



## Procurement Sub (Finance) Committee

**Date:** WEDNESDAY, 9 SEPTEMBER 2020

**Time:** 1.45 pm

**Venue:** VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

**Members:**

Deputy Hugh Morris, Finance Committee (Chairman)	Deputy Jamie Ingham Clark, Finance Committee
Deputy Robert Merrett, Finance Committee (Deputy Chairman)	Alderman Gregory Jones QC
Randall Anderson, Finance Committee	Jeremy Mayhew, Finance Committee
Deputy Roger Chadwick	Susan Pearson, Finance Committee
Michael Hudson, Finance Committee	William Pimlott, Finance Committee
Deputy Jamie Ingham Clark, Finance Committee	Deputy Philip Woodhouse

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### Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:

<https://youtu.be/XI34qd3RvLU>

This meeting will be a virtual meeting and therefore will not take place in a physical location following regulations made under Section 78 of the Coronavirus Act 2020. A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

**John Barradell**  
Town Clerk and Chief Executive

# **AGENDA**

## **Part 1 - Public Agenda**

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **PUBLIC MINUTES OF THE PREVIOUS MEETING**  
To agree the public minutes of the meeting held on 6<sup>th</sup> July 2020  
**For Decision**  
(Pages 1 - 4)
4. **PROCUREMENT SUB-COMMITTEE WORK PROGRAMME**  
Report of the Chamberlain  
**For Information**  
(Pages 5 - 6)
5. **CITY PROCUREMENT QUARTERLY PROGRESS REPORT**  
Report of the Chamberlain  
**For Information**  
(Pages 7 - 14)
6. **RISK MANAGEMENT UPDATE**  
Report of the Chamberlain  
**For Information**  
(Pages 15 - 28)
7. **CLIMATE ACTION STRATEGY**  
Report of the Town Clerk  
**For Information**  
(Pages 29 - 66)
8. **REPORT OF ACTION TAKEN**  
Report of the Town Clerk  
**For Information**  
(Pages 67 - 68)
9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
10. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
  - Performance Bonds (oral report) – The Chamberlain to be heard

11. **EXCLUSION OF THE PUBLIC**

MOTION - 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 I of Schedule 12A of the Local Government Act.

**For Decision**

**Part 2 - Non-Public Agenda**

12. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

To agree the non-public minutes of the meeting held on 6<sup>th</sup> July 2020

**For Decision**  
(Pages 69 - 72)

13. **MAJOR WORKS PROJECT MANAGEMENT FRAMEWORKS - STAGE 2 AWARD**

Joint report of the Chamberlain and City Surveyor

**For Decision**  
(Pages 73 - 82)

14. **CONTRACT VARIATION: SERVICES FOR PAN LONDON SEXUAL HEALTH TRANSFORMATION PROGRAMME**

Joint report of the Chamberlain and the Director of Community & Children's Services

**For Decision**  
(Pages 83 - 90)

15. **ACTION FRAUD SYSTEM AND NFIB MANAGED SERVICE**

Joint report of the Town Clerk, the Commissioner of Police and the Chamberlain

**For Decision**  
(Pages 91 - 96)

16. **NEXT GENERATION SERVICE, NATIONAL FRAUD AND CYBER CRIME REPORTING & ANALYSIS – PROJECT LAUNCH AND PROCUREMENT FUNDING**

Report of the Police Commissioner

**For Information**  
(Pages 97 - 120)

17. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

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

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## **PROCUREMENT SUB (FINANCE) COMMITTEE**

**Monday, 6 July 2020**

**Minutes of the meeting of the Procurement Sub (Finance) Committee held  
virtually via Microsoft Teams at 1.45 pm**

### **Present**

#### **Members:**

Deputy Hugh Morris (Chairman)	Deputy Jamie Ingham Clark
Deputy Robert Merrett (Deputy Chairman)	Jeremy Mayhew
Deputy Roger Chadwick	Susan Pearson
John Fletcher	William Pimlott
Michael Hudson	

