

CORPORATE ASSET SUB (FINANCE) COMMITTEE
Wednesday, 25 September 2019

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at
Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 25 September
2019 at 1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)
Randall Anderson
Nicholas Bensted-Smith
John Chapman
Marianne Fredericks
Alderman Alison Gowman
Deputy Wendy Hyde
Jeremy Mayhew
Deputy Joyce Nash
James de Sausmarez

Officers:

Chris Bell	- Chamberlain's Department
Alison Bunn	- City Surveyor's Department
Simon Causer	- City Surveyor's Department
Jonathan Cooper	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
John Galvin	- City Surveyor's Department
Andrew Little	- Chamberlain's Department
Mark Lowman	- City Surveyor's Department
Fiona McKeith	- City Surveyor's Department
Paul Monaghan	- Department of the Built Environment
James Rook	- City Surveyor's Department
Chris Rumbles	- Town Clerk's Department
Paul Wilkinson	- City Surveyor
Peter Young	- City Surveyor's Department

1. APOLOGIES

Apologies were received from Dominic Christian, Philip Woodhouse, Michael Hudson and Edward Lord.

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

The Chairman declared an interest in item 20 St Lawrence Jewry as a Trustee and Church Warden of the church, albeit with no direct financial involvement.

Members noted the advice of the Town Clerk that the Chairman could remain in the Chair for this item, given it was to discuss the project timeline, and Members confirmed this was acceptable to them.

3. **MINUTES**

RESOLVED – That the public minutes and non-public summary of the previous meeting held on 11th July 2019 be 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.

Baby Changing Facilities - A Member questioned the number of baby changing facilities in place across the Guildhall Complex given the number of functions taking place and the City Surveyor agreed to review this and circulate this information to Committee.

National Lottery Funding - Members noted that Lottery Funding bids would be included as part of the Governance Review and it was agreed this could be removed as an action for this Committee.

Guildhall Audit on Accessible Environments - Further audits planned and an update to follow at the next meeting.

Water Leak at Parliament Hill Fields Lido – Pulse meters now installed to assist in identifying location of the leak. An update would follow at the next meeting.

RESOLVED – That the Sub-Committee note the report.

5. **WORK PROGRAMME FOR FUTURE MEETINGS**

The Sub-Committee received a joint report of the Town Clerk and City Surveyor providing information on the Work Programme for future meetings.

The Chairman clarified that security was not shown on this version of the Work Programme, but that it would be included on future versions and would be a standing agenda item going forward, given the Sub-committee's role for oversight of security procedures.

RECEIVED.

6. **ASSET MANAGEMENT SERVICE BASED REVIEW - UPDATE REPORT**

Members considered a joint report of the Town Clerk and City Surveyor updating the Committee on progress with implementation of the Asset Management Serviced Based Review.

A Member referred to maintenance of the Bridges and questioned whether this Committee would see this information in future. The City Surveyor clarified that the current arrangement of a Service Level Agreement with the responsible department would continue and that maintenance of the bridges would remain the responsibility of the Department of the Built Environment, with City Surveyors as asset owner managing the risk. The Chairman stressed the importance of ensuring maintenance of the Bridges was in the right place, noting consideration of this was part of the Bridge House Estates Review.

The City Surveyor clarified that discussions were continuing between himself and the Director of City Bridge Trust looking at the ambiguity around maintaining the bridges and achieving clarity going forward. The Chairman stressed the need for the planned review of Bridge House Estates to identify the clear lines of responsibility going forward. There was a need to identify a long-term plan for the Bridges looking at the next for 5, 10-100 years. It was not clear at the present time.

Resolved, that the Sub Committee notes the progress with implementation of the Asset Management Service Based Review.

7. CYCLICAL WORKS PROGRAMME (CWP) - PROPOSAL FOR 2020-21

Members considered a report of the City Surveyor setting out a draft works programme for 2020/21.

A Member reiterated their earlier point relating to maintenance of the Bridges and suggested that where there were operational elements that these should be included as part of the CWP.

