

OPERATIONAL PROPERTY AND PROJECTS SUB COMMITTEE
Monday, 30 May 2022

Minutes of the meeting of the Operational Property and Projects Sub Committee held at Committee Rooms, West Wing, Guildhall on Monday, 30 May 2022 at 1.45 pm

Present

Members:

Alderman Timothy Hailes (Chair)
Deputy Shravan Joshi (Deputy Chairman)
Deputy Rehana Ameer
Deputy Randall Anderson
Deputy Keith Bottomley
Deputy Henry Colthurst
Deputy Edward Lord
Paul Martinelli

Officers:

Joseph Anstee	- Town Clerk's Department
Jonathan Cooper	- City Surveyor's Department
Melanie Charalambous	- Environment Department
Leah Coburn	- Environment Department
Gillian Howard	- Environment Department
John James	- Chamberlain's Department
Jessica Lees	- City Surveyor's Department
Lisa Moore	- Chief Operating Officer's Department
Rohit Paul	- Chief Operating Officer's Department
Jonathon Poyner	- Barbican Centre
Jason Hayes	- Community & Children's Services Dept.
Andy Barnard	- Environment Department
Dorian Price	- City Surveyor's Department
William Roberts	- Chamberlain's Department

At the start of the meeting, Deputy Edward Lord, as the senior Member present, was moved into the Chair until the election of a Chair.

1. APOLOGIES

Apologies for absence were received from Deputy Christopher Hayward.

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

There were no declarations.

3. TERMS OF REFERENCE

The Sub Committee received and noted its terms of reference as agreed by the Policy & Resources Committee on 5 May 2022.

4. **ELECTION OF CHAIR**

The Sub Committee proceeded to elect a Chair in accordance with Standing Order No.29. The Town Clerk invited expressions of interest and Alderman Tim Hailes, being the only Member who expressed their willingness to serve, was duly elected as Chair of the Sub Committee for the ensuing year. The Chairman thanked Members for their support and expressed his anticipation in leading the new Sub Committee during its first year.

5. **ELECTION OF DEPUTY CHAIR**

The Sub Committee proceeded to elect a Deputy Chair in accordance with Standing Order No.30. The Town Clerk invited expressions of interest and, there being two Members expressing their willingness to serve, a ballot of Sub Committee Members present was undertaken. Arising from the ballot, Deputy Shравan Joshi was duly elected as Deputy Chair of the Sub Committee for the ensuing year.

6. **APPOINTMENT OF CO-OPTED MEMBERS**

The Sub Committee proceeded to appoint up to two co-opted Common Councillors for the 2022/23 municipal year, as per the Sub Committee's terms of reference. The Town Clerk advised that expressions of interest had been sought from the Court of Common Council and there were two candidates seeking appointment, Deputy Michael Cassidy and Anett Rideg, for whom supporting statements had been circulated ahead of the meeting.

RESOLVED – That Deputy Michael Cassidy and Anett Rideg be appointed to the Sub Committee for the ensuing year.

7. **GATEWAY APPROVAL PROCESS**

RESOLVED – That the Gateway Approval process be received.

The Chair advised that there would be separate briefings on the Gateway process available if Members felt this would be beneficial.

8. **MINUTES***

RESOLVED – That the public minutes and non-public summary of the Corporate Asset Sub Committee meeting on 17 January 2022, the Procurement Sub Committee meeting on 18 January 2022 and the Projects Sub Committee meeting held on 17 February 2022 be noted.

9. **PROJECT GOVERNANCE**

The Sub Committee considered a report of the Chief Operating Officer outlining interim arrangements for project governance, including a temporary request for delegated authority to Tier 1 Chief Officers, to approve all reports for projects with an estimated cost of below £1m (excluding risk). The Chief Operating Officer introduced the report and drew Members' attention to the key points, advising that the proposals prefaced a wider review of the Project procedure which would be brought back to the Sub Committee.

