



Corporate Asset Sub (Finance) Committee Public Appendices Pack

Date: WEDNESDAY, 29 JANUARY 2020
Time: 1.45 pm
Venue: COMMITTEE ROOM 2 - 2ND FLOOR WEST WING, GUILDHALL

AGENDA

9. **FUTURE LOCATION FOR FIXED STONE BENCH SEATING IN/NEAR GUILDHALL YARD.**
Report of City Surveyor.

For Decision
(Pages 1 - 6)
10. **CENTRAL CRIMINAL COURT - EXTERNAL AND INTERNAL FABRIC REPAIRS**
Report of the City Surveyor.

For Decision
(Pages 7 - 12)
12. **CITY SURVEYOR'S BUSINESS PLAN 2019-24 QUARTER 2 2019/20**
Report of the City Surveyor.

For Information
(Pages 13 - 20)
13. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER UPDATE**
Report of the City Surveyor.

For Information
(Pages 21 - 32)
14. **CITY SURVEYOR'S HIGH-LEVEL SUMMARY BUSINESS PLAN 2020/21**

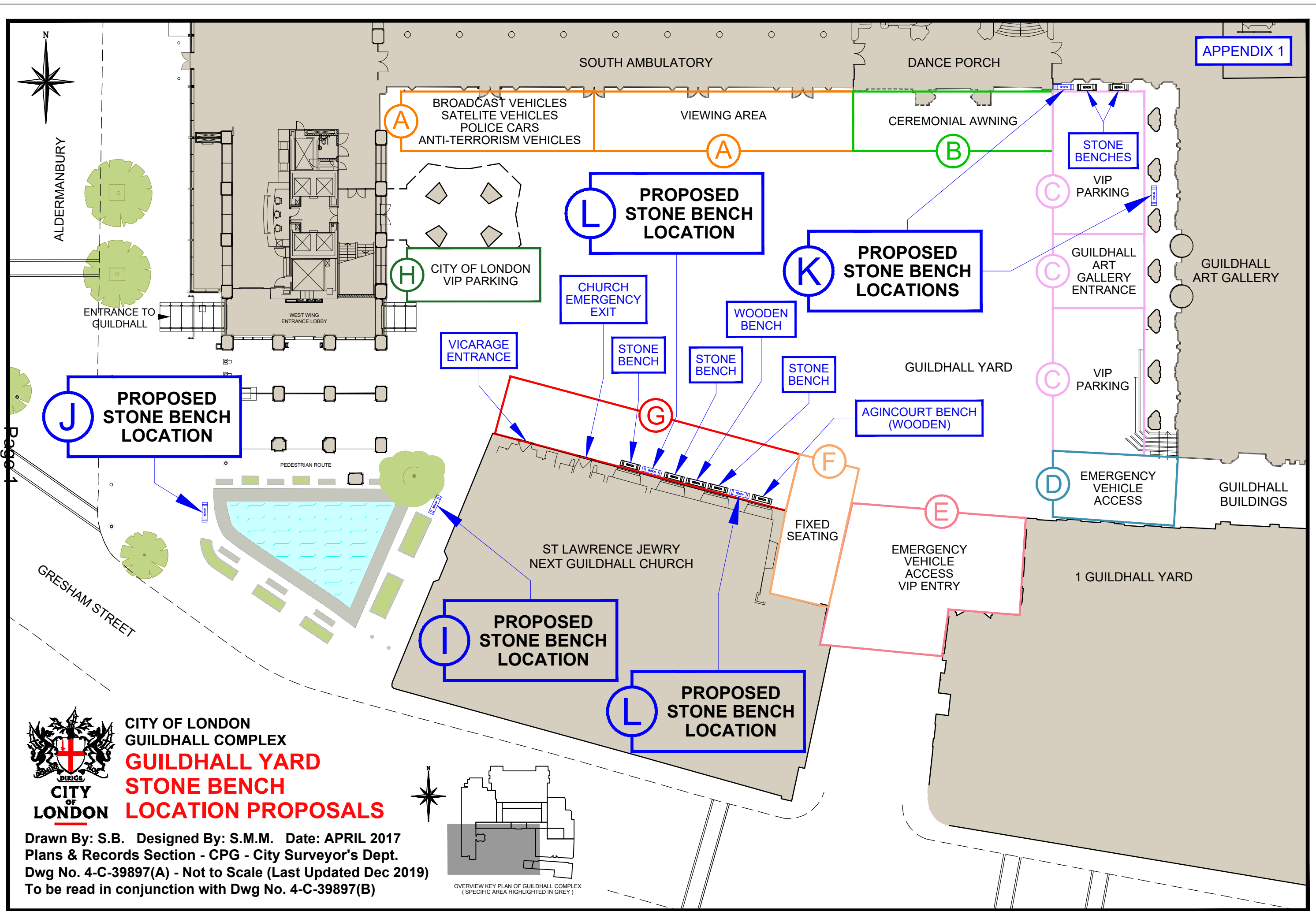
For Decision
(Pages 33 - 34)

15. **FM ARRANGEMENTS FOR GUILDHALL EVENTS**
Joint report of the Remembrancer, Chamberlain and City Surveyor.

For Information
(Pages 35 - 42)

18. **EXTREME WEATHER IMPLICATIONS**
Report of the City Surveyor.

For Information
(Pages 43 - 46)

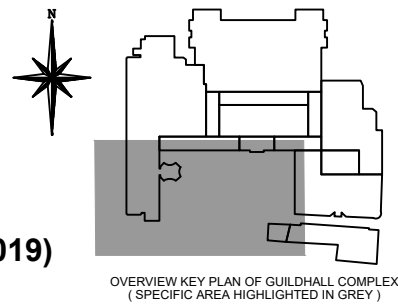


APPENDIX 1



**CITY OF LONDON
GUILDHALL COMPLEX
GUILDHALL YARD
STONE BENCH
LOCATION PROPOSALS**

Drawn By: S.B. Designed By: S.M.M. Date: APRIL 2017
Plans & Records Section - CPG - City Surveyor's Dept.
Dwg No. 4-C-39897(A) - Not to Scale (Last Updated Dec 2019)
To be read in conjunction with Dwg No. 4-C-39897(B)



OVERVIEW KEY PLAN OF GUILDHALL COMPLEX
(SPECIFIC AREA HIGHLIGHTED IN GREY)

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Area Assessment – Guildhall Yard Usage

- A** · Audience standing & viewing area during event performances in the Yard.

 - Pedestrian/Vehicle segregation zone: area used by satellite broadcast trucks and heavier production vehicles.
 - H&S: The glass along the south ambulatory is not strengthened; siting benches too close to the glass increases risk of public misuse (balancing/falling against the glass), siting benches at a distance considered 'safe' from the glass impedes the vehicle segregation line.
- B** · Area occupied occasionally by the ceremonial awning (State/Lord Mayor's Banquets). Area immediately in front of windows required for production crew access to conjoin the awning to the building.
- C** · Two stone benches in situ.

 - Fire Door & Emergency Exit in north-east corner.
 - Guildhall Art Gallery is main events entrance and VIP vehicular drop-off point.
 - VIP parking during large high security events.
- D** · Keep clear for Emergency vehicle access
- E** · Keep clear for Emergency vehicle access.

 - VIP vehicular access
- F** · Area already occupied by fixed seating and planters.
- G** · Area along the north wall of St Lawrence Jewry occupied by five benches: three stone and two wooden (including Agincourt bench).

 - The gap between the Church emergency exit and the entrance to the Vicarage flat is required to remain clear for DDA access to the flat.
- H** · Area used for CoL and VIP parking.
- I** · Proposed site for new stone bench (southwest corner of Guildhall Yard)
- J** · Proposed site for new stone bench (West Wing entrance)
- K** · Propose one additional bench next to the Dance Porch (along side the two existing stone benches).
Propose one additional bench, positioned in the 3rd archway of the Guildhall Art Gallery, (as you look at the Guildhall Art Gallery from the North East corner).
- L** · Area along the north wall of St Lawrence Jewry - Propose two more stone benches.



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CITY SURVEYOR GOLD SHEET
COMMITTEE REPORT / REPORT CONSULTATION*
PROGRESS & APPROVAL FORM



(*delete as necessary)

REPORT TITLE	Future location for fixed stone bench seating in/near Guildhall yard	
COMMITTEE(S)	Corporate Asset Sub Committee	
COMMITTEE DATE(S):	29th January 2019	
prepared by :	Sophy Morrison	date 2nd January 2019

CS Report Number	CS:	dates
AGENDA PLANNING ADVISED - Public / Non public (delete as necessary)		
GATEWAY		
VALUATION PANEL APROVAL/ VCF		

DRAFT REPORT APPROVAL;
Assistant Director :  Director : 

TIMETABLE			
FINAL REPORT Sign-off date :		Town Clerk Circulation date :	
CONSULTATION (see notes)	Who (sent to)	date sent	Returned
Corporate Property Group (CPG)	Dorian Pine	02/01/19	08/01/19
Property Project Group (PPG) Highways	Giles Radford	02/01/19	
Investment Property Group (IPG) Operations	Sheila Huth	02/01/19	
Operations Group (OG)	Alison Kurn	02/01/19	02/01/19
Ops Town Clerks	Nick Radner	02/01/19	03/01/19
Chamberlain	John James	02/01/19	
Property Policy Officer / Project Policy Officer Ops	Paul Roberts	02/01/19	
HR Art Gallery	Jeremy Johnson	02/01/19	
Others - Eg Capital Team in Chamberlains for disposals Art Gallery	Elizabeth Scott	02/01/19	
Art Gallery	Katherine Pease	02/01/19	→ Carried on overleaf

FINAL REPORT APPROVAL;
Assistant Director: ...  Director: 
City Surveyor...

PDF electronic copy to TC (incl. appendices):

Please see notes on the reverse

NOTES:

All reports must

- (a) comply with corporate Guidance on Committee Report Writing and Attending Meetings and the departmental QMS procedure
- (b) be no more than 4 pages.
- (c) Observe the department timetables for Committee reports.

It is the responsibility of the officer initiating the report to consult and seek comments and input from the following parties

1 INVESTMENT PROPERTY GROUP / CORPORATE PROPERTY GROUP GATEWAY PAPER

- (a) Notify the Relevant Finance Section/Unit and Administration Officer for the relevant committee
- (b) To consult and obtain agreement from PPG on costs, procurement and programme related issues
- (c) Where appropriate seek OG comments on life cycle on FM related costs
- (d) Seek the views of other departments, although reports must not be circulated for comment until they have been approved by a Director.
- (e) Update draft attachments during progress to final version.
- (f) Where necessary supply briefing papers to the Administration Officer and representative at Committee.

