

CORPORATE ASSET SUB (FINANCE) COMMITTEE
Wednesday, 24 November 2021

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at
Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 24 November
2021 at 1.45 pm

Present

Members:

James de Sausmarez (Chairman)
Shravan Joshi (Deputy Chairman)
Deputy Jamie Ingham Clark
Randall Anderson
Marianne Fredericks
Michael Hudson
Jeremy Mayhew
Christopher Hayward
Deputy Edward Lord
Deputy Roger Chadwick

Officers:

Simon Causer	- City Surveyor's Department
Paul Wilkinson	- City Surveyor
Peter Young	- City Surveyor's Department
Peter Collinson	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
John Galvin	- City Surveyor's Department
Alison Bunn	- City Surveyor's Department
Jonathan Cooper	- City Surveyor's Department
Graeme Low	- City Surveyor's Department
Fiona McKeith	- City Surveyor's Department
Jonathon Poyner	- Barbican Centre
Dorian Price	- City Surveyor's Department
Mark Donaldson	- City Surveyor's Department
Julie Brown	- City Surveyor's Department
Andrew Little	- Chamberlain's Department
Chris Rumbles, Clerk	- Town Clerk's Department

1. APOLOGIES

Apologies were received from Alison Gowman.

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

There were no declarations.

3. MINUTES

RESOLVED – That the public minutes and non-public summary of the previous meeting held on 30 September 2021 be approved as an accurate record.

Matters arising

Automatic Doors – A Member referred to the new automatic doors leading to the Members' Reading Room having stopped working again shortly after having been fitted. The Member remarked on her disappointment with the operation of all automatic doors within the Guildhall Complex, which she considered presented a huge barrier to people in wheelchairs when they were not working. The City Surveyor assured Members that planned maintenance continued on all automatic doors within the Guildhall Complex. The team were aware of an issue with the automatic doors leading to the Members' Reading Room and efforts remained ongoing to resolve the issue.

Baby Changing Facilities – A Member referred to baby changing facilities currently being located in Guildhall Art Gallery, which in her opinion did not meet the requirement of facilities being easily accessible to all visitors. The Member suggested baby changing facilities were needed in Guildhall, West Wing close to Guildhall Club. The City Surveyor agreed to review options and provide an update at the next meeting.

4. OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS

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

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 on the Work Programme for future meetings.

RESOLVED – That the Sub-committee notes the report.

6. ENERGY REDUCTION PROGRAMME - PHASE 1

The Sub-committee considered a report of the City Surveyor updating on a programme of energy efficiency projects within the corporate operational site portfolio.

The Chairman acknowledged the importance of this programme of work with funding being in place an important consideration.

RESOLVED: That Members: _

Approve option 3:

- a) Change in scope to limit the project to the three sub-projects, for LED Lighting at: Central Criminal Court, Smithfield Car Park and Tower Hill Coach and Car Park. These to be received for further approval as

separate gateway papers (as set out under 'Next Gateway'). Note the total estimated project cost including risk is £574,288 for completion in 2022/23.

- b) Increase of allocated S106 Carbon Offset funding from £247k to £304k which will be wholly used to fund the LED lighting and the Central Criminal Court.
- c) Reallocation of £229,200 of unrequired provisional funding allocation to the 'BEMS Upgrade Project-CPG Estate – Phase 1' to support energy reduction for the Guildhall.
- d) Withdraw provisional funding allocation of £245,610 which is no longer required for this project.

7. **BEMS UPGRADE PROJECT-CPG ESTATE - PHASE 1**

The Sub-committee considered a report of the City Surveyor updating on the Building Energy Management Systems upgrade project.

Members noted that the project covered three sites and would be looking to replace obsolete controllers, with the main purpose of the project being to ensure business continuity of these services and offer increased efficiency in line with the Climate Action Strategy.

A Member questioned if additional funding would be needed for the project, and it was clarified that all funding was in place and had been approved by the Chamberlain.

