

POLICY AND RESOURCES COMMITTEE

Thursday, 20 January 2022

Minutes of the meeting of the Policy and Resources Committee held as a hybrid meeting in Committee Rooms, 2nd Floor, West Wing, Guildhall and via Microsoft Teams and livestreamed at <https://www.youtube.com/watch?v=PozKEgEwtKg> on Thursday, 20 January 2022 at 1.45 pm

N.B. This meeting was held as an informal one, with the views reached by the Committee formally approved by the Town Clerk after the meeting, in accordance with the Court of Common Council's Covid Approval Procedure. This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court's decision of 16 December 2021 to continue with virtual meetings, with formal confirmation of decisions provided through a delegation to the Town Clerk after the informal meeting has taken place and the will of the Committee is known.

Present

Members:

Deputy Catherine McGuinness (Chair)
Christopher Hayward (Deputy Chairman)
Deputy Keith Bottomley (Vice-Chairman)
Deputy Tom Sleight (Vice-Chair)
Rehana Ameer
Nicholas Bensted-Smith (Ex-Officio Member)
Tijs Broeke
Mary Durcan
Anne Fairweather
Marianne Fredericks
Alderman Timothy Hailes
Caroline Haines
Deputy Wendy Hyde (Ex-Officio Member)
Deputy Jamie Ingham Clark
Shravan Joshi
Deputy Edward Lord
Alderman Ian Luder
Alderman & Sheriff Nicholas Lyons
Jeremy Mayhew
Andrew McMurtrie
Wendy Mead
Deputy Andrien Meyers
Deputy Brian Mooney (Chief Commoner) (Ex-Officio Member)
Sir Michael Snyder
Deputy James Thomson (Ex-Officio Member)
Mark Wheatley
Deputy Philip Woodhouse
Alderman Sir David Wootton

Officers:

John Barradell	- Town Clerk and Chief Executive
Michael Cogher	- Comptroller and City Solicitor
Paul Double	- City Remembrancer

Paul Wilkinson	- City Surveyor
Caroline Al-Beyerty	- The Chamberlain
Damian Nussbaum	- Director of Innovation & Growth
Bob Roberts	- Director of Communications
Peter Lisley	- Assistant Town Clerk
Greg Moore	- Assistant Town Clerk
Polly Dunn	- Town Clerk's Department
Chris Rumbles	- Town Clerk's Department
Eugenie de Naurois	- Head of Corporate Affairs
Andrew Carter	- Director of Community and Children's Services
Nicholas Gill	- Investment Property Director
Dominic Barker	- Speechwriter to the Policy Chair
Emma Moore	- Chief Operating Officer and Acting Deputy Town Clerk
Anna Dunne	- City Surveyor's Department
Simi Shah	- Innovation & Growth Department

1. **APOLOGIES**

Apologies were received from Ruby Sayed and the Rt Hon The Lord Mayor Alderman Vincent Keaveny.

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

The Deputy Chairman confirmed he had a declaration in respect of an item in the confidential part of the agenda, which he would make at the appropriate point in the meeting.

3. **MINUTES**

- a) The public minutes of the Policy and Resources Committee meeting held on 16 December 2021.

Matters arising

Electoral Registration – Alderman Tim Hailes observed that the wording used might give the false impression that he had been opposed to the policy decision not to enfranchise staff at this point in time; rather, he had been in agreement with the Committee that changing the arrangements would not be appropriate at this point in time, but had expressed his view that this should not constitute a permanent policy position and should be properly reconsidered at an appropriate point in time, with it being positive for the City Corporation to do so. The Alderman asked that the minute be amended to accurately reflect this position, as did Edward Lord and Tijs Broeke to reflect their similar positions.

RESOLVED: That the public minutes of the Policy and Resources Committee meeting on 16th December 2021 be approved subject to the above clarification being included.

- b) The draft public minutes of the Resource Allocation Sub-Committee meeting held on 17 December 2021 were noted.

At this point in the meeting, it was agreed that item 14 (“Any the business which the Chair considers urgent”) should be taken, given the latest Government announcement relating to Covid-19 restrictions being lifted.

14. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

Urgent Item: Informal / Virtual Meetings

The Chair remarked on how she was sure all Members would share in her delight at seeing Covid-19 restrictions being lifted and the opportunity this presented to start seeing people returning to the Square Mile once again. The Chair added how this provided an opportune moment to think again regarding the City Corporation’s meeting arrangements moving forwards. The Chair proposed reverting back to normal meeting arrangements and lifting the Covid Approval Procedure, with this taking effect from Thursday 27th January 2022 to allow reasonable notice to be given to Members who may have already made arrangements for meetings in the interim period.

Members acknowledged that reverting to normal meeting arrangements would prevent them from participating virtually in Local Authority meetings, whilst noting they would still be able to observe meetings virtually should they wish to do so.

There was unanimous support for a return to business as usual, with a number of Members suggesting a need for flexibility to allow virtual participation in meetings where possible. It was suggested that Chairs would need to follow a pragmatic approach at their meetings.

The Comptroller responded and reminded Members that the position regarding virtual participation in Local Authority meetings was not one of the City Corporation’s own making, with Government refusing to extend legislation that allowed for this. As things stand, the position remains that Members have to attend physically to participate in Local Authority meetings, which means non-participation and there being a limited opportunity for contributing when joining online. The Comptroller suggested that the pragmatic, risk-based approach proposed for participation in items, whereby some discretion be exercised when considering ‘information’ items and any business at a non-decision-making sub-committee, may best be avoided. This was because it would run the risk of legal challenge in certain committees, especially as Members were likely to want to speak to more controversial items.

The Chair proposed appropriate guidance be offered to Chairs and sought Members’ agreement to reverting to normal meeting arrangements, effective from 27th January 2022.

RESOLVED: That Members agree to the removal of Covid-19 Approval Procedure and a return to normal Committee meeting arrangements, taking effect from Thursday 27th January 2022.

The Chief Operating Officer and Acting Deputy Town Clerk took the opportunity to update Members on the proposed two stage process for a return of staff to the workplace. From 31st January 2022 staff would be asked to return to the office at least two days a week, moving to at least three days in the workplace by the end of February. Use of QR codes was to be removed, face coverings would continue to be elective and capacity limits in meeting rooms would also end.

The Chair concluded the item and remarked on how it would be good to start seeing more people back in the City.

4. **CAPITAL FUNDING – PRIORITISATION OF 2022/23 ANNUAL CAPITAL BIDS – STAGE 2 FINAL PROPOSALS**

The Committee considered a report of the Chamberlain presenting Capital Bids – Stage 2 final proposals.

It was noted that the St Paul's Gyratory bid was approved under delegated authority.

RESOLVED: That Members: -

- Note the revised total value of 2022/23 bids of £45.6m (subject to final confirmation).
- Agree that the revised bids relating to three schemes detailed in paragraph 6 be rated as green, noting the final approval of the amount for the St Paul's Gyratory revised bid that had been granted under delegated authority.
- Confirm the proposed final RAG rating of £26.2m green, £12.6m amber and £6.8m red (detailed in the appendices).
- Agree that funding for the green bids of £26.1m be agreed in principle and incorporated into the medium-term financial plans of City Fund and City's Cash (noting that the balance of £0.1m has already been agreed by the BHE Board).
- Note that amber and red bids will be deferred with amber-rated bids to be placed on a reserve list to be progressed if savings are later identified from the provisions for green bids.
- Agree 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 'one-in, one-out' approach to funding of bids outside of the annual process be operated.
- Agree to the carry- over of the unallocated provision of £27.7m of loan facilities previously agreed for the Police and HRA.

5. **DEPARTMENTAL 2022/23 BUDGET ESTIMATES**

The Committee considered a revised revenue budget for 2021/22 and the proposed revenue budget for 2022/23 in relation to the services directly overseen by the Committee.

RESOLVED: That Members: -

- Approve the Deputy Town Clerk's, Remembrancer's, Executive Director of Innovation and Growth's and City Surveyor's proposed revenue budgets for 2022/23 for submission to the Finance Committee;
- Approve the Deputy Town Clerk and Remembrancer Department's proposed capital and supplementary revenue projects budgets for 2022/23 for submission to Finance Committee;
- Authorise the Chamberlain, in consultation with the Deputy Town Clerk, Remembrancer, Executive Director of Innovation and Growth and the City Surveyor to revise these budgets to allow for any further implications arising from Corporate Projects, Target Operating Model (TOM) savings, other reviews and changes to the Cyclical Works Programme; and
- Agree that minor amendments for 2021/22 and 2022/23 budgets arising during budget setting be delegated to the Chamberlain.