Members commented that they supported the proposals, noting that this followed successful increases in delegated authority thresholds in other areas. A Member proposed that those exercising delegated authority be required to complete appropriate modules of the Project Management Academy to ensure that those with delegated authority are properly skilled and trained in exercising that authority.

RESOLVED – That the Operational Property and Projects Sub Committee agree to:

- i. Delegate authority for all projects with an estimated cost of below £1m (excluding risk) to Tier 1 Chief Officers and officers listed in Appendix 1 for approval;
- ii. Note that Members will be presented with a range of options for revised thresholds in July; and
- iii. Note that another report will be submitted in October to amend the Projects Procedure.

10. **CLARIFICATION OF FINANCIAL APPROVAL AND GATEWAY PROCEDURES FOR FRAUD & CYBER CRIME REPORTING & ANALYSIS SERVICE (FCCRAS)**

The item was withdrawn.

11. **RESPONSIBLE PROCUREMENT POLICY UPDATE**

The Sub Committee considered a report of the Chief Operating Officer seeking approval to refocus the commitments in the Responsible Procurement (RP) Policy using the efficiency principles under the Target Operating Model (TOM), better align with the TOM's strategic priorities of Climate Action and Equality, Diversity and Inclusion, and the broader ESG objectives of the Corporation. The Chief Operating Officer introduced the report and outlined the key points for Members.

The Sub Committee was advised that the commitments would focus on what suppliers were doing for underrepresented groups in their industry, how they were creating an inclusive environment and delivering inclusive services, and working with suppliers who have processes in place to record and deal with incidents of harassment based on protected characteristics. Members noted that data was relevant in assessing processes and that it was expected that benchmarking around EDI, would be implemented, and that policies would be in place.

A Member noted that the tenders were currently balanced on the basis of a 60/40 quality/price weighting split and suggested that this could be reviewed to assess whether 50/50 would be preferable. Another Member suggested taking a sample of the tenders over the past year for assessing the impact of this. The Chair proposed that the Sub Committee agree the recommendations, but carry forward this suggestion for review.

RESOLVED – That the Operational Property and Projects Sub Committee:

1. Approve changes to the Responsible Procurement Policy, in particular refocusing from 18 commitments to the proposed six;
2. Approve amendment to the responsible procurement weighting establishing it as an overall score of 10% from 1 September 2022; and
3. Approve an uplift in the responsible procurement weighting to 15% of the overall score effective 1 April 2023.

12. **CYCLICAL WORKS PROGRAMME 2021/22 OUTTURN & CARRY FORWARD REPORT**

The Sub Committee considered 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) at the end of the financial year for 2021/22. The City Surveyor introduced the report and drew Members' attention to the key points. The Chair commented that there would be several areas, such as variances in terms of spend against specific items and the pace of delivery, that the Sub Committee would want to thoroughly understand as they are on the receiving end of comments from constituents, both businesses and residents about the speed at which things are being executed. However, the usual challenges of the past few years would need to be taken into consideration.

The Sub Committee noted the regular programme underspends and sought assurances that quality and delivery were not unduly sacrificed in order to keep under budget, and whether sufficient funds were kept as a contingency for inflationary risks, both currently and looking forward. Members further noted the risks of not undertaking works, which consequently led to more costly works later down the line, particularly with regards to the Golden Lane Estate.

In response to questions from Members, the City Surveyor advised that the figures in respect of the Golden Lane Estate predominantly arose from the Golden Lane Leisure Centre and Barbican Centre, which were late additions to the programme. The City Surveyor advised that officers always explored ways of doing works that would save money but certainly would not sacrifice quality. There were complications around heritage assets and varying lengths of programmes, but efforts would be made to clear up the historic programme of works. Officers then outlined the situation in respect of the Barbican Centre and Guildhall School and suggested a site visit to assess current issues and the condition of the assets. The Chair noted that even where there was sufficient budget in place there were sometimes concerns over resource and thanked officers for their update.

A Member commented that the format of the chart on construction costs had been helpful and encouraged wider use of this format, adding that due consideration would be required of the significant cost pressures such as inflation over the next few years, as well as appropriate contingency for construction costs. The City Surveyor advised that that CWP bids were

formulated from the forward maintenance plans, with an uplift of around 20% applied.