RESOLVED: That Members: -

Approve Option 3 as follows:

- a) Approval for reallocation of £229,200 of the now unrequired central funding (£114,600 City Fund and £114,600 City's Cash) from 'Energy Reduction Programme – Phase 1' to the 'BEMS Upgrade Project-CPG Estate – Phase 1 (stage 2)'.
- b) Approve that the CWP funds within the project 'C1522CW002L' are used to meet the costs of the Guildhall East wing control upgrades within the BEMS Upgrade Project-CPG Estate – Phase 1(stage 2).
- c) Approve that the CWP funds within the project 'R0722CW003L' are used to meet the costs of the LMA controls upgrades within the BEMS Upgrade Project-CPG Estate – Phase 1(stage 2).

8. **2021/22 ENERGY PERFORMANCE Q2 UPDATE**

The Sub-committee received a report of the City Surveyor presenting the 2021/22 Quarter 2 energy performance for City Corporation operational sites.

Members noted that there had been a 10% reduction in energy performance across the same period last year. There had been a slight uplift when looking at the previous quarter, but it would be hoped the PSDS projects would help the City Corporation move the level of performance back downwards.

A Member remarked on Barbican Centre being one of the largest energy users and questioned if anything had been done to modify their usage. It was clarified that the Covid pandemic had impacted on energy usage at the Barbican Centre, with PSDS projects likely to deliver energy savings over Q3/4 and hopefully see a big impact on their emissions in the future.

A Member remarked on Bishopsgate Police Station having been open and operational throughout the pandemic and so the energy reductions achieved at this site being achieved through action being taken. It was acknowledged that Bishopsgate Police Station was an example of managing energy usage in a good way through putting in place control measures and managing their unused spaces.

A Member referred to Sundial Court showing twice and with different figures for each. The City Surveyor agreed to look into the discrepancy and respond to the Member outside of the meeting.

RESOLVED: That Members: -

- Note the progress of PSDS projects, supported by £9.4m, 100% grant funding from BEIS.
- Note the progress towards the 2026/7 CAS targets.

9. CAS NZ1, NZ3 AND RS3 WORKSTREAM UPDATE FOR THE OPERATIONAL PORTFOLIO

The Sub-committee received a report of the City Surveyor updating on key actions of the operational buildings workstreams as part of the Climate Action Strategy (CAS).

The Chairman remarked on the good progress that was being made.

RESOLVED: That Members: -

- Note the progress made on actions within the report.
- Note the appointment of Arcadis and the review of the Centre of Excellence.

10. CYCLICAL WORKS PROGRAMME (CWP) - PROGRESS REPORT Q1/Q2

The Sub-committee received a report of the City Surveyor providing an overview of the progress and expenditure of the current Cyclical Works Programmes (CWP 18/19, CWP 19/20, CWP 20/21 and CWP 21/22).

A Member noted that CWP funding had yet to be fully committed to at the Barbican Centre. It was stressed that any money spent as part of CWP must not be repeated and wasted as part of the £200m proposed refurbishment of the Barbican Centre. The Managing Director of the Barbican Centre apologised for the delay in delivering works at the Barbican Centre but assured Members that efforts continued to deliver these works through ongoing engagement with City Corporation colleagues in looking to achieve this.

Members were assured that all works carried out to the Barbican Centre through CWP would be part of an overall strategy towards the Barbican Renewal project and that there would be no duplication of works, which was welcomed by Members.

The Managing Director explained how resourcing and time available to deliver works presented an ongoing issue at the Barbican Centre and Guildhall School. There was less time being made available to get on site and deliver the works required owing to productions running and school holiday periods.

A Member, also Chairman of Finance Committee, remarked on CWP moving to a one-year cycle was to imply some sort of urgency and apply pace to these projects. There appeared to be no change in pace in delivering certain works even though CWP had moved to a one-year budget cycle. Concern was expressed at there being a potential bow wave to deal with; there was a need to get works done speedily and not create bigger maintenance problems down the line, which the Chairman acknowledged.