6. **DRAFT TOWN CLERK'S CORPORATE & MEMBERS SERVICES BUSINESS PLAN FOR 2022/23**

The Committee considered a report of the Town Clerk presenting a Business Plan for Corporate and Members Services for 2022/23.

RESOLVED: That Members: -

- Approve the departmental Business Plan for Town Clerk's Corporate and Members Services for 2022/23 (the elements therein that fall within this committee's Terms of Reference).

7. **DRAFT COMMUNICATIONS TEAM BUSINESS PLAN FOR 2022/23**

The Committee considered a report of the Director of Communications presenting a Business Plan for the Communications Team for 2022/23.

RESOLVED: That Members: -

- Approve the Business Plan for the Communications Team for 2022/23.

8. **DRAFT INNOVATION & GROWTH BUSINESS PLAN 2022/23**

The Committee considered a report of the Director of Innovation & Growth presenting a Business Plan for Innovation & Growth for 2022/23.

RESOLVED: That Members: -

- Note the factors taken into consideration in compiling the Innovation & Growth Business Plan; and

- Approve the departmental Business Plan for Innovation & Growth for 2022/23 (the elements that fall within this committee's Terms of Reference)

9. **DRAFT REMEMBRANCER'S OFFICE BUSINESS PLAN FOR 2022/23**

The Committee considered a report of the Remembrancer presenting a Business Plan for Remembrancer's Office for 2022/23.

RESOLVED: That Members: -

- Approve the departmental Business Plan for the Remembrancer's Office for 2022/23.

10. **QUARTER 3 UPDATE ON CLIMATE ACTION**

The Committee considered a report of the Town Clerk reporting the results of the planned quarter 3 review of the inaugural year of the Climate Action Strategy (CAS).

The Vice Chair welcomed the progress against CAS year 1 plans to date. The Vice Chair commented on the Centre for Excellence as being essential to delivery of key CAS targets and noted that there had been a delay in establishing this. The Vice Chair sought reassurance on the establishment of a Centre for Excellence, to which the Climate Action Project Director responded confirming a key condition of the CAS was to deliver and execute. Members were assured that design partnership issues with the provider had now been resolved and that a Centre for Excellence would be up and running by 1st February 2022.

A Member, also Chairman of Finance Committee, referred to the project spend to date being under what had originally been budgeted for and suggested with it being a multi-year programme that these amounts would need to flow forward into future years to allow catch up in areas of underspend. Members noted that the underspend was as a result of achieving efficiencies in certain areas and through project delays, with these areas being reflected in the regular updates moving forward.

RESOLVED: That Members: -

- Note the progress, risks and issues arising between October to December 2021 of year 1 of implementing the Climate Action strategy.
- Approve delegated authority for approval of the initial Y2 plans and budget.

11. **PIF BID - SUMMIT ON IMPACT INVESTING**

The Committee considered a report of the Director of Innovation and Growth proposing a one-day Summit on Impact Innovation ("Impact Summit") to be hosted by the Lord Mayor and an allocation of funding from the Policy Initiatives Fund in support.

The Chair welcomed the proposal and confirmed that she was very supportive of the bid, noting it aligned with the Mayoral Theme, "People and Purpose".

The Chair did, however, highlight that the Impact Summit was also in keeping with key corporate policy. With this in mind, the Chair proposed a collaborative 'one team' approach, with the event being jointly hosted by the Lord Mayor and Chair of Policy, which received the support of Members.

RESOLVED: That Members: -

- Agree to the Impact Summit being a jointly hosted event by the Lord Mayor and Chair of Policy: and
- Approve £100,000 being allocated from the 2021/22 PIF budget to ensure high quality delivery of the 2022 Impact Summit. This will only be drawn on if sponsor commitments do not cover the full costs of the Impact Summit.

12. SPONSORSHIP FOR THINK TANK REPORT ON 'LEVELLING UP'

The Committee considered a report proposing the City Corporation sponsor the Centre for London's report into the Government's levelling up agenda and its impact on London.

The Chair confirmed for complete clarity that she was briefly a trustee of the Centre for London, but was no longer.