#### **Officers:**

Alistair MacLellan	- Town Clerk's Department
Polly Dunn	- Town Clerk's Department
Chris Bell	- Chamberlain's Department
Nicholas Richmond-Smith	- Chamberlain's Department
James Rooke	- City Suveryor's Department
Lisa Moore	- Chamberlain's Department
Natalie Evans	- Chamberlain's Department
Ellen Murphy	- Chamberlain's Department
Bukola Soyombo	- Chamberlain's Department
Ola Obadara	- City Surveyor's Department

#### **1. APOLOGIES**

There were no apologies.

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

There were no declarations.

#### **3. PUBLIC MINUTES OF THE PREVIOUS MEETING**

**RESOLVED**, that the public minutes and non-public summary of the meeting held on 6 February 2020 be approved.

#### **4. PROCUREMENT SUB-COMMITTEE WORK PROGRAMME - JULY 2020**

Members considered a report of the Chamberlain regarding the Procurement Sub-Committee's Work Programme as at July 2020 and the following points were made.

- The Chamberlain noted that the programme would require revision in light of the corporate impact of COVID-19, and that a revised programme would be submitted to the September 2020 meeting. In response to a request, the Chamberlain agreed to ensure that revisions were made

explicit in order to facilitate comparison between the former and revised work programmes.

**RESOLVED**, that the report be received.

5. **CITY PROCUREMENT QUARTERLY PROGRESS REPORT**

Members considered a quarterly progress report of the Chamberlain regarding City Procurement and the following points were made.

- In response to a question, the Chamberlain replied that no suppliers had invoked *force majeure* since the onset of COVID-19. Some suppliers had noted that it may have been necessary at the onset of the crisis, but proactive supplier management by representatives of the City had mitigated supplier concerns.
- A Member noted that the Chamberlain should ensure that City Procurement's approach to SME suppliers was aligned with wider City of London Corporation policy e.g. SME support in development by Innovation & Growth.
- In response to a comment, the Chamberlain confirmed that City Procurement would be alive to the possibility to support SMEs based within the City of London, whilst striking an appropriate balance between supporting viable businesses and allowing market forces to take their course.

**RESOLVED**, that the report be received.

6. **PERFORMANCE BONDS AND PARENT COMPANY GUARANTEES - RESOLUTION FROM: PROJECTS SUB (POLICY AND RESOURCES) COMMITTEE (25 JUNE 2020)**

Members considered a resolution of the Projects Sub (Policy and Resources) Committee regarding Performance Bonds and Parent Company Guarantees. The Chairman welcomed the resolution and noted that the Chamberlain was reviewing whether performance bonds and parent company guarantees could be further embedded appropriately within the City's procurement processes.

**RESOLVED**, that the resolution be received.

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

There were no questions.

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

There was no other business.

9. **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 I of Schedule 12A of the Local Government Act.

10. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**  
**RESOLVED**, that the non-public minutes of the meeting held on 6 February 2020 be approved.
11. **OUTSTANDING MATTERS**  
Members considered a report of the Town Clerk regarding outstanding matters.
12. **POWER PURCHASE AGREEMENT (PPA) FOR OFFSITE RENEWABLE ELECTRICITY - PROCUREMENT STAGE 1A MID TENDER PROGRESS REPORT**  
Members considered a joint report of the Chamberlain and the City Surveyor regarding a Power Purchase Agreement (PPA) for Offsite Renewable Electricity – Procurement Stage 1A Mid-Tender Progress.
13. **ROUGH SLEEPING OUTREACH SERVICE UPDATE**  
Members considered an update report of the Chamberlain regarding the Rough Sleeping Outreach Service.
14. **ACTION FRAUD AND NFIB - LATEST OFFER**  
Members considered a joint report of the Town Clerk, Commissioner and Chamberlain regarding Action Fraud and National Fraud Intelligence Bureau – Latest Offer.
15. **CONTRACT DISPUTE VERBAL UPDATE**  
The Chamberlain was heard regarding the Contract Dispute.
16. **ANNUAL WAIVER REPORT 2019/20**  
Members considered an Annual Waiver Report 2019/20 of the Chamberlain.
17. **CITY OF LONDON POLICE, DIGITAL INTERVIEW RECORDING PROJECT LESSONS LEARNED**  
Members considered a report of the Chamberlain regarding City of London Police: Digital Interview Recording Project Lessons Learned.
18. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**  
There were no non-public questions.
19. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
There were no non-public questions.

