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| Committee(s) | Dated: |
| Finance Committee | 15 th November 2022 |
| Subject: Report of (public) Action taken under DA or Urgency procedures since the last meeting of the Committee | Public |
| Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly? | N/A |
| Does this proposal require extra revenue and/or capital spending? | Y/N |
| If so, how much? | N/A |
| What is the source of Funding? | N/A |
| Has this Funding Source been agreed with the Chamberlain's Department? | N/A |
| Report of: Town Clerk | For Information |
| Report author: John Cater, Committee Clerk, Finance Committee | |

Summary

This report advises Members of urgent and/or delegated public action taken by the Town Clerk since the publication of the agenda pack of the last meeting of this Committee, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Orders No. 41(a) and 41(b).

Recommendation

Members are asked to note the report.

Main report

Subject: Rough Sleeping Assessment Centre – capital funding shortfall

Background

Following an independent review of service provision for those who sleep rough in the Square Mile, Members approved a growth allocation of capital and revenue funding to deliver a high support hostel for those with complex needs, and an assessment centre providing a place for safe assessment away from the streets and emergency beds. The assessment centre is to be located in the Square Mile.

Members approved a capital allocation in principle of £1m to secure a building to provide an assessment centre. Officers sought a suitable building, located in the Square Mile, with or able to secure appropriate planning consent for the intended use.

A building (Snow Hill Court) adjacent to St Sepulchre's Church was identified and heads of terms for a 20-year lease negotiated with the owner – the Diocese of

London. The building has been vacant for some years and needs substantial works to convert it for the intended purpose. A change of use planning application was approved.

A competitive tendering exercise identified a preferred provider. Tender submissions were valid until **7 October 2022**. The total project cost - £1.75m exceeds the previously allocated budget of £1.0m. Officers have worked to identify additional funding to bridge the £0.75m gap. This has identified £0.4m of local risk.

An allocation was sought from the Finance Committee Contingency Budget for this amount in order to progress the project.

Before seeking this allocation of additional funding officers have explored alternative sources. The scheme is not eligible for government or Greater London Authority capital funding programmes. It may be eligible for the Neighbourhood Fund element of the City Corporation's Community Infrastructure Levy (CIL), but officers are advised that such a decision would be complex and lengthy (advice is 3-4 months) and there are potential legal barriers. Neighbourhood CIL cannot be used to deliver a project that should be funded and delivered through normal funding routes.

There were no capital projects within Community and Children's Services that could be deprioritised to provide funding. The Chamberlain's capital team advised that there was no capital available from under-budget delivery, and other capital projects are subject to a wider review that concludes on 20 October 2022.

An amount of £400,000 has been secured from the Community and Children's Services local risk budget: revenue exists in the current financial year to support the assessment centre's service delivery, which alongside the allocation of some additional planned activity to government rough sleeping grant, enables a one-off transfer to the capital budget. An allocation of £154,000 from the Climate Action Strategy funding was approved.

Officers have also renegotiated the Heads of Terms for the lease. This does not yield immediate resources, but a three-year rent-free period has now been agreed. The rent is £35,000 per annum.

REASON FOR URGENCY:

Urgency was sought due to acute time pressures.

The City Corporation cannot sign the lease agreement, or progress the Gateway 5 award of contract until the full project funding is confirmed. Should such funding be agreed the Gateway 5 award will require urgency decision from Operational Property and Projects Sub Committee and the relevant spend committee - Committee and Children's Services. This will enable the formal contract award.

Officers have sought to extend the validity of tender submissions to allow the consideration of this project to fall within the timeline of the wider review of capital projects. However, current inflationary pressures in construction mean contractors are unwilling to hold their price beyond the original terms of the invitation to tender. A retendering of the project to allow more time would result in higher costs.

There is therefore a limited window of time – until 9 October 2022 - to secure funding, execute the lease and award the contract. An urgent decision allows some provision for any last minute legal or other queries that may come from the other parties and cause delay.

RESOLVED – that the Town Clerk, in consultation with the Chairman and the Deputy Chairman of the Finance Committee agreed to the allocation of £196K in support of capital funding requirements for the proposed Rough Sleeping Assessment Centre, with the following provisos:

- Serious effort is given to extending rent free period from 3 years to 5.
- Any unused risk margin is returned.

Contact:

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