The Chairman reminded Members that the CWP was for those works under £250,000 and that maintenance of the Bridges may be over this figure. The Chairman expressed his interest in understanding how assets of Bridge House Estates were being maintained and whether these should come to this Sub Committee.

A Member highlighted the list of projects in the reserve list showing as essential and suggested these works should instead be shown as desirable to reflect the position accurately. Clarity was asked for going forward.

The City Surveyor clarified the position confirming that were money to become available, then those on the reserve list would be looked at to identify priority projects. It was agreed that a colour coded RAG system would be used for those items in the reserve list going forward to provide Members with greater clarity on the priority status of projects.

A Member questioned the position of the bow wave and whether this had seen an increase or decrease. It was also suggested that it would be good to understand the impact achieved through increasing the money available over the last three years. The City Surveyor clarified that this information had not previously be included owing to different funding streams and asset owners, but that it would be included within the next report. It was stressed that the backlog of works was reducing slightly, but that a report would be brought forward to the next meeting in November providing a fuller update.

The City Surveyor clarified that the reserve list was shown in priority order and had been scored according to agreed criteria. Were funding to become available then projects in the reserve list would be prioritised accordingly. It was agreed that colour coding of the prioritisation would be shown going forward along with a note of where there were links across projects.

The City Surveyor responded to a Member and explained there was currently a disconnect between the number of external events in Guildhall organised through the Remembrancer's Department and the amount spent on maintenance. There was a need to invest appropriate funds towards maintaining a Grade 1 listed building, with only enough funds to cover basic maintenance currently being provided.

It was agreed that the Cyclical Works Programme list would be re-issued and circulated between meetings with the scoring shown.

The Chairman asked that wording in relation to works in the reserve list be changed from essential to desirable.

RESOLVED – That

- a) Works in the Actual List were reviewed and approval given to works to the value of £11.8m as essential and prioritised as proposed;
- b) Works in the Reserve List reviewed and approved to the value of £25.4m of desirable work, but for which funding does not yet exist and to be promoted should savings from the Actual List projects arise;
- c) Agree the final proposed programme of works be submitted for approval of funding at the meeting of Resource Allocation Sub-Committee in January 2020.
- d) Approve that where projects on the Actual List were delivered at a saving or do not proceed for any reason that funding be reallocated by the CWP Peer Review Group to undertake projects from the approved reserve list and then reported to this committee at the next progress report.

8. ENERGY PERFORMANCE REPORT 2019/20 QUARTER 1

Members received a report of the City Surveyor presenting the 2019/20 energy performance and providing results and commentary for year-on-year and long-term performance for City Corporation operational sites.

The City Surveyor assured Members that work was taking place simultaneously working through quick wins whilst also progressing the second tranche of capital projects, with a third piece of work looking at being smarter through procurement processes; changing the way the City Corporation procures equipment so that it becomes part of business as usual.

The City Surveyor highlighted limitations with aging properties when considering what can be achieved; an upgraded asset would be able to achieve a much bigger leap in energy efficiency performance.

A Member asked that a revised 20-year energy reduction programme be produced showing how the City Corporation would look to achieve its aims in this area. It would need to cover carbon reduction as well. It was agreed this item would go on to the Work Programme for twelve months hence.

A Member stated the need to ensure the first priority being buildings were fit for purpose.

RECIEVED

9. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER UPDATE**

Members received a report of the City Surveyor providing a quarterly update on the management of risks within the City Surveyor's Department.

The City Surveyor clarified that a Service Level Agreement between City Surveyor's Department and the Department Built Environment regarding management of the Bridges was very close to completion. The City Surveyor would be able to confirm to the Sub-committee in November that the Service Level Agreement was in place.

The Chairman referred to this Sub-committee having taken on responsibility for security, with the risk for this not appearing to be articulated within the risk register. The Chairman asked officers to consider mitigating factors to manage the risk around security and to report back to this Sub-committee.

