

Committee:	Date:
Capital Buildings Committee (for information)	9 January 2019
Policy and Resources Committee (for decision)	18 January 2019
Markets Committee (for information)	30 January 2019
Subject: Barking Power Station: Future Governance	Non-Public
Report of: Town Clerk Report Author: Peter Lisley, Director of Major Projects and Craig Spencer, Policy Advisor and Executive Officer	For Information

NOT FOR PUBLICATION

By virtue of paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972.

Summary

The City of London Corporation completed the acquisition of Barking Power Ltd and Thames Power Services Ltd., including the Barking Reach Power Station site, in December 2018. This site will now be considered, together with the other sites reported to the Markets Committee on 7 November 2018, with a view to determining which site is best suited to develop a combined markets option. An options report for the proposed locations will be shared with the relevant committees in March/April 2019.

The Policy and Resources Committee is currently acting, and will continue to act, as the shareholder for Barking Power Ltd., following the conclusion of the purchase (as delegated by the Court of Common Council); however, due to the scale of the remediation works and the current locus of Capital Buildings Committee (CBC), it is recommended that these remediation activities should now be overseen by CBC, given its responsibilities for major projects. It is therefore recommended that the site remediation works and budget at Barking are overseen by the Capital Buildings Committee.

Recommendation

That Members of the **Policy and Resources Committee:**

- Agree that the site remediation works and budget at Barking Power Station are overseen by the Capital Buildings Committee.

That Members of the **Markets Committee and Capital Buildings Committee:**

- Note the report and future governance of the remediation works and budget at Barking Power Station.

Main Report

1. In November 2018, the Markets Committee and Policy & Resources Committee considered and approved a report which shortlisted (in alphabetical order) four potential locations for the new Consolidated Market:
 - Barking Reach, Dagenham;
 - Fairlop, Redbridge;
 - Silvertown, Newham;
 - Thames Enterprise Park, Thurrock
2. In November 2018, authority was granted by the Finance and Policy and Resources Committees and the Court of Common Council to make a revised final offer of £130m to purchase Barking Power Ltd and Thames Power Services Ltd. This offer was accepted, and the City of London Corporation subsequently completed the acquisition of the companies, including the Barking Reach Power Station site, in December 2018. Despite having now acquired the Barking site, this is only one of four options under consideration (as outlined above).
3. As part of the approval to make a revised final offer and complete the purchase, the Court of Common Council agreed that 'the City of London Corporation will act as the shareholder, but responsibilities will be delegated to the Policy and Resources Committee'.
4. The remediation of the site now needs to begin and, due to the size and nature of the project, it is now thought that the CBC is a more appropriate forum for the remediation works (and potential further works if selected as the preferred option) due to its current locus overseeing major projects. Therefore, it is recommended that CBC oversees the remediation works and budget of the site. The Chairman of Policy & Resources Committee and CBC have been consulted on these proposed governance arrangements and agree with the proposed approach.
5. It is therefore proposed that the £54m budget envelope for the remediation works (including £2m of professional fees), which was agreed by the Court of Common Council under urgency, is transferred to the Capital Buildings Committee and will be authorised to commit expenditure within this budget envelope and deliver the project. Any decision about the future of the site, whether the intention is for a combined markets option or future vending, will require approval from the relevant committee approval processes.
6. An options report is to be submitted to relevant committees in March/April 2019 assessing the merits of the four potential locations. If the Barking Site is selected as the preferred option, CBC would continue to lead on the site. It is then proposed that the Chairman and Deputy Chairman (or other nominated representative) of the Markets Committee should be co-opted onto the CBC in line with their agreed terms of reference.
7. If the recommendations are agreed, a minor change will be required to the terms of reference for the Capital Buildings Committee and this will need to be agreed by the Court of Common Council in due course.

8. Given the importance and scale of the project, it is suggested that periodic progress reports would be produced to provide additional assurance to the Policy & Resources Committee during the lifetime of the programme.

Background Papers

Court Urgency (21 November 2018) - *Markets Consolidation Programme: Authority to submit a revised second stage bid for the Barking Power Ltd and Thames Power Services Ltd, including the Barking Reach Power Station Site*

Policy & Resources Urgency (14 December 2018) - *Markets Consolidation Programme: Barking Reach Power Station Site and associated companies, Commercial and Insurance Approach*

Contact:

Peter Lisley

Director of Major Projects

Tel: 020 7332 1438

Email: peter.lisley@cityoflondon.gov.uk