2 GENERAL

- (a) The final hard copy plus this approval cover sheet should be given to the City Surveyor for sign off.
- (b) Once signed the final PDF version together with all appendices should be emailed to the Responsible Directors PA for onward transmission to the Town Clerk and for storage on the City surveyor's electronic filing system.
- (c) All necessary timetables for consultation, forwarding to Town Clerk and liaison with key chairman should be observed.
- (d) **Sustainability Impact:** Signing off this form is confirming that the report has been developed in accordance with the City of London Corporation Sustainability Framework or that the report contains a comment on the sustainability.
- (e) **Equalities and Inclusion:** Signing off this report is confirming that impacts of the reports proposal on protected equality groups has been considered and corporate guidance complied with.
- (f) Electronic copies – PDF with Appendices.- Word versions to be issued to Town Clerks.

COMMENTS

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Project Briefing

Project identifier			
[1a] Unique Project Identifier	<A unique project number will travel with the project, and will incorporate a Department lead, within. Will be generated via Project Vision by CPO after CPB>	[1b] Departmental Reference Number	<An internal department reference (if applicable)>
[2] Core Project Name	Central Criminal Court – External and Internal Fabric Repairs		
[3] Programme Affiliation (if applicable)	This project covers two items included in the schedule of schemes in the Additional Resources for City Fund Properties: <ul style="list-style-type: none"> • CCC External stonework cleaning and internal refurbishment • CCC Roof Replacement 		

Ownership	
[4] Chief Officer has signed off on this document	Paul Wilkinson – City Surveyor
[5] Senior Responsible Officer	Alison Bunn – Assistant Director, Head of Facilities Management
[6] Project Manager	<i>Gateway 1& 2 – Liam Boyle, Property Facilities Manager</i> <i>Gateway 3 – Minor Works Project Manager</i>

Description and purpose
[7] Project Description
<ul style="list-style-type: none"> • External stone cleaning, repair and redecoration to include the installation of essential working at height (safe access) equipment. • Roof repairs including roof lights and glass domes where appropriate with additional working at height equipment. • Internal refurbishment to key operational areas. • The regilt of the Lady of Justice and reinstatement of external lighting are to be considered within the scope of the project.
[8] Definition of Need: What is the problem we are trying to solve or opportunity we are trying to realise (i.e. the reasons why we should make a change)?
<p>Leaks across all wings have been an ongoing issue in recent years. Patch repairs have been carried out as an interim measure and a more permanent solution is now required.</p> <p>It is felt by those that visit and occupy the Central Criminal Court that the building is beginning to look aged and worn in many areas. CCC Operational management and City Surveyors have identified priority areas to help focus the scope, direction and cost of the project.</p> <p>The project has been identified as an essential scheme to catch up on the 'backlog' maintenance programme and is to be progressed outside of the fundamental review.</p>
[9] What is the link to the City of London Corporate plan outcomes?
<p>[1] People are safe and feel safe.</p> <p>[2] People enjoy good health and wellbeing.</p> <p>[9] Our spaces are secure, resilient and well-maintained.</p>

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[12] Our spaces inspire excellence, enterprise, creativity and collaboration.					
[10] What is the link to the departmental business plan objectives?					
Property assets and facilities management – to ensure that the Central Criminal Court is fit for purpose and meeting service needs Fund management and income generation – to underpin the delivery of our corporate priorities, i.e. providing world class facilities.					
[11] Note all which apply:					
Officer: Project developed from Officer initiation	Y	Member: Project developed from Member initiation	Y	Corporate: Project developed as a large scale Corporate initiative	Y
Mandatory: Compliance with legislation, policy and audit	Y	Sustainability: Essential for business continuity	Y	Improvement: New opportunity/ idea that leads to improvement	N

Project Benchmarking:
[12] What are the top 3 measures of success which will indicate that the project has achieved its aims? <These should be impacts of the activity to complete the aim/objective, rather than 'finishes on time and on budget'>>
1) Increase levels of customer satisfaction for public and building users
2) Minimal interruption to fundamental services. The project schedule should allow for continued running of the courts. Once works are complete services will be less prone to disruption due to water ingress.
3) Decrease in costs relating to external fabric failures
[13] Will this project have any measurable legacy benefits/outcome that we will need to track after the end of the 'delivery' phase? If so, what are they and how will you track them? (E.g. cost savings, quality etc.)
Feedback can be recorded at advocates drop in sessions conducted by HMCTS and client meetings with HMCTS and senior Judges. Increase levels of staff feedback in surveys can be measured using annual staff surveys. Decrease in reactive calls can be measured using the computer aided facilities management portal. The decrease in associated costs can be ascertained from financial reports and by using the forward maintenance plan. An increase in the reliability of the space will result in increased use of space for core business and events.
[14] What is the expected delivery cost of this project (range values)[£]?
Lower Range estimate: £2,57m Upper Range estimate: £2,96m
[15] Total anticipated on-going revenue commitment post-delivery (lifecycle costs)[£]:
Forward maintenance to be confirmed following condition survey
[16] What are the expected sources of funding for this project?
Additional Resources for City Fund Properties – 2019/20
[17] What is the expected delivery timeframe for this project (range values)? Are there any deadlines which must be met (e.g. statutory obligations)?
Lower Range estimate: start – November 2019 to September 2022

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Upper Range estimate: start – To be confirmed following condition survey
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Project Impact:	
[18] Will this project generate public or media impact and response which the City of London will need to manage? Will this be a high-profile activity with public and media momentum?	
Could generate some media content as works will be significant and visible at street level.	
[19] Who has been actively consulted to develop this project to this stage?	
<(Add additional internal or external stakeholders where required) >	
Chamberlains: Finance	Officer Name: John James, Dianne Merrifield
Chamberlains: Procurement	Officer Name: Michael Harrington
IT	Officer Name: Not applicable
HR	Officer Name: Not applicable
Communications	Officer Name: Not applicable
Corporate Property	Officer Name: Paul Friend/Alison Bunn/Jonathan Cooper/Mark Eyre
Client	Officer Name: Adam Rout/ Wayne Garrigan
External	
[20] Is this project being delivered internally on behalf of another department? If not ignore this question. If so:	
Please note the Client supplier departments.	
Who will be the Officer responsible for the designing of the project?	
If the supplier department will take over the day-to-day responsibility for the project, when will this occur in its design and delivery?	
Client	Department:
Supplier	Department:
Supplier	Department:
Project Design Manager	Department:
Design/Delivery handover to Supplier	Gateway stage: <Before Project Proposal>, <Post Project Proposal>, <Post Options Appraisal>, <Post Detailed design>, <Post Authority to start work>

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City of London: Projects Procedure Corporate Risks Register

Project Name:		CCC External and Internal Fabric Repairs					PM's overall risk rating:			Medium		CRP requested this gateway		£ 315,000		Average unmitigated risk		7.1		Open Risks		12											
Unique project identifier:		12198					Total estimated cost (exc risk):			£ 2,570,000		Total CRP used to date		£ -		Average mitigated risk score		5.3		Closed Risks		0											
General risk classification																						Mitigation actions						Ownership & Action					
Risk ID	Gateway	Category	Description of the Risk	Risk Impact Description	Likelihood Classification pre-mitigation	Impact Classification pre-mitigation	Risk score	Costed impact pre-mitigation (£)	Costed Risk Provision requested Y/N	Confidence in the estimation	Mitigating actions	Mitigation cost (£)	Likelihood Classification post-mitigation	Impact Classification post-mitigation	Costed impact post-mitigation (£)	Post-Mitigation risk score	CRP used to date	Use of CRP	Date raised	Named Departmental Risk Manager/Coordinator	Risk owner (Named Officer or External Party)	Date Closed OR/Realised & moved to Issues	Comment(s)										
R1	4	(1) Compliance/Regulatory	Delay or failure to obtain listed building consent and planning approvals	Potential delay to project. Restrictions may be imposed	Possible	Serious	6	£50,000.00	Y - for costed impact post-mitigation	C - Uncomfortable	Identify and seek consents and approvals at the earliest opportunity	£0.00	Unlikely	Serious	£11,000.00	4	£0.00			CSD	Liam Boyle												
R2	5	(5) H&S/Wellbeing	Poor performance from contractors on site	This may impact time, cost, and reputation	Possible	Serious	6	£50,000.00	Y - for costed impact post-mitigation	C - Uncomfortable	Focus on quality, experience and reputation during tender stages	£0.00	Possible	Serious	£10,000.00	6	£0.00			CSD	Liam Boyle												
R3	3	(10) Physical	Current insufficient recorded information	Potential scope could expand following condition surveys. Additional surveys may be required	Possible	Major	12	£150,000.00	Y - for costed impact post-mitigation	C - Uncomfortable	Prioritise works based on safety, security and reputation.	£20,000.00	Unlikely	Serious	£50,000.00	4	£0.00			CSD	Liam Boyle												
R4	4	(5) H&S/Wellbeing	Uncovering of hazardous materials (asbestos, Lead paint)	Could delay or alter planned works. Costs could escalate	Possible	Major	12	£350,000.00	Y - for costed impact post-mitigation	D - Very Uncomfortable	Carry out RAD asbestos survey once scope has been agreed	£15,000.00	Possible	Serious	£120,000.00	6	£0.00			CSD	Liam Boyle												
R5	3	(2) Financial	Costs are estimated only of this stage	Costs following survey could increase.	Possible	Serious	6	£150,000.00	Y - for costed impact post-mitigation	C - Uncomfortable	Prioritisation of options stage	£0.00	Possible	Serious	£50,000.00	6	£0.00			CSD	Liam Boyle												
R6	5	(2) Financial	Impact of the uncertainties associated with Brexit	Labour, materials and funding issues	Possible	Serious	6	£50,000.00	Y - for costed impact post-mitigation	C - Uncomfortable	Monitor. Liaise with Contractor on early order, explore visiting certificates	£0.00	Possible	Serious	£10,000.00	6	£0.00			CSD	Liam Boyle												
R7	3	(3) Reputation	Lack of effective stakeholder engagement	Difficulties in scheduling, misunderstandings affecting programme	Possible	Minor	3	£10,000.00	Y - for costed impact post-mitigation	B - Fairly Confident	Start stakeholder engagement at options appraisal stage	£0.00	Possible	Serious	£2,000.00	6	£0.00			CSD	Liam Boyle												
R8	5	(10) Physical	Impact on core business	Noise, dust and physical location of works could interrupt BAU	Likely	Serious	8	£25,000.00	Y - for costed impact post-mitigation	B - Fairly Confident	Stakeholder engagement will be key to establishing realistic working hours and scheduling possibilities.	£0.00	Possible	Serious	£15,000.00	6	£0.00			CSD	Liam Boyle												
R9	5	(10) Physical	Security impact as external works will require scaffolding and access equipment on facade	Entrances and CCTV may be obscured and scaffolds could provide additional access routes for intruders	Likely	Serious	8	£25,000.00	Y - for costed impact post-mitigation	C - Uncomfortable	Security must be a key consideration when designing scaffolding	£0.00	Unlikely	Serious	£10,000.00	4	£0.00			CSD	Liam Boyle												
R10	5	(3) Reputation	Terrorism or protest	unwanted actions by the public could impact on project programme	Possible	Serious	6	£25,000.00	N	D - Very Uncomfortable	Monitor	£0.00	Possible	Serious	£0.00	6	£0.00			CSD	Liam Boyle												
R11	5	(9) Environmental	Extreme weather	Long periods of extreme weather could impact on the project programme	Possible	Serious	6	£50,000.00	Y - for costed impact post-mitigation	D - Very Uncomfortable	Monitor	£0.00	Possible	Serious	£25,000.00	6	£0.00			CSD	Liam Boyle												
R12	5	(10) Physical	Failure of services/utilities	Prolonged loss of power or water could have a negative impact on programme	Possible	Serious	6	£20,000.00	Y - for costed impact post-mitigation	C - Uncomfortable	Plan for temporary short notice provision of services	£0.00	Possible	Minor	£12,000.00	3	£0.00			CSD	Liam Boyle												