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10. **BUSINESS PLAN 2019-24: QUARTER 1 2019/20**

Members received a report of the City Surveyor providing an end of year progress report 2018/19 along with details of progress in quarter 1 2019/20.

The City Surveyor highlighted an overspend within the department budget of £586k due to a need to recover last year's net overspend. A Member, also Chairman of Finance Committee, clarified where there were exceptional circumstances in certain areas e.g. security, this would need to be presented within year and not retrospectively. It had already been made clear that other than the exception of security that there would be no increase in budget within year. Chief Officers should be looking to manage resources within existing budgets.

The City Surveyor acknowledged that issues should have been flagged earlier and that lessons had been learned.

RECEIVED

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

A Member referred to the exceptional rain seen recently and questioned whether future proofing was taking place to ensure buildings were fully resilient for the future.

The City Surveyor clarified that a programme of planned preventative maintenance took place. Properties likely to be impacted were identified and every effort was made to ensure all maintenance was up to date in these properties. A plan was in place to ensure everything possible was being done to alleviate potential issues.

The Chairman asked for a report on how the summer weather had affected the operational estate and what lesson had been learned to prevent repetition in subsequent years.

12. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The Chairman agreed to take an item circulated as a late paper.

West Smithfield and Charterhouse Street (Thameslink) Bridges Remedial Works.

Members considered a report of the Director of the Built Environment proposing additional works and budget to allow works to be undertaken to align with the programme of the museum project.

RESOLVED, That Members

- a) Agree to proposals to include additional waterproofing and re-surfacing of Charterhouse Street Bridge over Railtrack Sidings (Structure No 33/23).
- b) Agree to a project budget increase of £160,000 for the increase in scope to a total of £84400. The increase of £160,000 to be funded from the Additional Capital Funds for City Fund Properties Programme.
- c) That a Cost Risk Provision of £70,000 is approved over and above the £160,000 (to be drawn down via delegation to Chief Officer).

13. 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.

14. NON-PUBLIC MINUTES

The non-public minutes of the previous meeting held on 11th July were approved as an accurate record.

15. 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.

16. SECURITY UPDATE

The Sub-Committee received a verbal update of the City Surveyor relating to security.

17. 65 BASINGHALL STREET & FORMER GUILDHALL STAFF CAR PARK: ALLOCATION FOR CITY OF LONDON POLICE USE (TO FOLLOW)

The Sub-committee had before them a report of the City Surveyor relating to use of 65 Basinghall Street.

18. COMBINED HEAT AND POWER SYSTEM - FEES FOR COMMERCIAL NEGOTIATIONS

The City Surveyor submitted a paper updating the Sub-committee on continued combined heat and power commercial negotiations.

19. **GUILDHALL WORKPLACE UTILISATION PROGRAMME - SMART WORKING UPDATE REPORT**

The Sub-committee had before them a paper updating on the Guildhall Workplace Utilisation Programme.

Accommodation and Ways of Working – Vacation of Walbrook Wharf.

At this point in the meeting, the Sub-committee considered a report of the City Surveyor updating on the status of the vacation of Walbrook Wharf.

20. **ST LAWRENCE JEWRY CHURCH UPDATE - ISSUE REPORT**

The Sub-committee considered a report of the City Surveyor updating on the programme of refurbishment works.

21. **OPERATIONAL PROPERTY PORTFOLIO - ANNUAL REPORT 2019**

The City Surveyor presented a paper that provided Members with an oversight of the City Corporation's operational property portfolio and highlighting key projects undertaken over the past 12 months.

22. **OPERATIONAL PROPERTY REVIEW - PROGRESS REPORT**

The Sub-committee considered a report of the City Surveyor providing an annual review of the Operational Property Review.

23. **REPORT OF ACTION TAKEN BETWEEN MEETINGS**

The Sub Committee received a report of the Town Clerk updating on action taken between meetings.

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 additional items of business.

The meeting ended at 3.33pm

Chairman

Contact Officer: Chris Rumbles