

Committee(s): Resource Allocation Sub Committee Policy & Resources Committee	Date(s): 18 th September 2024 26 th September 2024
Subject: Capital Funding Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	The schemes for which funding is now requested span across a range of corporate outcomes
For City Bridge Foundation (CBF), which outcomes in the BHE Bridging London 2020 – 2045 Strategy does this proposal aim to support?	
Does this proposal require extra revenue and/or capital spending?	Yes
If so, how much?	£31.5m
What is the source of Funding?	£23.2m - City Fund, £7.5m City Estate and £0.8m CBF
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of: The Chamberlain	For Decision
Report author: 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 for capital funding

- 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.

Members need to consider release (following gateway approvals) to allow schemes to progress.

Release of £31.5m to allow progression of eleven 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 £31.5m for the schemes progressing to the next Gateway in Table 1 from City Fund £23.2m (including £0.5m for OSPR and £12.6m from CIL), City Estate £7.5m and £0.8m from City Bridge Foundation (CBF).
- (iii) Note the CBF element of £0.8m have been approved by delegated authority assigned to the CBF finance director.

Main Report

Background

1. Schemes have been approved in principle through the annual capital budget setting 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 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 CBF¹. 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.

Current Position

4. The total amount of funding available to draw down for approved schemes is shown in Appendix 1.
5. The current capital programme includes the 24/25 projects approved by Court of Common Council on the 7th March.
6. The City Bridge Foundation drawdown amounts have been approved by delegated authority.

¹ 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 Requests for the Release of Funding

7. 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 £31.511m is requested:

Table 1 Project Funding Requests

Table 2: Project Funding Requests	Gateway	CIL/OSPR	City Fund	City's Estate	City Bridge Foundation	Total
			£m	£m	£m	£m
Funding to progress to the next gateway						
Central Criminal Court, Additional Fire Alarm Replacement	GW3-GW5		0.700			0.700
Central Criminal Court, Old Pipework Replacement	GW3-GW5		0.250			0.250
Museum of London – Highway Strengthening Works	Major Project	CIL	4.660			4.660
Museum of London – Fabric Improvement Works	Major Project	CIL	2.400			2.400
HR, Payroll, Finance Solution, ERP (Enterprise Resource Planning).	GW5		9.185	7.204	0.810	17.200
City Commons: Entrance board replacement	GW1-GW5			0.160		0.160
City Commons: Boundary livestock fencing replacement	GW1-GW5			0.092		0.092
Smithfield Area Public Realm and Transportation	GW4	OSPR	0.370			0.370
Vision Zero Programme	GW2	OSPR	0.160			0.160
Secure City	GW5	CIL	3.306			3.306
JCCR Technical Fit Out from Secure City	Major Project	CIL	2.213			2.213
			23.244	7.456	0.810	31.511

8. Further details of the individual schemes are provided in Appendix 2 attached.
9. 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.
10. Funding for these schemes can be met from the provisions set aside from City Fund £23.2m, £7.5m City Estate and £0.8m City Bridge Foundation.

Conclusion

11. 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.

Appendices

Appendix 1 - Approved Bids

Appendix 2 - Requests for Release of Funding – Scheme Details

Background Papers

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