The City Surveyor offered an assurance that the new approach to CWP from 22/23 would be looking to inject pace. The update presented at this meeting reported on the current system of delivering works over three years. From 22/23 CWP bids would all be about adding pace and identifying urgent projects.

RESOLVED: That Members: -

- Note the progress of current CWP programmes of work;
- Approve the requirement for up to £1.5 million of the 21/22 CWP Programme funding to be carried forward in to a second year. Projects affecting this carry forward will be reported in the end of year outturn report.

11. CYCLICAL WORKS PROGRAMME 22/23 BID REPORT

The Sub-committee considered a report of the City Surveyor setting out the bid for the 22/23 Cyclical Works Programme (CWP) in line with the new approach to the CWP which was agreed by this Sub-committee on the 15 September 2020.

Members noted that the entirety of the CWP was unlikely to be affordable given the current financial pressures and that a risk-based approach had been adopted in looking to reduce costs. It was further highlighted that the Chairman had requested a deep dive into the current backlog of maintenance and what the next five years of CWP funding requirement was likely to be. The Chairman welcomed the deep dive session in helping to understand and address the backlog.

The Chairman assured Members that the deep dive would include reference to addressing CWP moving forward, and choices being presented to agree criteria. It was highlighted how major projects in the planning pipeline were likely to remove a lot of the CWP and this would be a part of the deep dive.

RESOLVED: That Members: -

- Note the required level of funding of £29.9m for the CWP 22/23 Bid
- Agree the risk-based approach which requires funding of £11,090,000
- Agree that the programme will be delivered over a 2-year period
- Note the list of capital projects valued at £17,167,000 put forward as part of the 22/23 capital bid process
- Note the level of backlog maintenance for 22/23
- Note that required funding for repair and maintenance on operational assets is likely to remain substantially unfunded unless/until the number of property assets can be reduced

12. BUSINESS PLAN 2021-26 QUARTER 2 2021/22 UPDATE

The Sub-committee received a report of the City Surveyor providing details of progress in quarter 2 (July to September) 2021/22 against the 2021-26 Business Plan.

Members noted that as at the end of Q2 the department was projecting a year end overspend. £3m of the start of year savings target of £4.125m had been achieved and efforts of the management team remained ongoing in exploring steps to bring this closer to balance by year-end.

RESOLVED That the report be received and its content noted.

13. CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER -QUARTER 2 2021/22 UPDATE

The Sub-committee considered a report of the City Surveyor that provided Members with a quarterly update on the management of risks within the City Surveyor's Department.

Members noted that the Risk Register had undergone a significant revision since the last update presented in September. This followed a review programme undertaken over the summer recess. The resultant risks were now more strategic in scope, and much better aligned to the Business Plan.

A member questioned whether the 'Repairs and Maintenance' risk focussed on operational property rather than investment and questioned if there should be a separate risk for each area. The City Surveyor clarified that investment properties had different risks. The risks presented to this Sub-committee related to the operational property portfolio.

RESOLVED: That the report be received, and its content noted.

14. DRAFT CITY SURVEYOR'S DEPARTMENT BUSINESS PLAN FOR 2022/23

The Sub-committee received a report of the City Surveyor presenting a draft Business Plan for the City Surveyor's Department for 2022/23.

Members noted that the Business Plan had been presented in line with guidance from Town Clerk's Department. With changes to departments across the organisation through the Target Operating Model (TOM), the plan was

being presented to give a current view of the department, hence the Central Criminal had not yet been included.

The Chairman remarked on it being of interest to see how the Business Plan evolves following delivery of the TOM.

RESOLVED: That Members: -

- Note the factors taken into consideration in compiling the City Surveyor's Departmental Business Plan; and
- Approve the departmental Business Plan for 2022/23 (or the elements therein that fall within this committee's Terms of Reference).

