

# RESOURCE ALLOCATION SUB (POLICY AND RESOURCES) COMMITTEE

Wednesday, 30 October 2024

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 30 October 2024 at 2.00 pm

## Present

### Members:

Deputy Christopher Hayward (Chairman)	Caroline Haines
Deputy Henry Colthurst (Deputy Chairman)	Deputy Shravan Joshi MBE
Deputy Keith Bottomley	Alderman Vincent Keaveny, CBE
Helen Fentimen OBE JP	Deputy Andrien Meyers
Jason Groves	Alderman Sir William Russell

## In Attendance

### Officers:

Ian Thomas, CBE	- Town Clerk and Chief Executive
Caroline Al-Beyerty	- Chamberlain
Paul Wilkinson	- City Surveyor
Paul Wright	- City Remembrancer
Katie Stewart	- Executive Director, Environment
Sonia Virdee	- Chamberlain's Department
Genine Whitehorne	- Chamberlain's Department
Andrew Cross	- City Surveyor's Department
Robert Murphy	- City Surveyor's Department
Graeme Low	- City Surveyor's Department
Dorian Price	- City Surveyor's Department
Peter Young	- City Surveyor's Department
Ian Hughes	- Environment Department
Rob McNicol	- Environment Department
Gavin Stedman	- Environment Department
Omkar Chana	- Innovation and Growth
Ben Dunleavy	- Town Clerk's Department

### 1. APOLOGIES

Apologies for absence were received from Deputy Alastair Moss, Deputy James Thomson and Deputy Sir Michael Snyder.

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

There were no declarations.

3. **MINUTES**

The Town Clerk informed the Committee of one correction to the minutes, to record Alderman Vincent Keaveny's apologies for September's meeting.

The public minutes and non-public summary of the meeting held on 18 September 2024 were approved as a correct record, as amended.

4. **CIL AND OSPR CAPITAL BIDS (QUARTER 2 - 2024/25)**

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

Introducing the report, officers drew the Sub-Committee's attention to the Community Infrastructure Levy's (CIL) future funding profile (paragraphs 9 to 13 of the report). A review of the City Corporation's infrastructure delivery was ongoing, which sought to assist in forward planning for the allocation of CIL funding. The report set out an interim position for the CIL Funding – future pipeline (paragraphs 34 to 45). Officers noted that the material reduction in available funds would restrict ability to respond to potential future funding requests. Further information on the impact of such reduction would be presented to Members as part of the report on the Infrastructure Delivery Plan.

A Member, also the Chairman of the Planning and Transportation Committee, said in reference to the comments on the future funding pipeline that the City Corporation was able to charge higher CIL levies on the full redevelopment of sites as opposed to retrofitting existing schemes. As there were more retrofit schemes planned than redevelopments, there was a subsequent and serious threat to CIL funding. He believed that the City Corporation should continue with sustainability policies, but must consider the knock-on effect.

A Member noted their concern over the request for £116,000 de-installation costs for the Sculpture in the City scheme ('the scheme'). They were shocked that no provision had made been for this despite the scheme having been run for over a decade with an annual budget of £80,000. They felt Members should re-endorse that the City Corporation would be ceasing funding of the scheme.

In reply, officers said that when the Innovation & Growth Department had discovered that there was no provision for deinstallation costs when taking over the management of the scheme. This had led to the submission of the request in the report. When the scheme was established in 2021, the business model had assumed that exit costs of changes would be covered by the new installation. The costs would accordingly be covered as long as the scheme continued. It was now understood that, when the scheme finished, funding would need to be found from other sources, such as external funders, to cover the final deinstallation. Officers felt that the request for funding provided a pragmatic solution when considering the review into the future of the scheme. The provision effectively underwrote the potential funding shortfall should the scheme end, but would not be required if the scheme continued.