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Budget Monitoring Statement Quarter 2 2019/20

Agenda Item 12 Appendix A Page 1 of 1

LOCAL RISK BUDGET	Latest Approved	Quarter 2	Total Expenditure	(Under) / Over	Projected Outturn	(Under) / Over	Note
Quarter 2	Budget £000	Profile £000	to Quarter 2 £000	Spend for Period £000	At Quarter 2 £000	Spend £000	
City Surveyor							
City Fund							
City Fund Estate & Leadenhall	2,887	309	418	109	3,128	241	1
CPAT & City Centre	557	328	321	(7)	557	0	
Walbrook Wharf	1,056	505	447	(58)	1,004	(52)	2
Mayor's & City of London Court	23	12	19	7	34	11	
Recoverable Projects	0	0	0	0	0	0	
Lower Thames St Roman Bath	8	4	3	(1)	6	(2)	
R&M & MI Work for other departments	1,441	720	615	(105)	1,415	(26)	3
Corporate FM cleaning & security	110	52	66	14	131	21	
	6,082	1,930	1,889	(41)	6,275	193	
City's Cash							
City's Cash Estate	3,846	819	802	(17)	3,846	0	
Departmental	10,103	4,996	4,942	(54)	10,434	331	4
Mayoralty & Shrievalty-	93	35	30	(5)	99	6	
R&M & MI Work for other departments	2,173	1,086	1,149	63	2,343	170	5
Corporate FM cleaning & security	632	305	317	12	635	3	
	16,847	7,241	7,240	(1)	17,357	510	
Bridge House Estates							
Bridge House Estates	2,156	665	792	127	2,146	(10)	6
Tower Bridge Corporate FM cleaning	258	100	134	34	268	10	
	2,414	765	926	161	2,414	0	
Guildhall Administration							
Guildhall Complex	8,645	4,542	4,255	(287)	8,737	92	7
	8,645	4,542	4,255	(287)	8,737	92	
Total City Surveyor Local Risk	33,988	14,478	14,310	(168)	34,783	795	

Notes on significant variances

- The overspend at quarter 2 is largely due to an unanticipated compensation payment for early surrender of lease at 15/17 Eldon Street. The forecast overspend increases due to some additional void costs, principally business rates at 1-7 Whittington Avenue, being incurred by year-end.
- The savings achieved in quarter 2 and year-end are due to a vacant post and lower than anticipated reactive repairs and maintenance works. This is partly offset by a consequential reduction in service charge from the lower levels of works.
- The underspend at quarter 2 is due to lower than anticipated reactive repairs and maintenance expenditure. This underspend reduces by year-end due to additional reactive work anticipated at the Central Criminal Court.
- The underspend at quarter 2 is due to savings in employee budgets as a result of vacancies. This more than offsets a shortfall in fee income from property deals. This turns into an overspend at year-end partly due to continual shortfall on fees, but predominately due to the carry-forward of the City Surveyor's overspend from the last financial year.
- Higher than anticipated reactive repairs and maintenance works explain the overspend both at quarter 2 and year-end. The City Surveyor has introduced measures to focus reactive spend only on essential works in order to reduce the anticipated year-end overspend.
- The quarter 2 overspend can be attributed to repairs and maintenance spend on cyclical works running ahead of profile. The budget will catch up with these works by year-end where a near breakeven position is anticipated.
- Savings on energy and slippage on repairs and maintenance schemes are the principal reasons for the underspend at quarter 2. These savings are both anticipated to reduce by year-end leaving an anticipated overspend at year end due to additional security costs.

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Key Performance Indicators												
Ref	Title	Target	Group	Committee	Q1		Q2		Q3		Q4	
					Actual	RAG	Actual	RAG	Actual	RAG	Actual	RAG
KPI.1	Asset realisation	£45.3m	CPG	CASC	on target	green	£8.9m	green				
KPI.2	Energy Consumption	Min 4%	OG	CASC	2.00%	green	2.50%	green				
KPI.3	Space Utilisation*	Min 5%	CPG	CASC	on target	green	on target	green				
KPI.4	Property contract Performance Compliance	>90%	OG	CASC	83.00%	amber	90.00%	green				
KPI.5	Adherence to Budgetary Spend Profiles	95% to 105%	All	PIB; CASC	12.00%	green	29.37%	green				
KPI.6	Capital Project - Delivery - defects on completion*	<20%	PPG	PIB; CASC	n/a	n/a	3.00%	green				
KPI.7	Capital Project - Project Status	<20%	PPG	PIB; CASC	15.00%	green	15.00%	green				
KPI.8	Capital Project- Health & Safety*	80%	PPG	PIB; CASC	n/a	n/a	80.0%	green				
KPI.9	Capital Project- Gateway Reports	>70%	PPG	PIB; CASC	53.00%	amber	100.00%	green				
KPI.10	Capital Project - Site sustainability waste management	>90%	PPG	PIB; CASC	93.00%	green	92.00%	green				
KPI.11	Rental Forecasts	£136m	IPG	PIB	on target	green	on target	green				
KPI.12	Minimise Arrears	<2%	IPG	PIB	1.16%	green	1.12%	green				
KPI.13	Minimise voids*	<5%	IPG	PIB	3.15%	green	n/a	n/a				
KPI.14	Outperform MSCI**	exceed ben	IPG	PIB	n/a	n/a	n/a	n/a				
KPI.15	Customer satisfaction survey**	Baseline	IPG	PIB	n/a	n/a	n/a	n/a				
KPI.16	Delivery of Strategic utility infrastructure	on schedule	CPAT	PIB; CASC	on target	green	on target	green				
KPI.17	Supporting the retention and inward investment of businesses	on schedule	CPAT	PIB; CASC	on target	green	on target	green				
	*reported bi annually											
	** reported annually											

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Headline Performance Charts Qrt2

Appendix C

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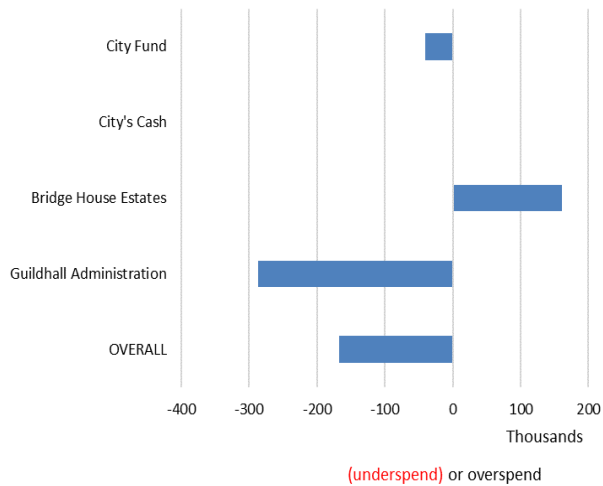


Figure 1 Quarter 2 variance against profiled local risk budget

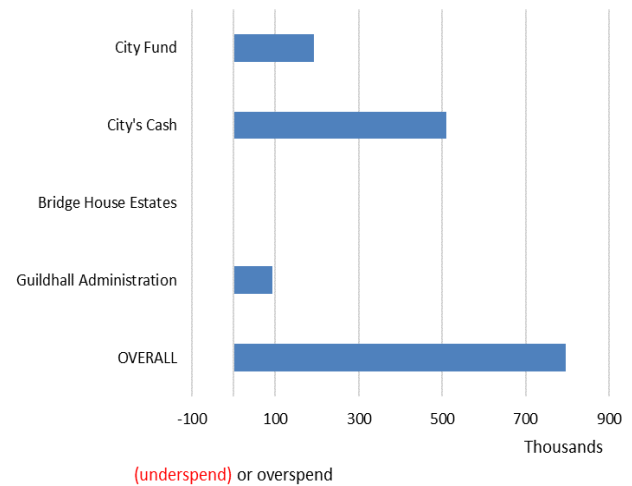


Figure 2 Projected local risk outturn variance as at quarter 2

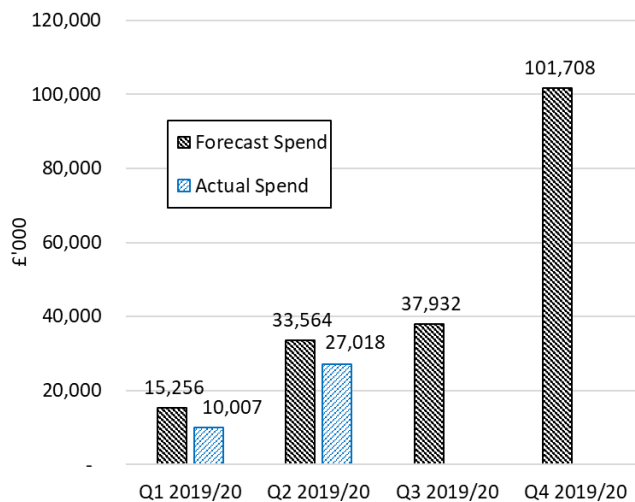


Figure 3 All project spend, forecast v actual as at quarter 2

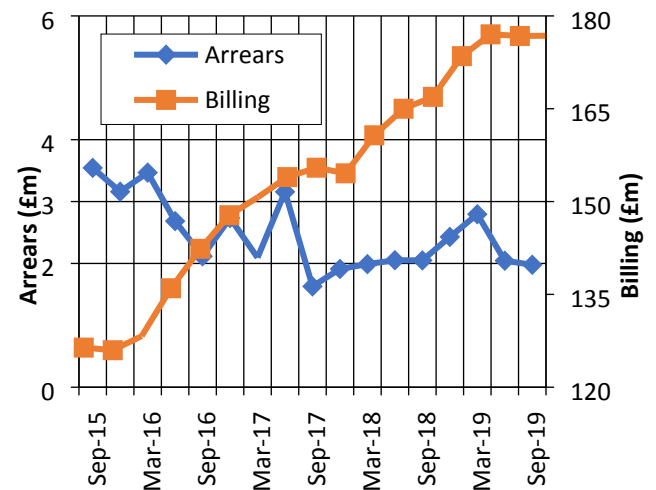


Figure 4 (Investment Properties) Commercial tenants' arrears compared to annual rolling billing run.

