

<b>Committee(s):</b> Resource Allocation Sub Committee Policy & Resources Committee	<b>Date(s):</b> 11 <sup>th</sup> July 2024 11 <sup>th</sup> July 2024
<b>Subject:</b> Capital Funding Update	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	The schemes for which funding is now requested span across a range of corporate outcomes
<b>For City Bridge Foundation (CBF), which outcomes in the BHE Bridging London 2020 – 2045 Strategy does this proposal aim to support?</b>	
<b>Does this proposal require extra revenue and/or capital spending?</b>	Yes
<b>If so, how much?</b>	£3.97m
<b>What is the source of Funding?</b>	£3.490m - City Fund, £0.459m City Estate and £0.021m CBF
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	Yes
<b>Report of:</b> The Chamberlain	<b>For Decision</b>
<b>Report author:</b> Yasin Razaq, Capital and Projects Manager	

### Summary

The purpose of this report is for Members to consider release (following gateway approvals) to allow schemes to progress.

Members are reminded of the two-step funding mechanism via the annual capital bid process:

- Firstly, within available funding, 'in principle' approval to the highest priority bids is sought and appropriate provisions are set aside in the annual capital and revenue budgets within the MTFPs.
- Secondly, following scrutiny via the gateway process to provide assurance of robust option appraisal, project management and value for money, Members are asked to confirm that these schemes remain a priority for which funding should be released at this time.

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Release of £3.970m to allow progression of three schemes summarised in Table 1 'Project Funding Requests' is now requested.

## Recommendations

Resource Allocation Sub Committee Members and Policy & Resources Committee are requested:

- (i) To review the schemes summarised in Table 1 and, particularly in the context of the current financial climate, to confirm their continued essential priority for release of funding at this time and accordingly:
- (ii) To agree the release of up to £3.970m for the schemes progressing to the next Gateway in Table 1 from City Fund £3.490m (including £0.893m for OSPR and £0.150m from City Fund Contingency), City Estate £0.459m and £0.021m from City Bridge Fund (CBF).
- (iii) Note the CBF element of £0.021m have been approved by delegated authority assigned to the CBF finance director.
- (iv) To agree release of £0.150m of City Fund contingency

## Main Report

### Background

1. Schemes have been approved in principle through the annual capital bids process and the CIL and OSPR quarterly approvals but they are to subject a drawdown approval when the funding is required to progress
2. The scope of schemes subject to this prioritisation relates only to those funded from central sources, which include the On-Street Parking Reserve, Community Infrastructure Levy (CIL), flexible external contributions and allocations from the general reserves of City Fund, City's Cash or CBF<sup>1</sup>. This means that projects funded from most ring-fenced funds, such as the Housing Revenue Account, Designated Sales Pools and Cyclical Works Programmes *are excluded*, as well as schemes wholly funded from external grants, and tenant/developer contributions e.g. under S278 agreements and S106 deposits.
3. Members are reminded of the two-step funding mechanism via the annual capital bid process:
  - Firstly, 'in principle' approval to the highest priority bids within available funding is sought and appropriate provisions are set aside in the annual capital and revenue budgets and the MTFPs.
  - Secondly, following scrutiny via the gateway process to provide assurance of robust option appraisal, project management and value for money, RASC is asked to confirm that these schemes remain a priority for which funding should be released at this time.

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<sup>1</sup> Contributions from City Bridge Foundation are limited to its share of corporate schemes such as works to the Guildhall Complex or corporate IT systems and are subject to the specific approval of the City Bridge Foundation

## Current Position

4. The total amount of funding for approved schemes is shown in Appendix 1.
5. The City Fund Contingency for Future of London Metropolitan was approved by 7<sup>th</sup> May Finance Committee.
6. The current capital programme includes the 24/25 projects approved by Court of Common Council on the 7<sup>th</sup> March.
7. The City Bridge Foundation drawdown amounts have been approved by delegated authority.

## Current Requests for the Release of Funding

8. There are eight schemes with 'in principle' funding approved as part of the capital bids that have progressed through the gateways, for which release of up to £3.97m is requested:

Table 1 Project Funding Requests

<b>Table 2: Project Funding Requests</b>	<b>Next Gateway</b>	<b>CL/OSP R</b>	<b>City Fund £m</b>	<b>City's Estate £m</b>	<b>City Bridge Foundat ion £m</b>	<b>Total £m</b>
<b>Funding to progress to the next gateway</b>						
London Wall Car Park Joints and Waterproofing GW5 phase 1	GW5	OSPR	0.783			0.783
BEMS Upgrade Project – Phase 1, Stage3:	GW5		0.287	0.220		0.507
Central Criminal Court – Cell Area Ducting and Extract System Balancing	GW5		1.780			1.780
Future of London Metropolitan Archives	GW3		0.150			0.150
St. Paul's Gyratory Transformation Project – Phase 1	GWC	OSPR	0.110			0.110
PSTN Replacement	GW2		0.158	0.092		0.250
Corporate Device Replacement	GW1-GW5		0.140	0.092	0.018	0.250
Audio Visual Equipment	GW1-GW5		0.082	0.055	0.003	0.140
			3.490	0.459	0.021	3.970

9. Further details of the individual schemes are provided in Appendix 2 attached.
10. In accordance with step two of the capital funding mechanism, Members will wish to confirm that these schemes remain a priority for funding to be released at this time particularly in the context of the current financial climate.
11. Funding for these schemes can be met from the provisions set aside from City Fund £3.490m, £0.459m City Estate and £0.021m City Bridge Foundation.

## Conclusion

12. Members are requested to:

- 1) review the above and consider in the context of the completion of the capital review and the current financial climate their continued support for the schemes requesting internal resources to proceed, and;
- 2) Approve the associated release of funding in Table 1.
- 3) Agree release of City Fund Contingency

### **Appendices**

Appendix 1 - Approved Bids

Appendix 2 - Requests for Release of Funding – Scheme Details

### **Background Papers**

**Yasin Razaq**

Capital & Projects Manager

Email: [Yasin.Razaq@cityoflondon.gov.uk](mailto:Yasin.Razaq@cityoflondon.gov.uk)