RESOLVED – That the Operational Property and Projects Sub Committee:

1. Note the progress of current CWP programmes of work;
2. Approve the carry forward from 2017/18 & 2018/19 budgets of £596k;
3. Note the reprofiling of 2019/20 programme of £1.88million to be spent in the 2022/23 financial year;
4. Note the reprofiling of 2020/21 programme of £574k to be spent in the 2022/23 financial year; and
5. Note the reprofiling of 2021/22 programme of £184k to be spent in the 2022/23 financial year.

13. **GATEWAY 1-4 - BARBICAN ESTATE TOWER LIFT REFURBISHMENT**

The Sub Committee considered a Gateway 1-4 report of the Director of Community & Children's Services regarding the refurbishment of the Barbican Estate Tower Lifts. In response to a question from a Member, the Director of Community & Children's Services advised that they would confirm that enough funding was held in reserve to cover leaseholder contributions if necessary. Members requested as a general style point that Corporate Projects Board not be included amongst the list of Committees on the report template.

RESOLVED – That the Operational Property and Projects Sub Committee agree:

1. That budget of £50,000 is approved to engage a specialist lift consultant to undertake liaison with internal and external stakeholders, to formulate a specification to tender and cover staff costs;
2. Note the project budget of £50,000 (excluding risk);
3. Note the total estimated cost of the project at £4,600,000(excluding risk); and
4. That Option 1 is approved to fully refurbish all nine lifts in the three Barbican Estate Towers.

14. **GATEWAY 1-5 - IT MEMBER DEVICE REFRESH**

The Sub Committee considered a Gateway 1-5 report of the Chief Operating Officer programme of works to replace end of life devices for Elected Members to the Court of Common Council, in line with the approved CoL Members IT Provision Policy. The Chair asked whether the expected lifespan of devices was roughly aligned with standard electoral terms. A Member commented that the usage of City of London devices should be firmly promoted, with less engagement with non-City of London devices if possible.

RESOLVED – That the Operational Property and Projects Sub Committee agree:

1. That the earmarked budget of £300,000 is approved for these works. The next Gateway will be Gateway 6;
2. Note the project budget of £300,000 (excluding risk);
3. Note the total estimated cost of the project at £300,000 (excluding risk); and
4. That Option 1 - Purchase & Deploy new End User Devices is approved.

15. **GATEWAY 2 ISSUE - 1 BROADGATE SECTION 278 HIGHWAY WORKS**

The Sub Committee considered a Gateway 2 Issue report of the Executive Director, Environment on Section 278 highway works to facilitate the new development at 1 Broadgate.

RESOLVED – That the Operational Property and Projects Sub Committee:

1. Authorise officers to proceed with the statutory process and legal agreements required to progress the highway boundary adjustments (appendix 2) pursuant to Section 256 of the Highways Act 1980;
2. Delegate authority to consider any objection to the advertised Section 256 application, and whether to proceed, to the Executive Director Environment (in consultation with the City Solicitor);
3. Delegate any budget adjustments to the Chief Officer should further Section 278 funds be required from the developer prior to Gateway 5 approval; and
4. Authorise officers to enter into a Section 278 agreement with British Land.

16. **GATEWAY 2 - WOOD STREET POLICE STATION S278**

The Sub Committee considered a Gateway 2 report of the Executive Director, Environment regarding highway and public realm improvement works in the vicinity of the development at 37 Wood Street, the site of the former Police Station.

RESOLVED – That the Operational Property and Projects Sub Committee agree:

1. That a budget of £100,000 is approved to reach the next Gateway, fully funded from the relevant Section 106 agreement;
2. Note the total estimated cost of the project at £1,200,000 (excluding risk); and to

3. Authorise officers to enter into a Section 278 agreement with the developer.

17. **GATEWAY 2 - 100 FETTER LANE S278**

The Sub Committee considered a Gateway 2 report of the Executive Director, Environment regarding highway and public realm improvement works in the vicinity of the development at 100 Fetter Lane.