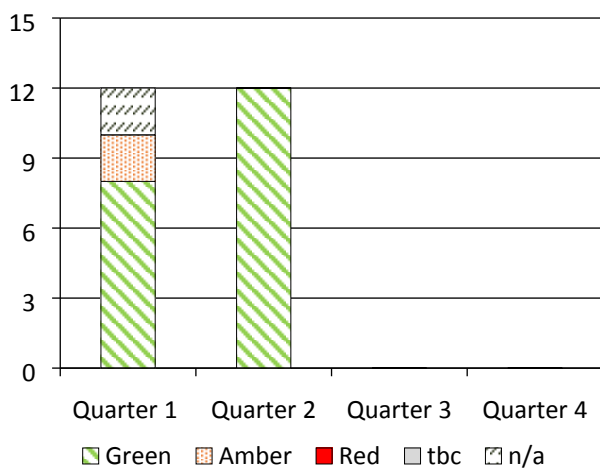


Figure 5 Performance of KPIs linked to Corporate Property (Corporate Asset Sub Committee)

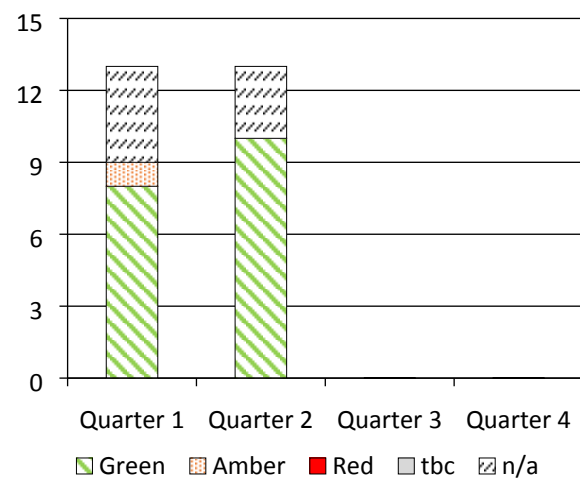


Figure 6 Performance of KPIs linked to Investment Property (Property Investment Board)

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1. The prospect of Brexit has prompted a strategy of 'wait and see' for some investors over the first half of calendar 2019, contributing to lower investment volumes. However, London remains one of the largest, liquid, and most transparent markets globally and ranks third globally for cross-border office volumes in quarter 2, according to Real Capital Analytics.
2. Total office investment turnover in London fell to £1.69 billion during the quarter, with 40 properties transacting, compared to £5 billion during quarter 1 and £5.2 billion in quarter 2, 2018.
3. The slowdown in investment activity has in part been fuelled by a lack of assets for sale; long-income assets on the market are few and far between. Furthermore, vendors have been seeking premiums due to the lack of quality stock whilst investors continue to seek Brexit linked discounts. The mismatch between the expectations of sellers and buyers is likely to persist. Prime yields in the City remain at 4.25% and 3.75% in the West End.
4. Prime rents in the City Core rose to £72.50psf, from £70psf in quarter 1, underpinned by falling availability and strengthening demand levels. West End prime rents remain at £107.50psf, as do City Fringe at £75.00psf, however Docklands prime rents have risen to £49.50psf from £48.50psf.
5. Stock levels are now the lowest they have been since the start of 2016, which has driven vacancy rates down to 4.9%. Despite this, rent free periods have remained at 24 months on a typical 10-year lease. The professional and corporate sectors have been the most active, accounting for 35% of total market activity, followed by flexible offices (19%) and financial services (15%).
6. Looking ahead at the supply pipeline, total under construction levels in the City are currently 6.7 million sq ft, of which 36% is already committed, leaving just 4.3 million sq ft of speculative space under construction. 5.4 million sq ft under construction is due to complete in the next 12 months, of which 42% is committed. This leaves just 3.1 million sq ft of speculative space coming through, which equates to approximately 12 months of supply, assuming average levels of new and refurbished take-up. Occupiers are being driven by the quality of space on offer and to an extent are location agnostic, but there are those who will pay a premium to secure space in a specific location. Stronger than expected economic growth since the referendum, coupled with robust job creation levels in London's tech, professional and finance and banking sectors are helping to underpin demand, with most occupiers seemingly keen to 'get on with life', irrespective of how Brexit concludes.

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SUR Departmental risks - detailed report EXCLUDING COMPLETED ACTIONS for committee

Report Author: Faith Bowman
Generated on: 04 November 2019

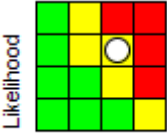
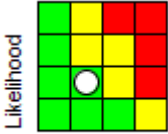



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<div> <div>page 29</div> <div> <div>29</div> <div>29</div> </div> </div> <p>Risk no, title, creation date, owner SUR SMT 001 A fall in property performance</p>	<p>Cause: Unexpected change or unknown impact of macro-economic policy (global and local political and economic decisions, change in interest rate, exchange rate, taxation, etc.)</p> <p>Event: Business sentiment changes and U.K. / London becomes less attractive to investors / tenants.</p> <p>Impact: Business Plan objectives are not achieved with resultant negative impact on income, yields, voids and arrears.</p>	<div> <div>Likelihood</div> <div>Impact</div> </div>	12	<p>The strategy is to maintain a diverse portfolio that reduces the impact of this risk. This includes:</p> <ol style="list-style-type: none"> 1. Use (office, retail, industrial) 2. Location (City, Southwark, West End etc.) 3. Tenancies (Long term Head lease geared, FRI, directly managed) 4. Covenants (multinationals, SME) 5. Asset management (lease renewals, voids, arrears, etc) 6. Monitoring retail habits in change of building use <p>This risk links to CR26 Brexit - particularly on the “impact of Brexit on City Corporation income streams” action, owned by the Chamberlain.</p> <p>Target risk score updated following Member feedback</p>	<div> <div>Likelihood</div> <div>Impact</div> </div>	3	31-Mar-2020	<div> <div>Current Risk score change indicator</div> </div>

03-Mar-2015 Nicholas Gill				Updated income generation 'stretch' targets need to be considered in light of constricted revenue budgets for maintenance / improvement, and from the re-allocation of some funds from the designated sales pool. 01 Nov 2019				Constant
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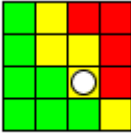
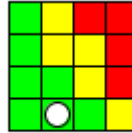

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 001c	Global and local economic and political decisions	SMT continues to closely monitor the position quarterly, including analysis of market reaction. This information is reported through to Property Investment Board regularly.	Nicholas Gill	01-Nov-2019	31-Mar-2020
SUR SMT 001d	Maintain a diverse mix of space, locations, and tenants to ensure the business has wide market appeal and is not reliant on particular business sector	IPG Management Team monitors development of property portfolio and tenant mix.	Nicholas Gill	01-Nov-2019	31-Mar-2020
SUR SMT 001e	Brexit Meetings	Weekly meetings are being undertaken, chaired by the Town Clerk, looking at risks associated with Brexit. This includes the potential impact on the property market	Paul Wilkinson	01-Nov-2019	31-Jan-2020

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 002 Insufficient budget to meet user and asset demand at Guildhall 10-Feb-2015 Peter Young	Cause Insufficient budget to meet the increase/intensification of use at Guildhall Event: Ineffective asset funding Impact: Poor working environments leading to increased dissatisfaction and lower employee productivity, increase in breakdowns and reactive costs	 Likelihood	12	The principal mitigation actions are related to forecasting and monitoring the allocation of financial and human resources. Whilst this risk reduces due to the uplift in budget for the Guildhall, this is balanced by the projected increase in FTE occupation of the space. This intensification of use will lead to increased demands on the building assets. 01 Nov 2019	 Likelihood	4	31-Mar-2020	 Constant

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
SUR SMT 002b	Guildhall Capital Projects Programme Delivery	Individual projects have been identified and prioritised and have now been submitted as part of the annual bid process. These bids will be considered by Resource Allocation Sub Committee.			Peter Young	01-Nov-2019	31-Mar-2020
SUR SMT 002d	Asset Information	Lack of structured information on buildings can lead to delays and additional professional fees. Initial exploration into opportunities into how this data could be brought into a single solution.			Ola Obadara	01-Nov-2019	31-Mar-2020
SUR SMT 002e	Fundamental Review of the Guildhall Complex	A wholesale review of the North Wing and West Wing was presented as an option to Members for consideration as part of the Fundamental Review. This action to be progressed depending on feedback from Members in the autumn with timescales to be determined.			Paul Wilkinson; Peter Young	01-Nov-2019	31-Dec-2019
SUR SMT 002f	Cross departmental working	Single point of contact for Profit and Loss to be created within the Remembrancer's Department. The possibility of a sinking fund for the site is also being explored. CSD will inform the Remembrancer's Department of requirements			Remembrancer's Department	04-Nov-2019	31-Mar-2020

[illegible]

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 014a	Cyclical works Programme list	Presentation of the Cyclical Works Program to Members occurred in September, but is subject to available funding, and any changes as a result of the Fundamental Review.	Peter Young	04-Nov-2019	31-Oct-2020
SUR SMT 014b	Additional funding report may be required	Draft additional funding report to committee (next report due 2021).	Alison Bunn	04-Nov-2019	30-Sep-2020

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 010 Unable to meet the Carbon Decent Plan for 2026. 16 Dec-2018 Peter Collinson	Cause: Lack of resources – people and funds across organisation to deliver energy efficiency projects Event: Failure to reach Carbon Decent Plan Targets (40% reduction in 2008 energy consumption by 2026) Effect: Environmental damage, Failure to reduce expenditure, Reputational damage, Failure to achieve vision of the department, unable to meet ambition of the Corporate Plan.	Likelihood  Impact	8	Have 21% of target left . Vacant position for 1. Energy Engineer 2. Energy Reporting Manager 3. Corporate Energy Manager 4. Energy Project Manager Q2 2019/20 performance was positive. This indicates that, if sustained, the current reduction trajectory will meet the 2026 target. Further investment will be required to meet this trajectory 04 Nov 2019	Likelihood  Impact	2	31-Mar-2026	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 010a	Recruitment of posts above 1-4	Recruit roles 1-4. Role 2 in progress, Roles 1 and 3 under job evaluation, Role 4 pending funding approval.	Peter Collinson	01-Nov-2019	31-Jan-2020
SUR SMT 010c	Funding source and route for capital programme	Agreed delivery model and costs Phase 1 and 2 submitted for funding under fundamental review.	Peter Collinson	04-Nov-2019	31-Mar-2020

