

RESOURCE ALLOCATION SUB (POLICY AND RESOURCES) COMMITTEE

Thursday, 10 December 2020

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 10 December 2020 at 12.00 pm

Present

Members:

Deputy Catherine McGuinness (Chairman)	Shravan Joshi
Jeremy Mayhew (Deputy Chairman)	Deputy Edward Lord
Deputy Keith Bottomley	Alderman Ian Luder
Tijs Broeke	Deputy Tom Sleigh
Deputy Jamie Ingham Clark	Sir Michael Snyder
Karina Dostalova	Deputy James Thomson
Anne Fairweather	Alderman Sir David Wootton
Sheriff Christopher Hayward	

In Attendance

Helen Fentimen
Marianne Fredericks
Deputy Wendy Hyde
Vivienne Littlechild
Barbara Newman

Officers:

John Barradell	- Town Clerk & Chief Executive
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Deputy Chamberlain
Paul Wilkinson	- City Surveyor
Dianne Merrifield	- Chamberlains
Angela Roach	- Assistant Town Clerk
Greg Moore	- Town Clerks
Richard Holt	- Town Clerks
Jonathan Poyner	- Barbican
Bob Roberts	- Director of Communications
Colin Buttery	- Director of Open Spaces
Paul Wright	- Deputy Remembrancer
Peter Young	- City Surveyors
Paul Friend	- City Surveyors
Sean Green	- Chamberlains
Jenny Brown	- Headteacher, City of London School for Girls
Simon Glynn	- Built Environment
Michael Cogher	- Comptroller & City Solicitor
Adam Rout	- Mansion House & Central Criminal Court

Simon Latham	- Town Clerks
James Gibson	- IT
Emma Cunnington	- Town Clerks

1. **APOLOGIES**

Apologies were received from Alderman Vincent Keaveny and Deputy Tom Sleigh.

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

Deputy Jamie Ingham Clark declared an interest in item 4 by virtue of his position as Church Warden of St Lawrence Jewry and member of Guild Church Council.

3. **MINUTES**

The minutes of the meeting of the Sub-Committee held on 20 November 2020 were approved as a correct record.

4. **PROJECT FUNDING**

The Sub-Committee considered a report of the Chamberlain concerning capital prioritisation and the 2020/21 round of annual capital bids.

A Member asked when the request for drawdown for the Smithfield Market Canopy replacement would come to Members as this was a priority for health & safety reasons. The Chamberlain and the City Surveyor requested delegated authority to agree the drawdown for these works once the figures had been finalised.

RESOLVED, that:-

- The following schemes, in the context of the current financial climate, be confirmed of their continued essential priority at this time:
 - Wanstead Park Ponds – further drawdown of £40k to undertake additional survey to reach next gateway
 - Public Realm Security Programme – release of £225k to prepare for the next stage of security works
 - St Lawrence Jewry Church - £55k top-up to reach the next gateway
 - Lindsey Street Bridge Strengthening - £30k to reach the next gateway
 - Oracle Property Manager (OPN) System Replacement - £545k requested to implement the scheme
 - Personal Device Replacement - £2.25m requested to implement the scheme.
- The release of up to £3.145m from the reserves of City Fund, City's Cash and Bridge House Estates as appropriate, subject to the approval of the relevant gateway reports.
- Delegated authority be granted to the Town Clerk, in consultation with the Chair and Deputy Chairman of Policy & Resources Committee, to

consider the drawdown request for the Smithfield Market Canopy project.

5. **2020/21 BUDGET SETTING UPDATE**

The Sub-Committee received a report of the Chamberlain updating Members on the 2021/22 budget round, which is to set the City Corporation on the flight path to achieving a sustainable budget over the medium-term.

The Policy Chair gave an overview of the recent bilateral meetings with Service Committee Chairmen and Chief Officers, which she had held with the Deputy Chairman of Resource Allocation, and which had secured a shared commitment to closing the budget gap, whilst recognising that there are several departments, which whilst committing to the 12% cost savings, face Covid related income loss, which will have to be taken into account when setting resource caps. She also encouraged the Sub-Committee to prioritise some of our most sensitive front-line services in Community and Children's Services, and maintain our support for each of our Academy students, at a time when they are facing significant Covid-pressures.

The Deputy Chairman added that the Target Operating Model (TOM) will make an increasing contribution to the 12% saving requirement over the medium-term and that the Town Clerk and Chair of Establishment should provide a regular tracker to ensure transparency and avoid the risk of double counting savings.

Members, then, discussed the detail of the paper and there was a particular discussion on the cuts to libraries. The Chair of Culture, Heritage and Libraries Committee felt that as one of the libraries was funded by Community and Children's Services, she did not feel that it was right that this was not covered in her bilateral meeting. Many Members agreed that the libraries were a fantastic resource at this time and one Member suggested that the City Corporation should look to work with other boroughs with larger populations to provide this service. Another Member requested for an impact assessment on areas such as the libraries before making a decision. After some discussion, it was felt that in principle agreement could be made now on the efficiencies relating to libraries but further detail was to be brought back including an impact assessment. Members also encouraged the Community and Children's Services Department and the Cultural Services Team to work closely together in this area.

A Member also asked for more detail around the funding given to TheCityUK – it was agreed that a fuller discussion on these items would take place in non-public session.