A Member referred to the narrative on levelling up being focussed on north versus south, but with there also being significant areas of socio-economic challenge and poverty in Greater London that needed bringing into public discourse and addressed, which the Chair acknowledged as something the City Corporation needed to be mindful of in its work and communications in this area.

RESOLVED: That Members: -

- Agree to an allocation of £35,000 from the 2021/22 Policy Initiatives Fund towards a research proposal on levelling-up by the Centre for London.

13. LONDON COUNCILS GRANTS SCHEME

The Committee considered a report of the Town Clerk presenting total expenditure to be incurred under the London Councils Grants Scheme and also the City Corporation's contribution to it.

RESOLVED: That Members: -

- Approve the total amount of expenditure to be incurred in 2022/23 under the Scheme (£6.668m) and to the City Corporation's subscription for 2022/23 (£8,102) as set out in Appendices A and B of this report; and
- subject to the Court of Common Council's approval (as levying body for the Scheme), the levy of £6.668m (as set out in Appendix B) be agreed.

14. ELECTORAL ENGAGEMENT UPDATE

The Committee received a report of the Chief Operating Officer and Acting Deputy Town Clerk updating on the work undertaken prior to the Ward List registration deadline on 16 December 2021 and presenting findings to be addressed in future campaigns.

The Chair welcomed the update and put on record her thanks to the Electoral Engagement Team for all the work they had done to date.

It was noted that the figures quoted within paragraph 5 within the report had not been finalised, although officers did not think it would differ significantly.

A Member noted the Ward List currently stood at c19,000 voters and this appeared to offer a very fragile mandate. The Member questioned whether it was time to start looking at what could be done to improve this, including a request that the City look at alternative voting systems e.g., electronic voting. It was consequently stressed that electronic voting was a wider issue beyond the City, and one that required changes to primary legislation. Electronic voting formed part of an experiment being undertaken by Central Government. Whilst this particular matter would need to be addressed eventually, it was felt that now was not an appropriate time.

A Member referred to the numbers eligible to register and that voting day was likely to see a turnout of 35%, which would weaken the mandate even further.

The Deputy Chairman put forward a personal view that these were not considerations for the meeting today but should form part of a broader review to be taken in the round following the City-wide Common Council elections in March 2022. This would allow an opportunity to understand lessons learned and to address these in advance of the next Ward elections in three years' time. This suggestion was supported by Members.

Following a question about what more could be done to encourage turnout on voting day, the Chair stressed that it was the responsibility of Members rather than City Corporation Officers, to be out in their wards encouraging people to vote.

Edward Lord put forward a motion that there be a review of electoral matters, to commence during the year immediately following the City wide elections being held in March 2022, which Brian Mooney seconded.

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

15. **COP26 UPDATE**

The Committee received a report of the Executive Director of Innovation & Growth proving an update on activity to deliver the City Corporation's high-level ambitions as part of GHS@COP26.

The Chair put on record her thanks to the Green Finance Institute, noting that it showed the City at its best and acknowledging that the City Corporation's

finance hub would not have had the same reach and impact without their invaluable contribution.

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

16. FRASER IMPLEMENTATION INTERIM UPDATE

The Committee received a report of the Director of Innovation & Growth setting out progress against the recommendations of the Fraser Review of Competitiveness.

The Chair stressed a need to continue working corporately and as one team on this important agenda.

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

17. POLICY INITIATIVES FUND AND COMMITTEE CONTINGENCY

The Committee received a report of the Chamberlain providing a schedule of projects and activities which had received funding from Policy Initiatives Fund, the Policy and Resources Committee's Contingency Fund, Committee's Project Reserve and COVID19 Contingency Fund.

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

18. HOUSING REVENUE ACCOUNT - REVIEW OF 5 YEAR PLAN

The Committee received a report presenting a review of the 5-year finance plan for the House Revenue Account (HRA).

The Chair confirmed this paper related to a discussion later on the agenda at item 23 Water Recharge Refunds for Secure Tenants.

A Member, also Chairman of Housing Management and Almshouses Subcommittee (HM&ASC) welcomed what she considered to be an excellent report. The Member referred to a full discussion having already taken place at HM&ASC and Community and Children's Services Committee on the issue of water recharges. The Member did not consider it appropriate to bring the item to Policy and Resources Committee for consideration in an effort to overturn the decision that had already taken, simply because a Member did not like the decision reached.