09-May-2019
Paul Wilkinson

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 012a	Regular meetings	Reports are being delivered and reviewed at Quarterly Structures meetings. This had not been happening previously. Next meeting has been booked for December, with meetings held in June and October.	Nicholas Gill; Peter Young	01-Nov-2019	30-Apr-2020
SUR SMT 012b	Service Agreement	Service Agreement drafted by CSD, and DBE have provided a more detailed response. This has now been agreed by members of the Bridges and Structures Meeting and awaiting formal sign off by respective Chief Officers in sequence.	Nicholas Gill; Peter Young	01-Nov-2019	30-Jun-2020

SUR City Bridges - detailed report EXCLUDING COMPLETED ACTIONS for committee

Report Author: Faith Bowman
Generated on: 04 November 2019



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<p>Risk no, title, creation date, owner</p> <p>R R CB 003 City Bridges - Substantial vessel strikes</p> <p>01-Nov-2018 Paul Wilkinson</p>	<p>Cause: Substantial Vessel strike</p> <p>Event: Structural damage to bridge</p> <p>Impact: Instability in bridge structure leading to possible collapse. Death / injury, disruption of traffic, reputational damage, additional costs to repair / replace</p>	<p>Likelihood</p> <p>Impact</p>	16	<p>City Bridge Trust and Bridge House Estates are undertaking a governance review through an officer Task and Finish Group. The aspect of where risk ownership sits will be considered by this group. The Group is expected to report formally in 2020.</p> <p>In the interim discussions have taken place to put in place a Service Agreement between DBE and CSD to better manage responsibilities and information flow. A draft of this agreement is currently under discussion and should be finalised and in place by November.</p> <p>30 Oct 2019</p>	<p>Likelihood</p> <p>Impact</p>	16	31-Mar-2020	<p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR CB 003a	Navigation controls	Navigation is controlled by the Port of London Authority and navigation lights fixed to bridges. Paul Monaghan is an on-going member of the River Crossings Liaison Group. This Group has recently appointed a new Chair, and meetings have recommenced. Paul Monaghan updates CSD at the quarterly meetings as to any actions, activities, or change in the risk status of this item.	Nicholas Gill; Peter Young	30-Oct-2019	31-Mar-2021

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR CB 006a	Counter Terrorism	<p>Sequence of joint workshops were hosted by TFL over July. These related to Threat Assessments for the bridges. The meetings involved TFL, the City Police, the MET Police and DBE. This investigated the risks associated with key bridges, with a different assessment made depending on the bridge.</p> <p>When TFL assess the overall risk, they applied a higher risk impact than the City currently assesses. However, this relates to the overall risk, rather than the element for which the City of London Corporation, and the City Surveyor's Department, is responsible.</p> <p>TFL and DBE will be holding a meeting relating to the threat assessments for the bridges. TFL will be taking the lead in terms of the response.</p> <p>Temporary mitigation by the Metropolitan Police remains in place, but this is not full Hostile Vehicle Mitigation..</p>	Nicholas Gill; Paul Monaghan; Peter Young	30-Oct-2019	31-Mar-2020
SUR CB 006b	Policing	The City of London Police receive funding from Bridge House Estates to provide policing to the City Bridges. Consideration to increase funding to the City of London Police from 01/04/2020.	Nicholas Gill; Paul Monaghan; Peter Young	30-Oct-2019	31-Mar-2020

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR CB 007d	Tideway Tunnelling	The City's Engineer, Paul Monaghan is working with the Comptroller and City Solicitor through the Development Consent Order and negotiated protection for the river crossings and, in the case of Tower Bridge, reduced face loss. He and the engineering team are working with the planning lead, Ted Rayment, to ensure that these requirements are being met. Regular weekly, monthly and quarterly meetings take place with the respective parts of TTT. For support they have the existing commission with an external engineering consultant appointed for the inspection of river crossings.	Nicholas Gill; Peter Young	30-Oct-2019	31-Mar-2021
SUR CB 007e	Monitoring & Works	Monitoring is on-going on the bridge sites to ensure that risks are managed. Monitoring at Tower Bridge has been in place for circa three years. Millennium Bridge has had its tensioning adjusted to account for any movement.	Nicholas Gill; Paul Monaghan; Peter Young	30-Oct-2019	31-Mar-2021

Our aims and objectives are...

Strategic asset management: We will develop and implement asset management strategies that align Corporate Property Asset Management Strategy, Investment Property Strategy and risks. We will ensure that we unlock the potential of our property assets in a way that supports the efficient delivery of the Corporate Plan and Service Departments' business plans.

Property assets and facilities management: We will ensure buildings are fit for purpose, sustainable, safe and secure, providing access for all, meeting service needs and community expectations and delivering value for money through enhancing our efficiencies; this includes asset management and forward maintenance plans, provision of facilities management, delivery of cyclical projects, minor improvements and major capital projects for refurbishments and new builds.

Fund management and income generation: We will efficiently manage the City of London's investment property portfolios (City Fund, City's Estate and Bridge House Estates) to generate and grow income that can be reinvested into the organisation and underpin delivery of corporate priorities, deliver our local authority services, support the charitable organisations through the Bridge House Estates and support the efficiency challenge.

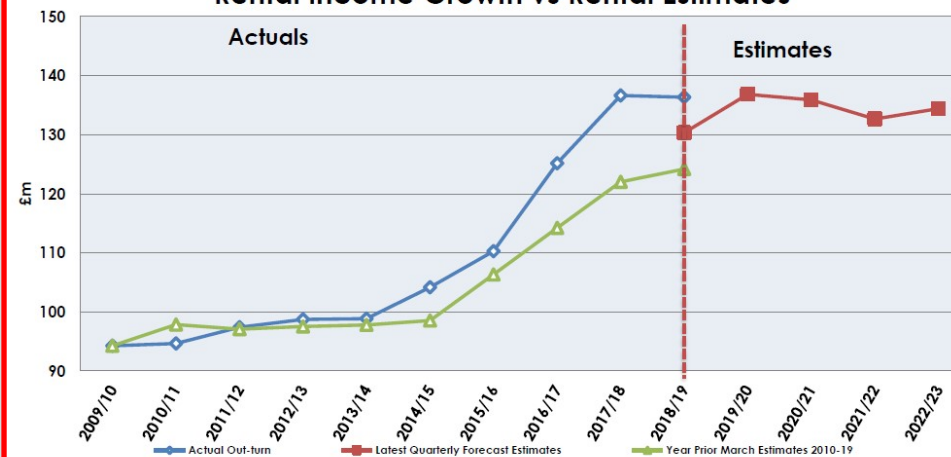
Property Projects: We will manage and deliver City of London Capital Build Projects to best practice ensuring the end product meets or exceeds our customers' expectations. We will continually explore innovative ways to add value to projects with a conscious approach to sustainability and energy efficiency, ensuring procurement, processes and governance comply with statutory and City of London regulations.

Support and promote the City as a business location: We will champion the City as the best place in the world to do business and encourage the development of its connectivity, capacity and character.

1. Actively manage the £4.1b corporate investment portfolio to generate circa £136m pa income supporting the aspirations of the City of London.
2. Achieving efficiencies in the asset management of the City's operational properties.
3. Managing and delivering capital build projects to meet or exceed customer expectations.
4. Providing facilities management, building engineering services and building surveying projects as well as technical advice to operational and investment properties.
5. Providing property health and safety compliance and energy management.
6. Providing advice and services to the wider business and property communities in the Square Mile.
7. Deliver departmental Fundamental Review initiatives, focussing on delivering core objectives, enhancing efficiency, and eliminating waste.

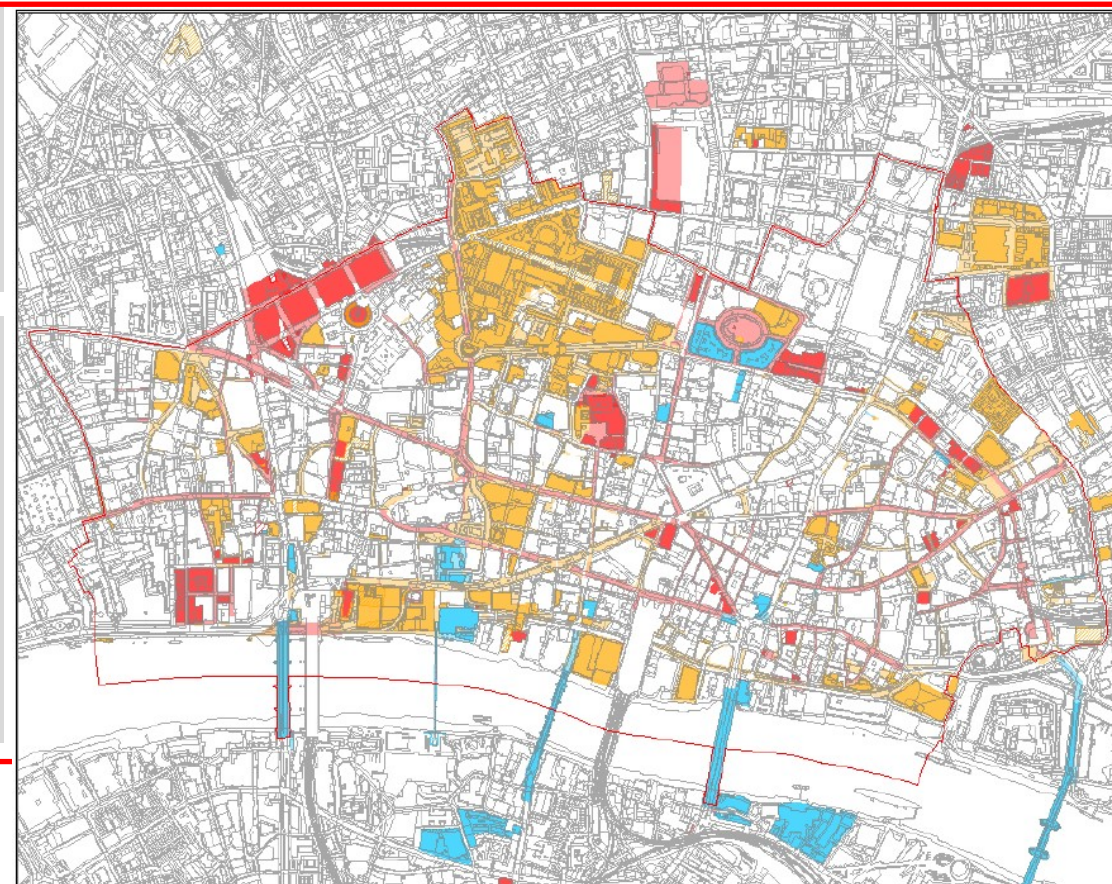
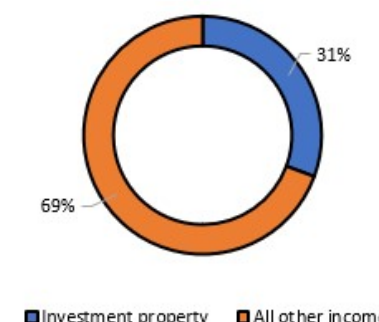
Where our money comes from