RESOLVED – That the Operational Property and Projects Sub Committee agree:

1. That budget of £50,000 is approved to reach the next Gateway, fully funded from a Section 106 agreement;
2. Note the total estimated cost of the project at £200,000 (excluding risk); and to
3. Authorise officers to enter into a Section 278 agreement with the developer.

18. **GATEWAY 2 - COOL STREETS AND GREENING PROGRAMME: CITY GREENING AND BIODIVERSITY PROJECT**

The Sub Committee considered a Gateway 2 report of the Executive Director, Environment on the City Greening and Biodiversity Project within the Cool Streets and Greening Programme.

RESOLVED – That the Operational Property and Projects Sub Committee:

1. Approve the commencement of the project;
2. Approve the release of £80,000 from the Cool Streets and Greening programme for staff costs, fees and site investigations to reach the next gateway;
3. Note that delivery will be phased across 3 years with an initial Gateway 5 (Chief Officer approved) report in autumn 2022 to enable tree planting to take place in the next planting season; and
4. Note the total estimated cost of the project at £1.5-2.5m.

19. **GATEWAY 2 - BEMS UPGRADE PROGRAMME – PHASE 2**

The Sub Committee considered a Gateway 2 report of the City Surveyor on Phase 2 of the Building Energy Management System (BEMS) project.

RESOLVED – That the Operational Property and Projects Sub Committee agree that:

1. Subject to agreement from RASC, that a budget of £35,000 is approved to be taken from the allocated capital funding to reach the next Gateway;

2. Subject to agreement from RASC, that a Costed Risk Provision of £5,000 is approved (to be drawn down via delegation to Chief Officer in consultation with Chamberlains) to reach the next Gateway;
3. Note the total estimated cost of the project is (excluding risk); £217,391;
4. Note the total estimated cost of the project is (including risk); £249,891 (which is £217,391 + costed risk of £32,500); and
5. Note the total project funding agreed at project brief stage is £250,000.

20. **GATEWAY 2 - PARLIAMENT HILL ATHLETICS TRACK RESURFACING**

The Sub Committee considered a report of the Executive Director, Environment regarding the resurfacing of Parliament Hill Athletics Track. In response to a question from a Member, the Executive Director, environment confirmed that funding had been agreed in principle by Resource Allocation Sub Committee but was subject to approval for drawdown.

RESOLVED – That the Operational Property and Projects Sub Committee agree:

1. That budget of £81,000 is approved to reach the next Gateway; and
2. That a costed risk provision of £30,000 is approved (to be drawn down via delegation to the Chief Officer) see appendix 2.

21. **GATEWAY 2 - LEADENHALL STREET TRAFFIC MANAGEMENT- EASTERN CITY CLUSTER**

The Sub Committee considered a Gateway 2 report of the Executive Director, Environment regarding the delivery of traffic management changes to Leadenhall Street that are to deliver the aspirations of the adopted City Cluster vision.

RESOLVED – That the Operational Property and Projects Sub-Committee:

1. Note and approve the contents of this report;
2. Note and agree that this project's original Gateway 1/2 proposals for Leadenhall Street will not be progressed at this time;
3. Approve a change in project title to 'Leadenhall Street Improvements – City Cluster Vision Programme' to better reflect the approved scope of work;
4. Approve the amendment of the previously agreed budget (no change in the approved overall amount) detailed in Appendix 2, Table 2;
5. Approve the updated funding strategy set out Appendix 2, Table 3;

