

CORPORATE ASSET SUB (FINANCE) COMMITTEE
Monday, 18 January 2021

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held as a
Virtual Public Meeting on Monday, 18 January 2021 at 1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)
James de Sausmarez (Deputy Chairman)
Rehana Ameer
Randall Anderson
Marianne Fredericks
Alderman Alison Gowman
Michael Hudson
Jeremy Mayhew
Deputy Philip Woodhouse
Sheriff Christopher Hayward
Shravan Joshi
Deputy Edward Lord
Tom Sleigh

Officers:

Dianne Merrifield	- Chamberlain's Department
Paul Wilkinson	- City Surveyor
Peter Young	- City Surveyor's Department
Alan Bennetts	- Comptroller and City Solicitor's Department
Alison Bunn	- City Surveyor's Department
Peter Collinson	- City Surveyor's Department
Jonathan Cooper	- City Surveyor's Department
Natalie Evans	- Chamberlain's Department
Paul Friend	- City Surveyor's Department
John Galvin	- City Surveyor's Department
James Gibson	- Chamberlain's Department
Andrew Little	- Chamberlain's Department
Kieran Mackay	- Department of the Built Environment
Peter Ochser	- City Surveyor's Department
Amy Poole	- Remembrancer's Office
Dorian Price	- City Surveyor's Department
James Rooke	- City Surveyor's Department

In Attendance

Arnaud Flament	- Voltalia SA
Simon Holt	- Voltalia SA

1. **APOLOGIES**

Apologies were received from Dominic Christian.

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

The Chairman declared an interest in item 28 as Church Warden of St Lawrence Jewry Church. Alderman Alison Gowman declared an interest in item 26 relating to Central Criminal Court.

3. **MINUTES**

RESOLVED - That the public minutes and non-public summary of the previous meeting held on 18 November 2020 be approved as an accurate record.

Matters arising

Aborted Capital Projects – Discussion at the last meeting on a review of abortive project costs. Lessons learned would be captured in future reporting.

4. **TERMS OF REFERENCE**

The Sub-committee considered a report of the Town Clerk seeking approval to the Sub-committee's terms of reference for submission to Court of Common Council (as a sub- set of Finance Committee Terms of Reference).

The Chairman referred to an incident at Smithfield Market resulting in an internal audit of maintenance at the City Corporation and looking at how this was being carried out. The Chairman explained a final Internal Audit report was still awaited, but with there being a possibility of recommendations proposing this Sub-committee take on additional responsibilities. The Chairman proposed delegated authority be granted to allow an opportunity to put through any changes to terms of reference as a result of Internal Audit recommendations.

Resolved, that Members:-

- Approve the Terms of Reference of Corporate Asset Sub-committee for submission to Court of Common Council (as a sub-set of Finance Committee Terms of Reference)
- Delegate Authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to allow an opportunity to put through any changes to terms of reference Internal Audit may recommend.

5. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

The Sub-committee received a report of the Town Clerk providing Members with information of outstanding actions from previous meetings.

The Chairman remarked on the actions having been around for a while, but with these awaiting the outcome of other processes at the City Corporation before they can be progressed.

RECEIVED

6. **WORK PROGRAMME FOR FUTURE MEETINGS**

The Sub-committee considered a joint report of the Town Clerk and City Surveyor which provided information on the work programme for future meetings.

RECEIVED

7. **POWER PURCHASE AGREEMENT FOR OFFSITE RENEWABLE ENERGY SCHEME**

The Chairman welcomed Arnaud Flament and Simon Holt of Voltalia, who were the City's partners in providing renewable energy as part of a power purchase agreement the City Corporation entered into in early December.

Members were provided with background to the agreement through the City Corporation experiencing very high energy prices leading to a review of the way energy was sourced and purchased. The City Corporation was looking to manage escalating prices, take out volatility in the pricing and also sourcing clean energy in response to the climate change emergency. The City Corporation wanted to find a solution to all of this, which resulted in a Power Purchase Agreement having been reached.