Rental Income Growth vs Rental Estimates

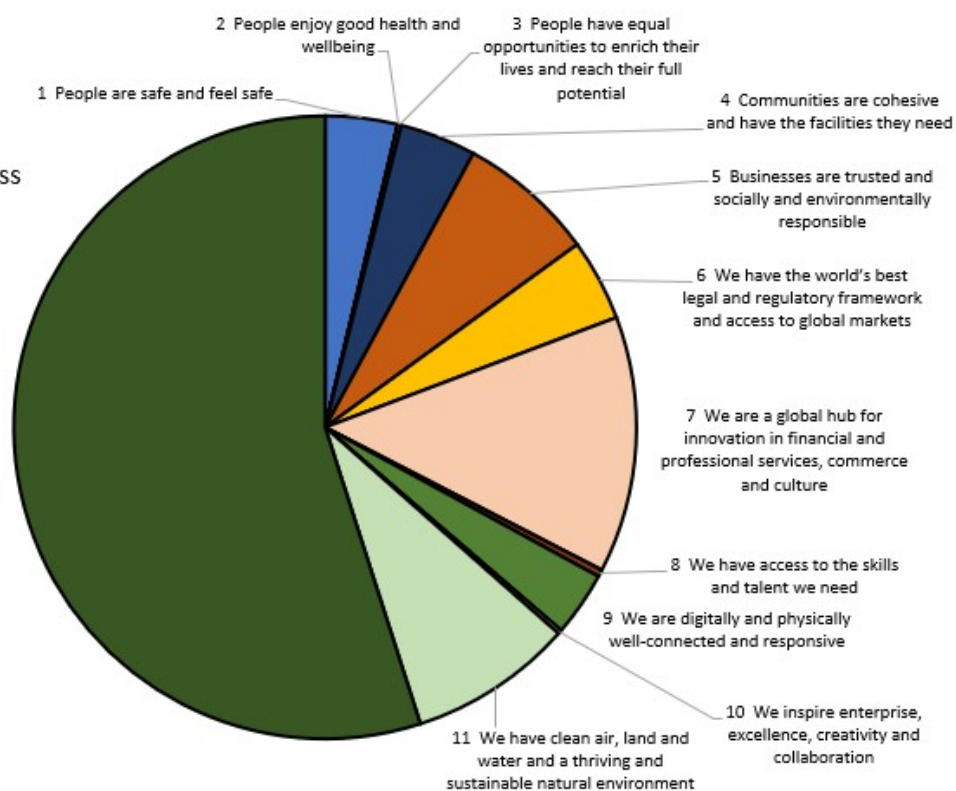


Where our money is spent

Investment property contribution to total City of London income



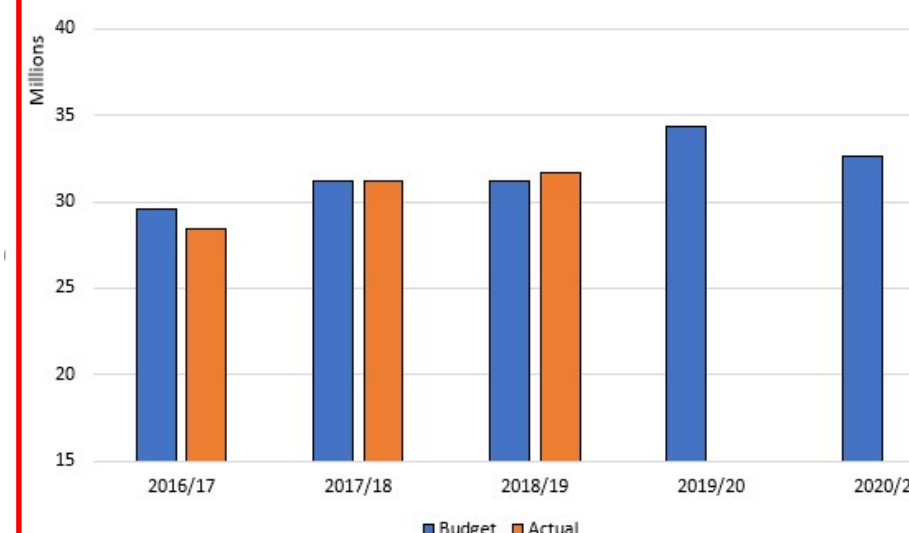
City Surveyor's 2020/21 gross expenditure mapped to the 12 Corporate Outcomes



Spend by Corporate Aims and Outcomes

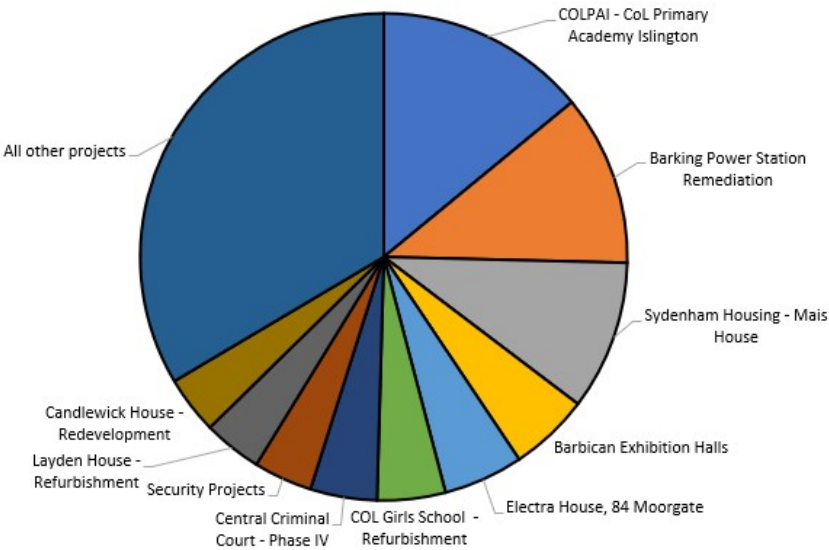
Corporate Aim	%
1. Contribute to a flourishing society	8%
2. Support a thriving economy	25%
3. Shape outstanding environments	67%

City Surveyor's Local Risk Budget v Actual

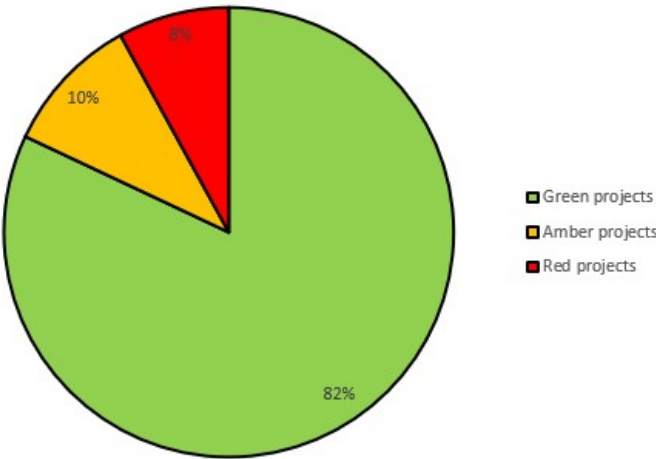


Projects

Property Projects - Top ten by total project cost

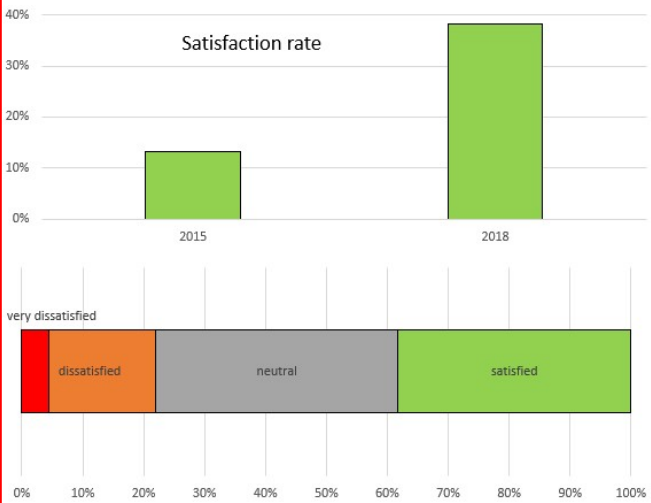


Property Projects - Complete current portfolio RAG status



Customer feedback

Corporate occupier satisfaction has increased significantly following the change in contract from Mitie to Skanska.



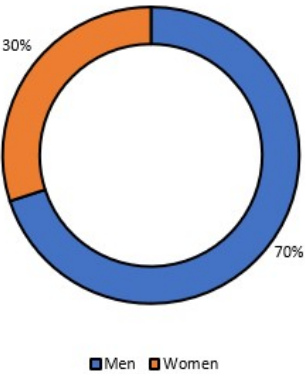
Staff feedback

TOP 3 HIGHEST SCORING QUESTIONS:	% POSITIVE
Q1. I am interested in my work	94%
Q32. I feel safe walking alone in the area around my workplace during the day	92%
Q3. I have the skills I need to do my job effectively	91%
BOTTOM 3 LOWEST SCORING QUESTIONS:	% POSITIVE
Q27. I feel that my pay adequately reflects my performance	23%
Q55. I believe that action will be taken on problems identified in this survey	24%
Q24. The City of London Corporation manages change effectively	27%

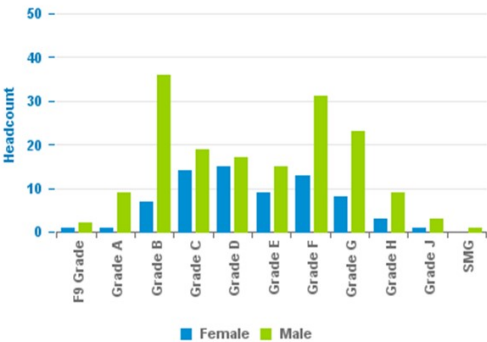
The department has developed an action plan to address areas of weakness, and expand our areas of strength.