6. Approve a Costed Risk Provision (CRP) of £57,000 detailed in Appendix 3 (to be drawn down via delegation to Chief Officer);
7. Note that the requested CRP includes provision for the implementation of an experimental timed point closure on Leadenhall Street that can be seen in Appendix 4 should this be required (subject to recommendation 8);
8. By virtue of the promotion of experimental timed point closure proposal being placed within the risk register that authority to implement this is delegated to the Executive Director Environment subject to their prior consideration of the statutory consultation responses, TfLs TMAN process and the Equalities Impact Assessment (and to them being satisfied, following such consideration, that implementation should proceed);
9. Note that the next report to committee is planned for Q2 2023 when funding to progress the transformational scheme for Leadenhall Street may be in place; and
10. Agree that the Director of City Operations, in consultation with the Chairman of the Project Sub Committee and Director Environment as necessary, is to decide whether any project issues or decisions that falls within the remit of paragraph 45 of the 'City of London Project Procedure – Oct 2018' (Changes to projects: General), as prescribed in Appendix 5 of this report, is to be delegated to Chief Officer or escalated to committee(s).

22. GATEWAY 3-5 - ENERGY REDUCTION PROGRAMME: TOWER HILL COACH & CAR PARK LIGHTING AND VENTILATION UPGRADES

The Sub Committee considered a Gateway 3-5 report of the City Surveyor regarding the upgrade of the lighting and ventilation systems at Tower Hill Coach and Car Park. The Sub Committee noted that corrections to the financial information affecting the budget section of the report and Appendix 2 had been circulated ahead of the meeting.

RESOLVED – That the Operational Property & Projects Sub Committee agree:

1. That Option 2 is approved for the delivery of the works and the increase in the project scope to encompass both the lighting and ventilation works as these works relate to the same site and their combination will provide a more cost-effective approach and ensure good alignment of the works under a single main contractor;
2. Note the total estimated cost of the project at £261,218 (excluding risk);
3. Approve a budget of £243,093 for the capital works to reach the next Gateway;

4. Approve a budget of £11,975 for the fees, which include project management support and building control, to reach the next Gateway;
5. Approve allocation of £89,750 which is currently available from the Carbon Fund, in accordance with the approved policy approach (see background papers) to deliver reductions in carbon emissions from retrofitting measures in publicly owned operational buildings;
6. Approve a Costed Risk Provision of £38,472 (to be drawn down via delegation to Chief Officer in consultation with the Chamberlain) to be funded wholly from the Carbon Fund;
7. Enter into a new works agreement with Vital Energi to undertake the works as Principal Contractor and Principal Designer, in accordance with the terms of their existing contract with CoL to deliver services under the National Framework Agreement for Energy Performance Contracting; and
8. Procure the project management support services required to reach the next gateway.

23. **GATEWAY 6 - 60 LONDON WALL S278**

The Sub Committee considered a Gateway 6 report of the Executive Director, Environment regarding the 60 London Wall S278 highway improvements.

RESOLVED – That the Operational Property and Projects Sub Committee:

- i) Approve the content of this outcome report noting that the project was delivered to meet the developers programme and within the budget approved at G5;
- ii) Authorise the Chamberlain's department to return unspent S278 funds to the Developer as set out in the s278 legal agreement (subject to the verification of the final account); and
- iii) Agree to close the 60 London Wall project.

24. **GATEWAY 6 - PROVISION OF CAR PARK CHARGING INFRASTRUCTURE ACROSS THE COMMONS DIVISION AT CAR PARKS AT BURNHAM BEECHES, RIDDLEDOWN AND FARTHING DOWNS**

The Sub Committee considered a report of the Director of Open Spaces regarding the provision of car park charging infrastructure across the Commons Division at car parks at Burnham Beeches, Riddlesdown and Farthing Downs.

RESOLVED – That the Operational Property and Projects Sub Committee note the G6 report and approve closure of the project.

25. **GATEWAY 4 PROGRESS - CITY CLUSTER VISION - WELL-BEING & CLIMATE CHANGE RESILIENCE: JUBILEE GARDENS IMPROVEMENTS***

The Sub Committee received a Gateway 4 progress report on the Jubilee Gardens Improvements project within the City Cluster Vision - Wellbeing & Climate Change Resilience programme.

RESOLVED – That the report be noted.

26. **CLIMATE ACTION STRATEGY - NZ1, NZ3 AND RS3 WORKSTREAM UPDATE FOR THE OPERATIONAL PORTFOLIO***

The Sub Committee received a report of the City Surveyor presenting an update on the key actions of the operational buildings workstreams as part of the Climate Action Strategy (CAS).