RESOLVED, that – Members:

- Recommend the following allocations to the Policy and Resources Committee:
  - Golden Lane Leisure Centre: £10.35m from Community Infrastructure Levy
  - Sculpture in the City: £116,000 from Community Infrastructure Levy, pending exploration of options for external funding by officers
  - Outdoor fitness equipment at Old Watermen’s Walk: £90,500 from On Street Parking Reserve
- Note the financial position for CIL funding in future years resulting from the above allocations and the implications for other potential infrastructure projects.
- Note the capital review on existing projects being undertaken as part of the 25/26 budget and medium-term-financial plan.

**5. CLIMATE ACTION STRATEGY (CAS) – OPTIMISATION FOR SITES CONNECTED TO CITIGEN**

Members received a report of the City Surveyor concerning the Citigen heating/cooling network.

RESOLVED, that – Members:

1. Note that the total estimated cost of the project is £ £3,525,838 (excluding risk).
2. Note that the total estimated cost of the project is £4,445,332 (including risk)
3. Note that £340,904 from Climate Action year 4 capital budget will be drawn down for the procurement of a design/project management/quantity surveyor as well as for early asbestos surveying, validation of current installation, programme management and project management services.
4. That a costed risk provision of £60,404 is approved (to be drawn down via delegation to the City Surveyor) to allow for additional building surveys and building control applications (if necessary) if required to reach the next gateway, to be funded wholly through the CAS year 4 Plan for buildings.
5. Note that the costed risk budget of £919,449 to cover potential budget variations attributable to unforeseen variations, enabling works, site disruption, inflation fluctuations and asbestos removal. This budget will not materialise at this stage and so is not requested at this stage.

**6. TFL LOCAL IMPLEMENTATION PLAN FUNDING APPLICATION 2025/26 – 2027/28**

Members received a report of the Executive Director, Environment, concerning TfL’s Local Implementation Funding Plan.

RESOLVED, that – Members:

- Approve the contents of the LIP funding application covering the years 2025/26 – 2027/28, as set out in Table 1.
- Approve the spend total up to a maximum of £1,575,000 for 2025/26, as set out in Table 1, subject to final allocation decision from TfL in March 2025.
- Authorise the Executive Director Environment to approve minor changes to the submission following informal feedback from TfL in January 2025.
- Authorise the Executive Director Environment to reallocate the TfL grant between the approved LIP schemes, should that be necessary during 2025/26, up to a maximum of £250,000.

## 7. **OPERATIONAL PROPERTY UPDATE**

Members received an oral update from the City Surveyor concerning operational property.

The Corporate Property Director informed Members that the City Corporation's corporate property asset management strategy (non-housing) was being refreshed at an officer level to strengthen the alignment both to the new Corporate Plan and the Climate Action Strategy, ensure the portfolio was appropriate for the delivery of services and was financially sustainable. The annual report on the size and shape of the portfolio would come to the Sub-Committee's next meeting, along with a report on the activities across the Guildhall Complex.

With regards to business planning for 2025/26, the Director informed Members that under-utilisation of the portfolio was not being fully captured. Chief Officers had been issued with list of allocated assets and guidance to identify which operational assets held by departments were no longer in use, which were partially used, and/or would not be used in order to support the potential monetisation or redeployment of the assets.

The Chairman asked what could be done to ensure that officers complied with this guidance, as he felt that this had historically been a challenge. In reply, the Director said that there were several mechanisms. The Sub-Committee's terms of reference allowed it to commission management information on the utilisation of operational assets from Service Committees. These could be presented as a special report to the Committee, and the information could also be presented at an officer governance level to the Town Clerk and Chief Executive's Senior Leadership Team to scrutinise.

A Member felt that more radical options needed to be considered, such as moving control of corporate assets more centrally, since current mechanisms had thus far not produced the desired results.

The Chairman endorsed a suggestion from the Chamberlain that deep dives could be carried out on riskier areas with suspected under-utilisation, a method which had previously proved effective. The Deputy Chairman requested

increased challenge from within by Chief Officers, with any audit or review team tasked with a default option that under-utilised operational property should be disposed of unless a case was proven otherwise. The Town Clerk and Chief Executive asked that the Sub-Committee assisted in providing leadership at a Member level to Service Committee Chairs. The Director agreed that there needed to be a cultural change in departments and Institutions justifying the need to retain assets, with a regular and rigorous process of identifying under-utilised assets through the self-assessment model and Standing Order 56.