Equalities & Inclusion

Gender breakdown



Grade Breakdown



Over 2020/21 the department will undertake an equalities self-assessment in line with RICS best practice and develop an action & improvement plan.

Corporate Performance Framework

Through its activities, the department is contributing to the following high-level corporate outcomes:

- Customer satisfaction
- Percentage increase in user satisfaction with the quality of space
- Percentage reduction in energy consumption and carbon
- Ease of doing business
- Number of companies coming to the UK
- Levels of digital coverage in the Square Mile
- Number of new social homes completed
- Number of visitors
- Number and type of man-made threats responded to and neutralised
- Number of Health and Safety incidents and near misses
- Percentage of the workforce that are apprentices
- Reducing the Gender Pay Gap
- Number of reviews of relevant process or projects
- Process or projects as a result of a review

Key Risks

	Minor	Serious	Major	Extreme
Likely	0	0	0	0
Possible	0	1	3	0
Unlikely	0	0	1	0
Rare	0	0	0	0

Unlikely, major impact

- Unable to meet Carbon Descent Plan for 2026

Possible, major impact

- A fall in property return performance
- Insufficient budget to meet user and asset demand at Guildhall
- Backlog maintenance

Possible, serious impact

- Management of City Bridges and River Wall Risks

Top five Operations contracts

- Skanska
 - Building repairs and maintenance
- ISS
 - Security
- Atalian Servest
 - Cleaning
- Amalgamated Lifts
 - Lifts
- Parkers
 - Window Cleaning

Consolidated Markets ↑

← Centre for Music

APPENDIX 1 REPORT ON FM ARRANGEMENTS FOR GUILDHALL EVENTS

Committee(s): Finance Committee Corporate Asset Sub (Finance) Committee	Date(s): 10 December 2019 29 January 2020
Subject: FM arrangements for Guildhall events	Public
Report of: Joint report of the Remembrancer, Chamberlain and City Surveyor	For decision
Report author: Paul Double	

Summary

At its meeting on 12 November 2019 the Finance Committee agreed in principle that the current funding arrangements for the maintenance and capital needs of Guildhall's event spaces should be revised, with a view to achieving full transparency for subsidies, costs and allocations.

In light of this, direct and indirect costs of operating the event spaces are to be assessed against charges and set out within a profit and loss trading account.

A facilities event-related business or operating plan for events will be agreed between the Remembrancer's Office, City Surveyor and the Chamberlain, specifying the funding and management arrangements for the Guildhall event spaces. A designated fund is proposed, into which a proportion of the income generated by the venue will be paid, to be directed specifically towards event-related facilities requirements. This will enable investment in improved and up-to-date facilities, allowing a quicker response to new market opportunities, increased income generation and retention of Guildhall's reputation as an iconic venue for holding prestigious national and international events.

The Remembrancer would act as the single Chief Officer responsible for the profit and loss account and joint operating plan.

Recommendation(s)

Members are asked to approve:

1. The creation of a single profit and loss (P&L) account, showing the full direct and indirect costs of events.
2. The setting of charges for commercial events and those subject to a charity discount to exceed the direct and indirect cost of events.
3. The Remembrancer to act as the single Chief Officer responsible for the P&L account and a joint operating plan identifying event-related facilities

APPENDIX 1 REPORT ON FM ARRANGEMENTS FOR GUILDHALL EVENTS

requirements and a forward plan for the maintenance of the Guildhall event spaces.

Main Report

Background

1. The maintenance and capital needs of Guildhall's eleven event spaces reflect their primary use for the City Corporation's own purposes, comprising major ceremonial and policy-related events and departmental uses, in addition to commercial lettings and charity lettings and use by organisations with very close City connections. There are four principal current sources of funding:
 - i. Cyclical maintenance requirements, drawn from the 20-year plan, are bid for within the Cyclical Works Programme (CWP), along with other properties within the City Corporation operational portfolio. (The CWP planned spend is £1.5m in 2019/20 for the Guildhall).
 - ii. Any individual works or projects valued over £250,000 or forming a group of related works that, when combined, total over £250,000, form part of the capital projects bid process. Subject to approval and available budget, these are taken through the Gateway stages.
 - iii. Day-to-day maintenance is addressed by Guildhall FM's fixed and reactive budgets (£2.2m in 2019/20 for the whole Guildhall complex).
 - iv. The City Surveyor's Guildhall administration annual budget of £8.645m in 2019/20 covers the whole Guildhall complex.
2. The requirements of the event spaces, which are marketed as premium spaces to Guildhall commercial clients, differ markedly from the rest of the Guildhall complex, the majority of which is made up of office space. When works are undertaken, available budgets cover standard Guildhall complex finishes but not necessarily those expected for heritage buildings or for a prestigious venue let at commercial rates. Without timely maintenance programmes, there is a risk that Guildhall will cease to offer first-class event spaces for commercial and other use. This is reflected in feedback from clients paying to hire Guildhall event spaces. In feedback surveys, a third of users rated Guildhall facilities as only satisfactory or less. This is a markedly less positive outcome than for other aspects of the venue such as the overall venue-client relationship.
3. The City Surveyor has reported that the day-to-day maintenance budget covers the complex as a whole and the event space requirements are not differentiated or ringfenced within this budget. The reactive budget covers mechanical and engineering (M&E) only and does not allow for large-scale reactive fabric repairs, save for small scale works. If the budget is spent elsewhere, it can be difficult to obtain extra funding. The 20-year plan does not cover all the assets and fabric elements of the event spaces. The current situation has resulted in gaps in the ongoing planning and maintenance for the Guildhall event spaces.

APPENDIX 1 REPORT ON FM ARRANGEMENTS FOR GUILDHALL EVENTS

4. At present, Guildhall hire charges are reviewed every year in order to reflect both costs and market comparators. However, the exact costs attributable cannot currently be produced because the information is not available. This is because the Guildhall Administration costs are not split up in sufficient detail to capture exact costs attributable to event spaces. Currently these are apportioned (in accordance with a long standing practice) on a percentage basis. The Chamberlain and City Surveyor are now considering other methods to capture the exact costs attributable to the event spaces for the future.

Proposals

Guildhall events P&L account

5. As set out above, charges for paid events are currently set based on an assessment of event-related costs (variable costs) and an apportionment of overheads (fixed costs). There has been a form of P&L account in existence for some time which is reported annually to HWP as part of the annual charging review. This shows total costs attributed to charged-for events and, after income from those events, the contribution (net income) from lettings towards the total cost of running the Guildhall complex. A P&L account based on the current methodology is attached at Appendix 1. However, the Chamberlain now proposes that the charging mechanism be scrutinised prior to the next charging review to ensure that accurate costs are fully reflected in the charges set.

Designated fund

6. The Chamberlain proposes that a forecast of proposed requirements should be drawn up which would be met from the designated fund for the next 3-5 years. The fund may need to meet a higher drawdown in year one to fund any backlog of need, to level out over the following years. It is suggested that the available balance be set at £250k initially, with a top up at the end of each subsequent year to £100k. These two values are illustrative and would need to be supported by a forecast of items needed and how these items are essential in terms of either being necessary to maintain current market share or to grow the business.

Operating plan

7. A facilities event-related operating business plan for the Guildhall event spaces will be developed and agreed by the Remembrancer, Chamberlain and City Surveyor. The plan will detail the funding, management and operating arrangements including the funding sources identified in paragraph 1 of this report and the proposed designated fund. A review of current maintenance plans for the Guildhall event spaces will be undertaken. Expenditure which would need to be met independently of whether or not paid-for events took place in the venue would continue to be met in the usual way through the current funding sources.
8. The operating plan will outline the operating costs and include the cost of labour, FM services, fabric and furniture, AV, IT and administration. The operating plan would detail how FM services will support the event spaces, including operational and marketing strategies. The operating plan will describe how key areas including maintenance, cleaning, catering equipment and security will be delivered.

APPENDIX 1 REPORT ON FM ARRANGEMENTS FOR GUILDHALL EVENTS

Single officer responsibility

9. It is proposed that single Chief Officer responsibility for the profit and loss account, designated fund and the operating plan will be held by the Remembrancer. The Remembrancer will oversee the principles and development of the new framework, forecast costs and income, delegated authority for works over a certain amount and the reporting of the profit and loss account to Member committees.

Conclusion

10. The new arrangements will facilitate the event-related proposals submitted as part of the Fundamental Review and provide the basis for a joint Remembrancer and City Surveyor business strategy for the Guildhall event spaces. This will:
 - Align investment in improved facilities for the event spaces with the commercial income obtained from their use;
 - Enable the delivery of a first-class venue, offering flexible spaces and facilities needed to generate increased income and accommodate the City's own ceremonial and policy events;
 - Allow Guildhall to respond quickly to new market opportunities.

Appendices

Appendix 1 Current draft P&L account

Paul Double

City Remembrancer

APPENDIX 1 REPORT ON FM ARRANGEMENTS FOR GUILDHALL EVENTS

Appendix 1

Guildhall Lettings Trading Account 2018/19 Outturn

2017-18 Actual			Notes	2018-19 Actual		
REM	SVY	Total		REM	SVY	Total
Dept	Dept			Dept	Dept	
£'000	£'000	£'000		£'000	£'000	£'000
<u>COMMERCIAL EVENTS</u>						
Income from Guildhall Lettings						
1,456	-	1,456	Commercial Rate	1	1,570	- 1,570
378	-	378	Charity Rate	2	474	- 474
456	-	456	City Rate	3	438	- 438
14	-	14	Special Rate	4	11	- 11
2,304	-	2,304	Total income	2,493	-	2,493
Expenditure relating to Guildhall Lettings						
(242)	(68)	(310)	Employees	5	(257)	(70) (327)
-	(455)	(455)	Premises Related	6	-	(453) (453)
(10)	-	(10)	Transport	7	(6)	- (6)
(59)	(3)	(62)	Supplies & Services	8	(46)	- (46)
-	(82)	(82)	Cyclical Works Programme	9	-	(103) (103)
(26)	(27)	(53)	Central Recharges	10	(25)	(24) (49)
(337)	(635)	(972)	Total Expenditure on Guildhall Lettings	(334)	(650)	(984)
1,967	(635)	1,332	COMMERCIAL EVENTS – NET SURPLUS	2,159	(650)	1,509
<u>NON-COMMERCIAL EVENTS (NO CHARGE IS MADE)</u>						
Expenditure on other (non-commercial) events						
(515)	(145)	(660)	Employees	(662)	(180)	(842)
-	(967)	(967)	Premises Related	-	(1,165)	(1,165)
(21)	-	(21)	Transport	(16)	-	(16)
(125)	(6)	(131)	Supplies & Services	(117)	-	(117)
-	(173)	(173)	Cyclical Works Programme	-	(266)	(266)
(54)	(56)	(110)	Central Recharges	(63)	(63)	(126)
(715)	(1,347)	(2,062)	NON-COMMERCIAL - DEFICIT	(858)	(1,674)	(2,532)
<u>COMMERCIAL AND NON-COMMERCIAL EVENTS COMBINED</u>						
1,252	(1,982)	(730)	Net operating cost of Guildhall event rooms	1,301	(2,324)	(1,023)