Simon Holt, UK Country Manager, provided Members with background on Voltalia explaining how it was an independent operator, with it being hoped that similar operators become more commonplace as the green market continues to develop. Members were talked through the detail of the agreement. This included:-

The City Corporation were being supplied with renewable electricity produced from South Farm Solar Project for 15 years. This would be through use of the latest technology modules of around 500mw on site, covering 130 acres and delivering just shy of 50MW of capacity. It would be hoped to generate 55GWh each year on the site, which would be around half of the City Corporation's demand.

South Solar Farm was fourth generation farmland, with the current owner having a real interest in diversification and solar projects and looking to keep the farm in the family. During the tender process working with the City Corporation Voltalia were able to support Spetisbury Traffic Calming scheme, restore the local school car park and work would continue with the school and local area to promote energy efficiency. A local Project Manager has recently been appointed to help progress the project. Construction starts on-site in March of this year with expected delivery in early February 2022.

Members were also provided with an overview on the commercial benefits of the agreement.

The Chairman took the opportunity to highlight how he considered the agreement to be repeatable in other Local Authorities and he hoped it would be a blueprint. Following the press release there had been a great deal of interest shown including from other Local Authorities.

A Member commended officers for all their work on getting the City Corporation to this position, noting the key officer involved would be departing the City Corporation, but leaving a very good legacy. The City Corporation has been a leader in this area and it should look to build on this and all the other work around climate action.

The Chairman echoed these comments and acknowledged the immense effort and hard work of all involved, which it was hoped would be part of a stepping stone in a global story on progression to net zero.

The Chairman thanked Voltalia for their presentation that had allowed the Sub-committee a better understanding of what has been achieved.

8. **SUSTAINABILITY FORWARD PLANNING PROPOSAL**

The Sub-committee received a report of the City Surveyor presenting a summary of the Climate Action Strategy mobilisation plan.

A Member remarked on the plan being in outline at the moment and questioned how much more work there was to do and whether it was on track.

The City Surveyor responded and explained there was a cost plan in place with itemised costs, associated savings and programme rollout. A final plan was still to go through Building Chief Officers for approval with final budgets not yet having been agreed and there being potential for these to change. It would be hoped to be in a position to progress with resourcing very shortly.

A Member questioned where the extra revenue of £21m would come from and the Chairman clarified the position of funding having been approved as part of the Climate Strategy, with this element being taken from the overall £68m Climate Action Strategy budget already approved.

Resolved, that the Sub-committee note the report.

9. **SECURITY UPDATE**

The City Surveyor provided the Sub-committee with an oral update on a number of areas including:-

- Guildhall Security Manager being a finalist for the category of in-house security manager as part of the Outstanding Security Performance Awards taking place virtually on 25th February.
- Head of Security to returning to the role on 1st February.
- Bulk of work over the last few months has been preparation for 'Protect Duty' which would be part of Martyn's Law, with assessments having taken place at key sites and work expected to be completed by the end of January. Training programmes were being developed to support key areas e.g. Barbican Centre in advance of any reopening to the public post Covid-19.

- ACT E-Learning now being mandatory for all employees in customer facing roles, with HR Business Partners identifying people who fit into these roles within departments.
- All Security Teams are using the opportunity of the latest lockdown to refresh and retrain in preparation for the re-opening.
- Over the last two weeks eight positive cases of Covid-19 have been identified within the Guildhall Security Team. Correct processes and procedures have been followed. An exercise has been undertaken to prove that all cases have not been transmitted at work meaning it was not RIDDOR reportable to HSE.

The Chairman remarked on being pleased to learn that in spite of the positive cases it had been possible for the City Corporation to cover its security requirements within existing resources. The Chairman questioned whether the City Corporation was at a stage where it was known whether anyone had been badly affected and the City Surveyor confirmed that all were now thankfully in the process of recovery and the initial cases now back at work, which the Chairman acknowledged was good to hear.

A Member asked for an assurance that Covid secure practices were being followed by all security staff e.g. wearing of masks and social distancing. The City Surveyor assured Members that Covid secure measures were in place and that these were being followed. These incidents of infection have presented a wake up call to the team and additional new measures have been introduced in and around Guildhall to offer additional protection. Guildhall remains a Covid secure building.