RESOLVED – That the report be noted.

27. **2021/22 ENERGY & DECARBONISATION PERFORMANCE Q3 UPDATE FOR THE OPERATIONAL PORTFOLIO***

The Sub Committee received a report of the City Surveyor presenting the 2021/22 Quarter 3 energy performance for CoL operational sites.

RESOLVED – That the report be noted.

28. **CITY SURVEYOR'S BUSINESS PLAN 2021-26 QUARTER 3 2021/22 UPDATE***

The City Surveyor received a report of the City Surveyor providing Members of Property Investment Board (PIB) and Operational Property and Projects Sub Committee (OPPSC) details of progress in quarter 3 (October to December) 2021/22 against the 2021-26 Business Plan.

RESOLVED – That the report be noted.

29. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER - APRIL 2022 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.

RESOLVED – That the report be noted.

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

In response to a question from a Member, the Chief Operating Officer advised that eleven of the reports for decision on the meeting's agenda would not have required the Sub Committee's approval under the interim project governance arrangements agreed earlier, with five still requiring Member approval. The Chair suggested that there would be cases where project decisions should be put to the Sub Committee for approval even where they did not trigger the financial thresholds, due to factors such as political sensitivity.

Referencing the City Surveyor's Department Risk Register noted at Item 29, a Member queried which body had ultimate oversight and authority over the register, noting that Red risks would be submitted to the Sub Committee and

the Audit & Risk Management Committee. The Chair asked that this be taken away for clarification.

A Member suggested that Members would benefit from sight of a list of current projects and the Wards to which they were relevant, which could be circulated on a regular basis. The Chair responded that this was a helpful suggestion and would be taken away.

31. ANY OTHER BUSINESS THE CHAIR CONSIDERS URGENT

There was no other business.

32. 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 item(s) 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.	Paragraph No.
34 – 35, 37, 39	3
36, 38, 40	3,5

33. NON-PUBLIC MINUTES*

RESOLVED – That the non-public minutes of the Corporate Asset Sub Committee meeting on 17 January 2022, the Procurement Sub Committee meeting on 18 January 2022 and the Projects Sub Committee meeting held on 17 February 2022 be noted.

34. GATEWAY 1-4 - CITY OF LONDON SCHOOL FOR GIRLS - 2023 IMPROVEMENT AND REVENUE WORKS

The Sub Committee considered a Gateway 1-4 report of the City Surveyor.

35. GATEWAY 1-5 - LEASE OF 16 STEINWAY MODEL B GRAND PIANOS FOR GUILDHALL SCHOOL OF MUSIC & DRAMA

The Sub Committee considered a Gateway 1-5 report of the Guildhall School of Music and Drama.

36. GATEWAY 1-5 - KENNEL BLOCK ADDITION - HEATHROW ANIMAL RECEPTION CENTRE

The Sub Committee considered a Gateway 1-5 report of the Executive Director, Environment.

37. GATEWAY 6 - POLICE TELEPHONY UPGRADE

The Sub Committee considered a Gateway 6 report of Chief Operating Officer.

38. GLA ROADS - LAND DISPUTE WITH TRANSPORT FOR LONDON: OUTCOME OF ARBITRATION PROCEEDINGS*

The Sub Committee received a report of the Comptroller and City Solicitor.

39. **GATEWAY 5 PROGRESS - SYDENHAM HILL REDEVELOPMENT, LEWISHAM, SE26 6ND***

The Sub Committee received a report of the City Surveyor.

40. **WOODREDON FARM AND EQUESTRIAN CENTRE (RIDING SCHOOL) DISPOSAL - SUMMARY OF PROPOSAL DISPOSAL***

The Sub Committee received a report of the City Surveyor.

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

There was one question.

42. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was no other business.

The Chair then thanked Members and officers in attendance for their contributions before closing the meeting.

The meeting ended at 2.36 pm

Chair

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