15. THE CITY'S HERITAGE ESTATE - MID YEAR UPDATE

The Sub-committee received a report of the City Surveyor providing an update on the objectives previously agreed together with a review of the overall programme undertaken by the City Surveyor in respect to the asset management and maintenance of the City of London Corporation's extensive and unique Heritage Estate of over 870 assets.

Members noted the report offered a mid-year update on activity on the City Corporation's Heritage Estate, with a dashboard and RAG status included as had previously been requested.

The Chairman acknowledged the importance of this Sub-committee keeping the Heritage Estate under review and welcomed the good progress that was being made.

RESOLVED: That the report be received, and its content noted.

16. CORPORATE ASSET MANAGEMENT STRATEGY 2020-25 - PROGRESS UPDATE

The Sub-committee received a report of the City Surveyor providing a summary of the progress made on delivering the Asset Management Strategy and its objectives.

Members noted that this was the first annual report following agreement of the Asset Management Strategy last year. Good progress was being made and with a key area of focus moving forward being better utilisation of assets and meeting the standard of good across the entire operational property portfolio.

The Chairman welcomed the good progress that was being made.

RESOLVED: That Members: -

- Note the progress on the new Corporate Property Asset Management Strategy 2020-25.

17. SECURITY UPDATE

Members received an oral update on key areas relating to security as follows:

- Progress continued with action against the two individuals considered responsible for damage to Guildhall as part of the Extinction Rebellion protest. Both individuals had pleaded not guilty to an offence and were due to go on trial.
- UK terror threat level having moved to severe meaning an attack was considered highly likely. All event security plans at the City Corporation had been reviewed to ensure robust security measures were in place. This had seen no significant changes as the City Corporation was already operating at heightened alert. Each event would be reviewed to ensure appropriate measures were put in place.

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

Clocks – A Member highlighted clocks in the building all showing different times and asked for these be put on the correct time, which the City Surveyor agreed to arrange.

Outstanding Items - A Member referred to items that were being kept under review by this Sub-committee and questioned what would happen to these as part of the proposed merger of committees as part of the Governance Review. The Chairman assured Members that he would ensure that the business of this Sub-committee would be properly addressed in any new committee.

Scenic Lift Tower Car Park – A Member thanked officers for resolving issues with the lift. It was suggested signage be displayed in future directing people to an alternative lift when a lift was out of order. Members noted that there was an agreed process to follow for displaying signs and that the City Surveyor would follow up on this to make sure the team were following this process.

19. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

20. 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.

21. NON-PUBLIC MINUTES

The non-public minutes of the previous meeting held on 30 September 2021 be approved as an accurate record.

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

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

RECEIVED

23. **GUILDHALL COMPLEX - REFURBISHMENT OPTIONS FOR THE NORTH AND WEST WINGS**

The Sub-committee considered a report of the City Surveyor relating to refurbishment options for the Guildhall Complex North and West Wings.

24. **HIGHWAY LAND DISPOSAL: 4 LINDSEY STREET, EC1A**

The Sub-committee considered a report of the City Surveyor relating to a highway land disposal at 4 Lindsey Street EC1A.

25. **HIGHWAY LAND DISPOSAL: 50 FENCHURCH STREET, EC3M 3JY**

The Sub-committee considered a report of the City Surveyor relating to a highway land disposal at 50 Fenchurch Street EC3M 3JY.

26. **ANNUAL REPORT ON OPERATIONAL PROPERTY PORFOLIO**

The Sub-committee received a report of the City Surveyor providing an annual update report on the City Corporation's operational property portfolio.

27. **WOODREDEN FARM AND EQUESTRIAN CENTRE**

The Sub-committee received a report of the City Surveyor relating to Woodreden Farm and Equestrian Centre.

28. **NON PUBLIC ACTION TAKEN BETWEEN MEETINGS**

The Sub-committee received a report of the Town Clerk updating on non-public decisions taken under delegated or urgency procedures since the last meeting.

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 3.31pm

Chairman

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