A Member questioned whether lateral flow tests could be made available to staff and also whether protocols were in place giving staff a clear line of communication when they needed to arrange extra support. There was also an issue in the Security Control Room of lack of ventilation.

The City Surveyor responded explaining access to lateral flow testing for the Security Team had been organised, with the team working on two shifts with cover being put in place as required to ensure no-one was put in a position of having to work on alone. The City Surveyor assured Members that the Security Control Room was being provided with adequate air needs for the space.

The Member referred to the Security Team having to travel in early and not being able to travel on public transport. A Member, also Chairman of Establishment Committee, confirmed he was in discussion with the Director of HR and that he would let the Chairman and Member know the outcome of these discussions.

The update was noted.

10. **GUILDHALL - NEW WAYS OF WORKING UPDATE REPORT**

Members received a report of the City Surveyor that offered a focus and update on new ways of working.

A Member noted reference within the report to the Guildhall Masterplan that offered an agile workforce and created an exemplar sustainable building through a reduction in estimated carbon emissions. The Member remarked on how staff working from home were generating carbon emissions and questioned how the figure arrived at had been accounted for.

The City Surveyor responded explaining that he did not have background information on the figures to be able respond at this point, but did acknowledge that displacement of staff would have an affect on carbon emissions. The Chairman suggested it would be helpful if officers could come back on the point of displacement of carbon emission and to link up with the Climate Action Strategy team so the impacts can be viewed in the round.

A Member referred to an issue he had recently raised with the Chair of Port Health of a need for the business community to consider the carbon impacts of their current working from home arrangements. Officers within Port Health were currently looking to develop a strategy it was suggested officers link up with the team.

The Member also highlighted how working from home was detrimental to race relations with it creating more divides to those within protected characteristics. It was proposed future reporting reflected the Corporation's equalities statement and the findings of the Tackling Racism Working Party. The City Surveyor acknowledged the importance of this point and confirmed this would be considered further by the Group taking forward this area of work and reflected in future reporting.

The Chairman thanked the City Surveyor for the update and suggested the next update would allow officers to pick up the point on standardised metrics and report back on these.

Resolved, that the report be received and its content noted.

11. **LONDON WALL CAR PARK - PARTIAL REPURPOSING FOR LAST MILE LOGISTICS HUB**

The Sub-committee received a report of the City Surveyor updating on the repurposing of 39 spaces in London Wall Car Park for their use as a last mile logistics hub to be operated by Amazon Logistics.

Resolved, that the report be received and its content noted.

12. **BUSINESS PLAN 2020-25 QUARTER 2020/21**

The Sub-committee received a report of the City Surveyor providing Members with details of progress in Quarter 2 2020/21 against the 2020-25 business plan as well as an update on the commercial property market and a financial statement.

Resolved, that the report be received, and its content noted.

13. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER - UPDATE**

The Sub-committee 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 explained that no significant changes had been made to the risk scoring at this point. Risks associated to Covid-19 were being closely monitored with frequent meetings with key leads and it remains a fluid situation. There has been no justification to date for a reduction in risk scoring on these items.

A risk relating to a Carbon Descent Plan has been included, but since the adoption of the Climate Action Strategy this risk would be reassessed and rephased to take account of the new strategy.

The Chairman referred to the Internal Audit report that may have a bearing on the risk register when the Sub-committee next sees it.

Resolved, that the report be received and its content noted.

14. **DRAFT CITY SURVEYOR'S BUSINESS PLAN FOR 2021/22**

The Sub-committee considered a report of the City Surveyor presenting a Business Plan for City Surveyor's Department for 2021/22.

A Member welcomed the Climate Action Strategy being mentioned within the plan, but suggested it could be given more prominence and also expressed concern that there was no reference to a KPI. It was the first year of the Climate Action Strategy, but it was important to have KPIs to meet and embed. This would allow for monitoring and benchmarking moving forward.

