

RESOURCE ALLOCATION SUB (POLICY AND RESOURCES) COMMITTEE

Thursday, 11 July 2024

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources)
Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday,
11 July 2024 at 10.00 am

Present

Members:

Deputy Christopher Hayward (Chairman)	Alderman Timothy Hailes JP
Deputy Randall Anderson	Deputy Shравan Joshi MBE
Deputy Keith Bottomley	Alderman Vincent Keaveny, CBE
Helen Fentimen OBE JP	Alderman Sir William Russell
Jason Groves	Deputy Sir Michael Snyder

In Attendance

Officers:

Ian Thomas	- Town Clerk and Chief Executive
Michael Cogher	- Comptroller and City Solicitor
Greg Moore	- Interim Deputy Town Clerk
Paul Wilkinson	- City Surveyor
Dionne Corradine	- Chief Strategy Officer
Emily Tofield	- Executive Director of Corporate Communications and External Affairs
Jack Joslin	- City Bridge Foundation
Bill LoSasso	- Environment Department
Rob McNicol	- Environment Department
Daniel Peattie	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
John Galvin	- City Surveyor's Department
Myles Kaplan	- Central Criminal Court
Mark Kober	- City Surveyor's Department
Graeme Low	- City Surveyor's Department
Robert Murphy	- City Surveyor's Department
Peter Young	- City Surveyor's Department
Rachel Levy	- Community and Children's Services Department
Ben Dixon	- Town Clerk's Department
Polly Dunn	- Town Clerk's Department
Ben Dunleavy	- Town Clerk's Department

Also in attendance

Deputy Madush Gupta
Deputy Edward Lord OBE JP
William Upton KC

1. **APOLOGIES**

Apologies for absence were received from the Deputy Chairman, Tijs Broeke, Deputy Andrien Meyers and Deputy James Thomson.

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

There were no declarations.

3. **MINUTES**

The public minutes and non-public summary of the meeting held on 2 May 2024 were approved as a correct record.

4. **CAPITAL FUNDING UPDATE**

Members received a report of the Chamberlain concerning funding for capital projects.

RESOLVED, that – Members, having reviewed the schemes summarised in Table 1, particularly in the context of the current financial climate, confirm their continued essential priority for release of funding at this time and accordingly:

- i. 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).
- ii. Note the CBF element of £0.021m have been approved by delegated authority assigned to the CBF finance director.
- iii. agree release of £0.150m of City Fund contingency

5. **CIL ALLOCATION PROCESS AND POTENTIAL CIL RATES REVIEW**

Members received a joint report of the Interim Executive Director, Environment, and the Chamberlain, concerning the Community Infrastructure Levy (CIL).

A Member asked if the review would be impacted by changes from central government. In reply, officers said they would undertake initial scoping work on the potential CIL Rates Review, but would return to committees for a formal decision following the autumn budget, which was expected to include further information on the government's plans regarding local authority funding.

A Member suggested that officers should also consider the scope of Section 278, referring to recent projects where this had had an impact on City Corporation projects. In reply, officers said that the review would also consider Section 106 allocations, which included Section 278, and there was already work in the planning department to ensure that the implication considered the wider implications of development on the public realm.

In response to a query from a Member on the pipeline for Section 106, officers said that the recently published infrastructure funding statement set out the likely expenditure for Section 106.

A Member noted that the City Corporation had the lowest CIL rate for residential development of comparable London areas, and asked officers to consider how developers might react to increases. In reply, officers said that the scoping phase would include benchmarking to consider comparable rates in London boroughs. Members agreed that it was important that the City kept its global competitive position at the forefront of its thinking, and benchmarked itself against peers such as New York or Singapore rather than local authorities in London.

RESOLVED, that – Members approve the below recommendations:

- Temporarily limit the quarterly allocation of CIL to those projects that are 'critical' for supporting the City's development needs
- Refresh the City Corporation's Infrastructure Delivery Plan
- Bring in more specific assessments to inform prioritising infrastructure projects funded by CIL
- More widely publicise how CIL and other developer contributions are being used for public benefit
- Undertake a review of CIL rates and the Planning Obligations SPD
- Put in place robust mechanisms for collecting and spending developer contributions related to biodiversity net gain and cultural infrastructure

6. CIL AND OSPR CAPITAL BIDS (QUARTER 1 - 2024/25)

Members received a joint report of the Interim Executive Director, Environment, and the Chamberlain, concerning the Community Infrastructure Levy and On-Street Parking Reserve.

RESOLVED, that – Members:

- Agree to allocate £14.41m of CIL to transforming Fleet street, Golden Lane Leisure Centre podium damage repairs and Museum of London Highways Strengthening works on Charterhouse Street projects and £2.58m of OSPR to Vision Zero Safer Streets and Riverside Lighting Upgrade projects.
- Note that a CIL bid for the City of London School was received, which does not meet the criteria for allocating CIL.
- Note that the Museum bid of £2.4m has approval by Policy and Resources (22 Feb 2024); Finance Committee (under urgency) and Court of Common Council (7 March 2024).

7. COMMUNITY INFRASTRUCTURE LEVY NEIGHBOURHOOD FUND - APPLICATIONS FOR APPROVAL

Members received a report of the Managing Director, City Bridge Foundation, concerning the Community Infrastructure Levy Neighbourhood Fund (CILNF).

Officers provided assurance that the intent of 360 Giving's grant database was to make the process of funding applications more accessible.

Members agreed that BIDs had an important role in supporting and providing funding to groups and helping them become self-sustaining.