APPENDIX 1 REPORT ON FM ARRANGEMENTS FOR GUILDHALL EVENTS

Notes

- 1) Commercial Rate is set at a market competitive rate which must exceed the amount required to meet Full Cost Recovery (this is the amount needed to meet Event-Related Cost Recovery plus a contribution to fixed costs which are a proportion of other salaries, repairs and maintenance, rates, cleaning, water, insurance, supplies and services etc. as applicable to the function areas).
- 2) Charity Rate is set at a discount of 30% to the Commercial Rate, subject to the resulting charge being set at least equal to the amount required to meet Full Cost Recovery.
- 3) City Rate is the amount required to meet security, cloakroom, function, electrician and plant engineer costs, electricity, heating and ventilating costs, administration and sound engineer costs.
- 4) Special Rate is set at 10% of the Commercial Rate.
- 5) Employee expenditure includes the cost of Remembrancer's staff who organise and run the events and support from the City Surveyor's Functions Team.
- 6) Premises related expenditure includes rates, repairs and maintenance, energy costs and cleaning and domestic supplies.
- 7) Public transport expenditure includes the cost of taxis to/from meetings and events.
- 8) Supplies and services expenditure includes equipment, furniture and materials, clothing, printing and stationery, professional fees, communications and computing and advertising and promotion.
- 9) Cyclical Works Programme expenditure includes the cost of general and specific works to ceremonial areas.
- 10) Central recharges include support services, IS recharge, legal fees and insurances relating to premises, engineering and liability.

Appendix 2

Trading Account 2018/19

	Commercial Rate £'000	Charity Rate £'000	City Rate £'000	Special Rate £'000	No User Charge £'000	Total £'000
<u>Income</u>	1,570	474	438	11	0	2,493
<u>Less: Direct Costs</u>						
Employees	(179)	(69)	(124)	(14)	(993)	(1,379)
Premises Related	(93)	(36)	(64)	(7)	(515)	(715)
Supplies & Services	(28)	(11)	(19)	(2)	(155)	(215)
Total Direct Costs	(300)	(115)	(208)	(23)	(1,662)	(2,309)
Gross Profit/(Loss)	1,270	359	230	(12)	(1,662)	184
<u>Less: Indirect Costs</u>						
Premises Related - Rates	(80)	(31)	(55)	(6)	(441)	(612)
CWP/Repairs Fund	(48)	(18)	(33)	(4)	(266)	(369)
Central Recharges	(18)	(7)	(13)	(1)	(102)	(142)
Premises Depreciation	(77)	(30)	(53)	(6)	(427)	(593)
Total Indirect Costs	(223)	(86)	(154)	(17)	(1,236)	(1,716)
Net Profit/(Loss)	1,047	273	76	(29)	(2,898)	(1,532)
Number of events held	76	30	51	8	429	594

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Appendix 1 - Flooding - 24.09.19

Property	Leak Location	Cause	New or Existing	Short Term Mitigation Actions	Long Term Mitigation Actions
Girls School	Art Room (top floor)	Blocked drainage downpipes from roof were overflowing	New	Blocked downpipes were rodded and debris in immediate area removed. However, the room has been taken out of use due to water damage to the ceiling and possibly to electrical supplies.	Debris (mainly stones and moss) across roof has been removed. Detail to the downpipe outlet is being opened up to make the gap larger and increase water flow. The same will then be carried out to all similar outlets on the flat roofs. Fabric and electrical repairs to the Art Room are also required and being arranged.
Girls School	Main Hall and Main Hall Extension	Overflow of gutter outside MHE and overflow of Barbican Lake	New	Gutter cleared. Dry sacks organised from Islington Council to barricade in event of further overflow incidents	As the Barbican fountains were not running one of the key valves was turned off. This meant that there was no release mechanism for the vast volume of water that fell that day which led the lake to overflow blocking pedestrian walkways between the lake and the school and flooding the school main hall. Once the valve was opened the issue was resolved.
Girls School	FM Office (basement)	Ingress from leaks in the surrounding underground blockwork which supports the tiled area outside the school (part of the Barbican Estate)	Existing. Inspection earlier in the year suggests it has been deteriorating for a long time (probably years) before it broke through the walls of the office.	Very little could be done. The damaged blockwork is in the demise of the Barbican. The school and the City Surveyor cannot access it and repairs required are substantial.	The Barbican maintenance team is arranging repairs with their contractor, but this is proving very slow, and they have been unresponsive to repeated update requests.
Boys School	Sports Hall and Swimming Pool	Presumed to be failed roofing fabric and seals	Existing	Little can be done in the short term and the leaks are being managed by the school.	The entire roofs are overdue for replacement in the forward maintenance plan, but have been deferred due to possible crossover with the school's master plan project(s). Minor repairs have been identified and proposals provided by Wates. We are looking to carry these out during holiday period, probably next Easter, to be agreed with the Bursar. However this is not guaranteed to resolve the issues.
Central Criminal Court	Above Court 1 – water ingress into the Court Room	Excessive rainfall	Existing	Patch repairs to roof	Gateway report to be prepared for the survey and repairs to the whole of the roof space and external brickwork at CCC
Central Criminal Court	Above Court 3 – Water ingress into the Court Room	Excessive rainfall	Existing	Patch repairs to roof	Gateway report to be prepared for the survey and repairs to the whole of the roof space and external brickwork at CCC
Central Criminal Court	Public Gallery Corridor – Level 2 (1907 wing) – water ingress coming through the window and through the brickwork causing major flooding	Excessive rainfall	Existing	Patch repairs to roof and clearing of gutters and gully's Obtain cost for replacing the window by the side of Gallery No3 – window rotted. Repointing of side elevation (into the lightwell) required to stop water penetration.	Gateway report to be prepared for the survey and repairs to the whole of the roof space and external brickwork at CCC
Central Criminal Court	Main Door – Lower Ground Level. Main entrance at Old Bailey flooded up to 6inches of water. Water came from below as the drainage system couldn't cope with the excessive rain. All flooring in this area has been damaged	Excessive rainfall – external drainage couldn't cope putting pressure on our internal drainage	Existing	Aquaflow attended site to clear any blocked drains.	Replace flooring with a more resilient material such as a heavy duty vinyl. This will avoid a repeat of having to have the flooring replaced. Keeper to contact Highways to ensure the external drainage is cleared on a regular basis reducing the risk of water backing up into CCC.
Freemen's School	Kemp House	Electrical fault with skylight keeping the windows open.	New	Further works to investigate the electrical fault due - one window could not be released.	Regular inspection of roofs carried out as part of building checks.
Freemen's School	Music School	Roof Leak	Existing	With major projects - ongoing fault.	TBC.

Magistrates Court	3rd Floor	Heavy downpour which has caused flooding at the 3rd floor balcony. Excess water overspilled into the 3rd floor and travelled through building causing damage to the courts and lobby areas	Existing	PSDNs were raised to unblock the gullies on the 3rd floor balcony. PFM team have requested that the technical advice group survey and advise on water proofing measures PFM team visited site with maintenance contractor in order to identify point of entry, assess damage and consider proofing measures	We will carry out TAG recommendations. Increase the frequency of gutter/rainwater goods clearance. PFM advised the onsite team to visually check balcony once a week and to raise jobs as required.
Mansion House	Various	Excessively heavy downpour at approximately 4.30pm penetrating through roof in multiple locations.	Existing	Attended by maintenance contractor's roofing company who inspected and cleared areas that were slow to drain. Localised sealing was carried out at locations where rainwater may have been allowed into the building.	Increase the frequency of gutter/rainwater goods clearance. PFMs to collect all information from reports and to progress any works advised. PFMs to then consult with minor works team to consider current external CWP projects. High level glazing pane replacement has been quoted and are to be progressed through the maintenance contractor.
Guildhall Complex	Irish Chambers	Overflow of drain pot on the west facing gully, seeping into front façade and down through the building	Existing	Remedial works to the Georgian Ceiling Dehumidifiers Hire and Cleaning	The diameter of the roof outlet located at the front elevation right hand corner to be increased to allow the captured rainwater to flow away effectively. A larger opening would have be formed and a new cast iron hopper head introduced in the moulded cornice and parapet wall to the front of the building. The rainwater downpipe from the adjoining building should be diverted away from the main rood and run independently onto its building
Guildhall Complex	North Wing - basement Corridor between the Gild and the GJR	Water accessing void in ceiling via piazza, and caused ceiling above access hatch to collapse. Carpet needs cleaning	New	Cleaning Dehumidifier Repair to cleaning and redecoration	Water proofing of the Guildhall Yard to be undertaken as a Capital Project once the works have been completed at St Lawrence Jewry
Guildhall Complex	Events space plantroom Basement Level 1	Water flooded into West Crypt	Existing	Repair to Wall and Cleaning	Gully to be diverted to ensure that rainwater is discharged correctly
Guildhall Complex	Function Area - Catering Changing Rooms Basement Level 1 (Female and Corridor)	Drain behind wall backed up due to volume of water through downpipe, from drain on Great Hall west elevation parapets. A blockage in the pipe below basement and no cap on the drain	New	Repair to Wall Cleaning Potential damage to floor due to the amount of water	Enhanced PPM regime in place
Guildhall Complex	Basement Kitchen 20/21 Aldermanbury	Flooding - Source Unknown	Existing	Water cleaned up and area dried	Further investigation into the leak is underway
Guildhall Complex	Staff Restaurant	Water came up through drains into kitchen area	New	Drains Cleared	Regular maintenance of the drains
Guildhall Complex	Basinghall Street Entrance Staircase	Water came down walls and caused damage to walls and carpets	New	Drains Cleared	Regular maintenance of the drains

Appendix 2 - Extreme Weather

Property	Weather Event	Mitigation Actions
City Information Centre	Extreme Hot Temperatures	Replacement of the Chiller Equipment. Due April 2020
City Information Centre	Extreme Cold Temperatures	Replacement of the Ground Source Heat Pumps in Summer 2018
London Metropolitan Archives (LMA)	Extreme Temperatures	Replacement of the Chiller Equipment. Capital Bid submitted for 20.21
Guildhall Complex - West Wing	Extreme Hot Temperatures	Replacement of the Chiller Equipment. Capital Bid submitted for 20.21
Guildhall Art Gallery	Extreme Temperatures which affects various areas in the Offices and Humidity within the Art Gallery	Replacement of the Chiller Equipment. Capital Bid submitted for 20.21

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