The City Surveyor acknowledged the importance of being able to quantify impacts against the Climate Action Strategy through a KPI and confirmed work was taking place on being able to assess these impacts, with this likely to on a simple floor by floor basis, with metrics set up in the first year and with a new piece of software being used to assist putting these in.

Resolved, that Members:-

- Note the factors taken into consideration in compiling the City Surveyor's Business Plan
- Approve, subject to the Incorporation of any changes sought by both Property Investment Board, the Departmental Business Plan for the City Surveyor's Department for 2021/22 (or the elements that fall within the Sub-committee's Terms of Reference)

15. **WOODREDON FARM (RIDING SCHOOL), EPPING**

The Sub-committee considered a report of the City Surveyor updating on the situation relating to Woodredon Farm, Epping Forest, and proposing delegated authority granted in seeking approval for a local agent to advise on the disposal strategy.

The City Surveyor updated the Sub-committee on a decision of Epping Forest Committee to declare Red Cottage and Woodredon Cottage surplus to requirements. Disposal options would now be considered and it was proposed granting a delegated authority to allow disposal to progress and for agents to be appointed in advance of reporting back to this Sub-committee in April.

A Member referred to the discussion at Epping Forest Committee and the belief that part of the funding would return to the Committee. The Chairman explained that funding would not be returning to Epping Forest Committee, but that the Chairman of Epping Forest Committee would be kept up to date with any proposal when the delegated authority was being exercised. The City Corporation needed to ensure it was achieving full value. The Chairman agreed to talk to the Chairman of Epping Forest Committee.

Resolved, that;-

- Delegated authority be granted to the Town Clerk, in consultation with the Chairman and Deputy Chairman, in respect of approving the appointment of an external agent to advise on the marketing and disposal strategy and options for the Woodroden Farm property.

16. GUILDHALL COMPLEX BUDGET PERFORMANCE 2020/21 UPDATE REPORT

The Sub-committee received a report comparing Guildhall Administration 2020/21 budget with performance to the end of Q2 and for the forecast year end.

The City Surveyor explained how this report highlighted the exceptional costs in responding to the Covid-19 pandemic, with these having been absorbed within existing budgets. A small underspend was forecast and, subject to Finance Committee approval, a more detailed report on Guildhall and Walbrook Wharf would follow at the April meeting of this Sub-committee.

Resolved, that the report be received and its content noted.

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

There were no questions.

18. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no additional items of business raised.

19. 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.

20. NON-PUBLIC MINUTES

RESOLVED, that the non-public minutes of the previous meeting held on 18th November be approved as an accurate record.

21. 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.

22. LONDON WALL LAST MILE LOGISTICS

The Sub-committee received a non-public appendix to be read in conjunction with item 11 on the agenda.

23. CITY SURVEYOR'S DEPARTMENT RISK REGISTER

The Sub-committee received a non-public appendix to be read in conjunction with item 13 on the agenda.

24. FIRST REGISTRATION OF THE CITY'S FREEHOLD TITLES - PROGRESS SINCE JANUARY 2020

The Sub-committee received a report of the Comptroller relating to First Registration of Freehold Titles.

25. PROPOSAL TO ASSIST CITY OF LONDON OPERATIONAL TENANTS FOR THE DECEMBER QUARTER 2020- WALBROOK WHARF AND SMITHFIELD COMMERCIAL OFFICES (REPORT TO FOLLOW)

The Sub-committee considered a report of the City Surveyor relating to City of London Operational Tenants for the December Quarter.

26. CENTRAL CRIMINAL COURT EAST WING GROUND MEZZANINE COOLING AND HEATING REPLACEMENT

The Sub-committee considered a report of the City Surveyor relating to the Central Criminal Court East Wing Ground Mezzanine cooling and heating system.

27. CITIGEN UPDATE

The Sub-committee considered a report of the City Surveyor relating to Citigen.

28. ST LAWRENCE JEWRY CHURCH GW5

The Sub-committee considered a report of the City Surveyor relating to St Lawrence Jewry Church.

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

There were no questions.

30. 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 3.27pm

Chairman

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