Members noted that the majority of operational assets sat within the Environment Department. The Executive Director, Environment, said that the Environment teams had not had the capacity to understand their assets identification of which had been helped by the Operational Property Review. The Chairman proposed that a review as suggested by the Chamberlain should begin with the Environment Department.. It was noted that the assets held by the Department include charity assets, and so the review would need to be done alongside the outcomes of the charity reviews.

At the request of a Member, officers undertook to provide information on how many operational properties had been disposed of.

RESOLVED, that – the Sub-Committee instructs officers to report back following a review of under-utilised assets in the Environment Department.

8. **\*CONSIDERATE LIGHTING CHARTER OPERATIONAL PROPERTY UPDATE**

Members received a joint report of the City Surveyor and the Executive Director, Environment, concerning the Considerate Lighting Charter.

RESOLVED, that – Members:

- Note the reallocation of existing Climate Action Strategy (CAS) funding to Considerate Lighting Charter actions that, in addition to working towards compliance, will identify future energy and carbon saving options at seventeen City of London Corporation operational buildings
- Note that further work and costs that come from the proposals outlined in this paper may require additional 'unidentified' funding later. For example, the implementation of the actions identified during survey works.

9. **\*TRANSFORMATION FUND 2024-25**

Members received a report of the Chamberlain concerning the Town Clerk's Transformation Fund.

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

10. **\*24/25 ENERGY & DECARBONISATION PERFORMANCE Q1 UPDATE FOR THE OPERATIONAL PORTFOLIO**

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

RESOLVED, that – Members note that for the rolling year, Q1 24/25 weather-corrected energy consumption has reduced by 22.7% compared to the baseline year 2018/19 compared to 22.2% for Q4 23/24.

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

There were no questions.

12. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no other business.

13. **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.

14. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 18 September were approved as a correct record.

The Chairman informed Members that he would like to change the published order of the agenda so that the report on the Animal Health and Welfare Service would be discussed as the first item in the non-public session.

15. **ANIMAL HEALTH AND WELFARE SERVICE - NEW SERVICE DELIVERY PLAN**

Members received a report of the Executive Director, Environment, concerning the Animal Health and Welfare Service.

16. **ASSET ALLOCATION WITHIN THE CITY'S ESTATE INVESTMENT PORTFOLIO**

Members received a report of the Chamberlain concerning the City's Estate investment portfolio.

17. **STRATEGIC PROPERTY ESTATE**

Members received a report of the City Surveyor concerning the Strategic Property Estate.

18. **REVIEW OF PUBLIC CAR PARK PROVISION IN THE CITY**

Members received a report of the City Surveyor concerning the Minorities car park.

19. **\*CITIGEN AND HEAT NETWORK ZONING – INITIAL DECISIONS**

Members received a report of the City Surveyor concerning Citigen.

20. **\*GSMD ACCOMMODATION STRATEGY - SUNDIAL COURT OPTIONS APPRAISAL**

Members received a report of the City Surveyor and Principal concerning the Guildhall School of Music and Drama.

21. **\*UPDATE REPORT ON THE OPERATIONAL PROPERTY REVIEW (NON-HOUSING) - UTILISATION ACTION PLAN**

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

22. **\*DELEGATED AUTHORITY DECISIONS AND ARREARS UPDATE ON ASSETS ALLOCATED TO THE CITY SURVEYOR TO DIRECTLY MANAGE ON THE OPERATIONAL ESTATE - 1ST APRIL 2024 TO 30TH SEPTEMBER 2024**

Members received a report of the City Surveyor concerning decisions taken under delegation.

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

There were no questions.

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

There was two items of other business in the non-public session, including the report at item 24a.

24.1 **\*Walbrook Wharf Feasibility 2027 and Beyond**

Members received a joint report of the City Surveyor and the Executive Director, Environment concerning Walbrook Wharf.

**The meeting ended at 3.01 pm**

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Chairman

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