Officers undertook to work with a Member, also the Chairman of the Community and Children's Services Committee, in helping the Barbican and Golden Lane Forum on applications for grants from CILNF.

RESOLVED, that – Members:

1. Note the current position of the CILNF with respect to funds available.
2. Approve the grant recommended to London Symphony Orchestra for £454,642 at the meeting of the CILNF Officer Panel in May 2024 (Appendix 1).
3. Reject the grant to the Insurance Museum for £450,000 as recommended by the CILNF Officer Panel meeting in June 2024 (Appendix 1).
4. Note the approved and rejected grants under delegated authority at meetings of the CILNF Officer Panel from February to June 2024 (Appendix 2).
5. Approve listing of CILNF grants on 360 Giving's grant database GrantNav.

8. **CLIMATE ACTION STRATEGY (CAS) – CAPITAL DELIVERY PROGRAMME FOR OPERATIONAL BUILDINGS**

Members received a report of the City Surveyor concerning the Climate Action Strategy.

RESOLVED, that – Members:

- Approve, to change the scope of the Project to achieve significantly improved carbon and costs savings:
 - Limit the scope of the Project to only include energy efficiency works which provide ongoing energy cost and carbon savings.
 - Exclude proposed works which do not provide cost savings, and only provide carbon savings. These works relate to heat decarbonisation, primarily through heat pumps where the transition from gas to electricity for heat generation results in higher ongoing energy costs but achieve good carbon savings.
 - Note that the excluded works still required to support the net zero target but will be progressed through a separate Project and forthcoming Gateway 2 paper to committee which will further explain the business case, rationale and funding strategy.
- Approve a Costed Risk Provision of £379,535 (to be drawn down via delegation to the City Surveyor) to reach the next gateway stages for all sub-projects to be used for design fees if the procurement route changes from a single stage design and build to a two-stage design then build. This will be wholly funded through the Climate Action Strategy Year 4 Plan approved budget.

- Approve the proposed works, which will constitute sub-projects, will be reprofiled to account for the above change. This includes additional sites not included in the original Gateway 2.
- Approve the funding strategy

9. **CLIMATE ACTION STRATEGY CAPITAL DELIVERY PROGRAMME – HEAT DECARBONISATION**

Members received a report of the City Surveyor concerning the Climate Action Strategy.

RESOLVED, that - Members

1. Approve a budget of £42,368 for further development of the three proposed sub-projects (including building surveys, design and obtaining planning/listed building permissions, and project management) to reach the next Gateway to be funded through the Climate Action Strategy (CAS) Year 4 Plan approved budget;
2. Note the total estimated cost of the project at £3,163,749 (excluding risk);
3. Note the total estimated cost of the project at £3,638,311 (including risk);
4. Approve a Costed Risk Provision of £9,491 (to be drawn down via delegation to the City Surveyor) to allow for additional building surveys if required to reach the next Gateway, to be funded wholly through the CAS Year 4 Plan for buildings.

10. ***CITY SURVEYOR'S BUSINESS PLAN 2023-28 - QUARTER 4 2023/24 UPDATE**

Members received a report of the City Surveyor concerning the departmental business plan.

RESOLVED, that – the report be received and its contents noted.

11. ***THE CITY SURVEYOR'S CORPORATE AND DEPARTMENTAL RISK REGISTER - JUNE 2024 UPDATE**

Members received a report of the City Surveyor concerning corporate and departmental risks.

RESOLVED, that – the report be received and its contents noted.

12. ***23/24 ENERGY & DECARBONISATION PERFORMANCE Q4 UPDATE FOR THE OPERATIONAL PORTFOLIO**

Members received a report of the City Surveyor concerning the operational portfolio.

RESOLVED, that – the report be received and its contents noted.

13. ***REPORT OF ACTION TAKEN BETWEEN MEETINGS**

Members received a report of the Town Clerk concerning decisions taken under urgency and delegated authority procedures.

RESOLVED, that – the report be received and its contents noted.

14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
There were no questions.
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There was no other business.
16. **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 on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of the Schedule 12A of the Local Government Act..
17. **NON-PUBLIC MINUTES**
The non-public minutes of the meeting held on 2 May 2024 were approved as a correct record.
18. **PROPOSED LEASE TO TFL AND REINSTATEMENT OF ARTHUR STREET SHAFT (BANK STATION UNDERGROUND CAPACITY UPGRADE PROJECT)**
Members received a report of the City Surveyor concerning the Arthur Street Shaft.
19. **CENTRAL CRIMINAL COURT - CELL AREA DUCTING AND EXTRACT SYSTEM BALANCING**
Members received a report of the City Surveyor concerning the Central Criminal Court.
20. **LAND AVAILABLE FOR ACQUISITION AT HAMPSTEAD HEATH**
Members received a report of the Interim Executive Director, Environment, concerning Hampstead Heath.
21. **SHOE LANE LIBRARY/HILL HOUSE REDEVELOPMENT TERMS**
Members received a report of the Executive Director of Community and Children's Services concerning Shoe Lane Library.
22. **SPORT & LEISURE FACILITY INVESTMENT – OPTIONS APPRAISAL**
Members received a report of the Executive Director of Community and Children's Service concerning Golden Lane Leisure Centre.
23. ***CITIGEN AND HEAT NETWORK ZONING UPDATE**
Members received a report of the City Surveyor concerning Citigen.
24. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
There was no other business.

25. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There was one item of other business.

The meeting ended at 11.06 am

Chairman

**Contact Officer: Ben Dunleavy
ben.dunleavy@cityoflondon.gov.uk**