The Town Clerk underlined that the TOM would provide significant savings but that there would be double counting. The details of Tiers 2 and 3 in the TOM were not yet finalised as the Town Clerk wished to allow the new hires (at Tier 1) to have a say in the new structure of their departments.

Members also discussed the funding given to schools and the proposals from the Tomlinson Review. The Policy Chair informed Members that there had been a positive meeting of the Tomlinson Review Working Party earlier that week and the Chair of the City of London Academies Trust underlined the importance of sensible decisions being made on funding for academies.

RESOLVED, that:-

- It be noted that as a result of bilateral discussions and commitments given on delivering 12% savings, there were aggregate savings of around £26.6m, consistent with the brief given by this Sub-Committee.
- It be agreed that resource envelopes at departmental level would be adjusted by the sums shown in the proposed savings column in appendix 1; the application of the 12% police savings will take account of any material funding changes arising from the police funding settlement announcement later in December 2020.
- It be agreed, in principle, that a support package would be provided to the Barbican and GSMD for COVID impact to commercial income sources; amounts to be confirmed in light of spending review announcements on extension of the compensation scheme for Local Government, and to be monitored and held for release by agreement with the Chamberlains Department.
- It be agreed that Fundamental Review savings, which have been put on hold pending the further work on the TOM, be rephased to 2022/23.
- £8m reduction in 2021/22 cyclical works programme be approved, subject to the confirmation of the Corporate Asset Sub Committee.
- It be noted that work will continue to identify further savings that could underpin medium plans for 2022/23 and beyond.
- It be noted that rental income is at risk for 2021/22 and further support was likely to be required from reserves.
- It be noted that the City Fund/City's Cash grants review is progressing with the aim of reducing overall spend through grants and will report to this Sub-Committee's January meeting.

6. PRIORITISATION OF 2021/22 ANNUAL CAPITAL BIDS - STAGE 2 PROPOSALS

The Sub-Committee considered a report of the Chamberlain concerning the Stage 2 proposals of the prioritisation of 2021/22 Annual Capital Bids.

There was an extensive discussion on the loan facility for the City of London School for Girls of up to £15.6m. Some Members felt quite strongly that at a time when the City Corporation were having to prioritise it would be politically and reputationally difficult to continue with at this time. In particular, Deputy Tom Sleigh requested for his dissent of a loan to the City of London School for Girls be recorded. The Headteacher of the City of London School for Girls responded with the context of the request for a loan, which would be subject to a business case and proper scrutiny. Members were reminded that the City of London School for Girls could not borrow from the bank and could only borrow from the City of London Corporation. A Member also responded to the points made about providing a loan at a time where the City Corporation was facing

12% efficiencies, reminding the Sub-Committee that capital revenue is very different from approving a loan.

In conclusion, Members reached the conclusion that they could not approve the £15.6m until a business case was submitted to this Sub-Committee.

RESOLVED, that:-

- It be noted and agreed that the plans be affordable, sustainable and prudent.
- The green rated bids amounting to £83.5m detailed in the report's appendix, which represented the position agreed with Chief Officers and Services Committee Chairs, be agreed.
- A business case be brought back to this Sub-Committee concerning the the re-ignited bid for loan funding of £15.6m for the City of London School for Girls.
- It be agreed that provisions of £83.5m plus it be agreed in principle that a loan facility of up to £15.6m (indicative at this stage), subject to a full business case, be made in the draft medium term financial plans of the three funds and that appropriate contingencies be set aside for approval by the Finance Committee and Court of Common Council as part of the annual budget setting process.
- Request that the Corporate Asset Sub and Projects Sub Committees closely scrutinise the scope of the St Lawrence Jewry repairs project to ensure that all value engineering opportunities are fully explored, with a keen eye on value for money.
- It be agreed that the bids rated as amber detailed in the appendix be placed on a reserve list to be funded from savings in provisions for green rated schemes should their urgency escalate.
- It be agreed that the financial disciplines currently in place be continued whereby
 - Central funding will be withdrawn for schemes that slip by more than one year; and
 - The operation of the 'one-in, one-out' approach to funding of bids outside of the annual process.
- It be agreed to the carry-over of the unallocated provision of 332m of loan facilities previously agreed for the Police and HRA.

7. REVIEW AND PRIORITISATION OF RING-FENCED S106 DEPOSITS

The Sub-Committee considered a report of the Director of the Built Environment concerning further allocation of ring-fenced S106 funds.

RESOLVED, that:

- The allocation of £1.48m in ring-fenced S106 funding outlined in this report be authorised.
- It be noted that a further report is planned in 2021 with information on the remaining unallocated S106 deposits.

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

There were no questions.

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

There were no items of urgent business.

10. **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.

Item No.

11-13

Paragraph No.

3

11. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting of the Sub-Committee held on 20 November were agreed as a correct record.

12. **NON-PUBLIC APPENDIX - 2020/21 BUDGET SETTING**

The non-public appendix was received with a short discussion concerning TheCityUK.

13. **PROPOSAL TO ASSIST CITY OF LONDON OPERATIONAL TENANTS FOR THE DECEMBER QUARTER**

The Sub-Committee considered a report of the City Surveyor concerning a proposal to assist the City Corporation's operational tenants for December's quarter.

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

There were no questions.

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

There was no other urgent business.

The meeting ended at 1.25 pm

Chair

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