE OPTIONS

The Sub-Committee received a Report of the City Surveyor concerning the City of London Combined Heat and Power (CHP) System.

20. FACILITIES MANAGEMENT - SERVICE BASED REVIEW SAVINGS

The Sub-Committee received a Report of the City Surveyor concerning the Facilities Management SBR Savings.

21. BRM ASSET VERIFICATION - ADDITIONAL RESOURCES

The Sub-Committee considered a Report of the City Surveyor concerning the Building, Repairs and Maintenance (BRM) asset verification.

22. GLA ROADS - PROGRESS UPDATE WITH TRANSPORT FOR LONDON

The Sub-Committee received a Report of the City Surveyor concerning the GLA Roads dispute with Transport for London.

23. **BUSINESS PLAN 2017/18 Q4 OUTCOME REPORT**

The Sub-Committee received a Report of the City Surveyor concerning progress in Q4 of 2017/18 against the 2017 – 20 Business Plan.

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

There were no questions.

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

There were no items of urgent business

The meeting ended at 3.40 pm

Chairman

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