A Member, also Chairman of Finance Committee, acknowledged the Member's point noting the detailed discussion and wide-ranging debate that took place at HM&ASC, recognising the financial risk and acknowledging the HRA at the moment was properly funded and the risks around it understood.

A Member suggested there would benefit in receiving a report setting out the weak state of the HRA and pressures it would face in the coming years. The Member suggested officers be tasked with providing a report setting out the pros and cons of transferring council owned property into a Housing Association.

There was support for this proposal, with it suggested that there was a need to understand the ability of the HRA to be able to borrow and what this would mean for the financial stability of the fund. Where the HRA was constrained, were there alternative options e.g. setting up separate vehicle or potentially transferring the housing estate to a much larger Housing Association? It was suggested all options needed exploring. A Member sought clarity on the budget deficit of the HRA, with an options appraisal needed.

The Chair suggested the final two points raised were questions for the HM&ASC to consider. It was agreed that a copy of the minute of this item be submitted to HM&ASC.

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

19. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS**

The Committee received a report of the Town Clerk updating Members on action taken in consultation with the Chair and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and 41(b) since the last meeting.

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

20. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

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

Resource Allocation Sub-committee (RASC) appointment – the Chair referred to a vacancy on RASC caused by Karina Dostalova's recent departure from the Court. Members noted that only one meeting of RASC remained in this municipal year and were minded not to fill the vacancy for such a short period.

RESOLVED: That Members agreed to the vacant position on Resource Allocation Sub-committee remaining vacant for the final meeting in the municipal year being held on 3rd February 2022.

22. **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 of business 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.

23. **NON-PUBLIC MINUTES**

- a) The non-public minutes of the Policy and Resources Committee meeting held on 16 December 2021 were approved.

- b) The draft non-public minutes of the Resource Allocation Sub-Committee meeting held on 17 December 2021 were noted.
 - c) The draft non-public minutes of the Hospitality Working Party meeting held on 23 November 2021 were noted.
24. **OVERALL FINANCIAL POSITION AND MEDIUM-TERM FINANCIAL PLAN**
The Committee considered a report outlining the financial position and medium-term financial plan for City Fund and City Cash.
25. **WATER CHARGE REFUNDS FOR SECURE TENANTS**
The Committee considered a report of the Director of Community and Children's Services presenting information on water charge refunds for secure tenants.
26. **GUILDHALL COMPLEX - REFURBISHMENT OPTIONS FOR THE NORTH AND WEST WINGS**
The Committee considered a report of the City Surveyor presenting options for the refurbishment of Guildhall Complex North and West Wings.
27. **CITY FUND - LEADENHALL MARKET COVID 19 FUND BID**
The Committee considered a report of the City Surveyor presenting a Leadenhall Market Covid-19 Fund bid.
28. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS**
The Committee received a report updating on decisions taken between meetings under delegated or urgency powers.
29. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE 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.**

State of the City Report - Members received an update on the ongoing work on a State of the City report.

COP26 - Members received an update on work following COP26 and what was being done to deliver on this important agenda.

31. **CONFIDENTIAL MINUTES**
The Confidential minutes of the Policy and Resources Committee meeting held on 16th December 2021 were approved.
32. **MARKETS CO-LOCATION PROGRAMME - PROGRESS REPORT AND BUDGET REQUEST**

The Committee considered a joint report of the City Surveyor, Project Governance Director, Chief Operating Officer, Markets Director and Chamberlain updating on progress with the Markets Co-location Programme.

33. **TARGET OPERATING MODEL PROPOSAL - CITY SURVEYOR'S DEPARTMENT (CENTRAL CRIMINAL COURT & ENABLING SERVICES)**

The Committee considered a report of the City Surveyor setting out Target Operating Model proposals for the City Surveyor's Department relating to enabling services.

34. **TOM & GOVERNANCE REVIEW: GUILDHALL SCHOOL OF MUSIC & DRAMA**

The Committee considered a report of the interim Principal of the Guildhall School of Music and Drama presenting Target Operating Model and Governance Review proposals relating to Guildhall School of Music and Drama.

35. **TOM & GOVERNANCE REVIEW: BARBICAN CENTRE**

The Committee received a report of the Managing Director of the Barbican Centre setting out Target Operating Model and Governance Reviews proposals for the Barbican Centre.

The meeting ended at 4.15pm

Chair

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