**The meeting closed at 2.24 pm**

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Chairman

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**Procurement Sub-Committee – Work Programme 2020**

Meeting:	09/09/2020	07/10/2020	05/11/2020	07/12/2020	12/01/2021
	<b>Strategy, Policy, Continuous Improvements and Performance</b>				
	* City Procurement KPIs (quarterly update) * City Procurement Risk Register * Action Fraud & NFIB * Benefits of the new P-card contract	*P-card Update Paper			
	<b>Sourcing and Category Management</b>				
	*Major Works Framework Project Management Services Stage 2	*Art Transport Services (Barbican) – Stage 2 *Organisation Business Solutions, Stage 1 Report * Semi-independent / supported accommodation placements (16-25yrs), Stage 1 *Parking Enforcement – Stage 1 * Stage 1 & 2 report for Provision of Electricity and Gas Supplies *National Fraud and Cyber-Crime Reporting and Analysis Service * Brewery Road Refurbishment Works	*Architects Stage 2 Award *Property Insurance, Stage 1 Report * Route to Market- HR, Payroll and Finance, ERP Solution * Barking Power Station Remediation – Demolition	* Approval to award Filming Location Agency Concession *Architects Stage 1 * Fleet Street Estate – Procurement Strategy – Construction * Markets Consolidation Programme – Procurement Strategy - Strategic Property Adviser and Professional Services	* Corporate Catering- Viability review of Guildhall, Barbican & GSMD
	<b>Contract Management and Responsible Procurement</b>				
	*CFL Contract Variation *London Sexual Health Transformation Contract Variation				

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<b>Committee(s)</b>	<b>Dated:</b>
Procurement Sub Committee Finance Committee	9 September 2020 22 September 2020
<b>Subject:</b> City Procurement Quarterly Progress Report (September 2020)	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> Chris Bell, Commercial Director	

## Summary

The report updates Members on the work of City Procurement, key performance indicators and areas of progress.

Performance for Q1 of 2020/21 financial year is summarised below:

- Procurement savings at end of June 2020 of £1.3m, made up of £290k Commercial Contract Management savings and £1.01m Sourcing & Category Management savings.
- Purchase order compliance of 98% (target of 97%).
- 93% of all supplier invoices were paid within 30 days (target of 97%)
- 86% of SME invoices were paid within 10 working days (target of 88%).
- Non-compliant Waiver over £50k trends:
  - Non-compliant waivers decreased by 71% compared to the previous financial year.
  - A total of 2 Procurement Breach waivers have been recorded in FY 20/21 with a total value of £183k.

## Recommendations

- Members are asked to note the report.

## Main Report

### Background

1. City Procurement has four main functions: Category Management/Sourcing, Commercial Contract Management, Accounts Payable, and Policy & Compliance. This report provides an update on the progress and current performance against the service KPIs set out in the Chamberlain's Business Plan in April 2020.

### Efficiency and Savings

2. City Procurement is set an annual savings target at the start of each year based on the contracts to be let during the financial year that have the potential to make efficiency or cost savings and contracts let in previous years that are generating guaranteed savings in the current year. Each contract is reviewed by the relevant Category Board to set the targets and each contract target considers historic spend, scope changes, complexity, risk and industry benchmarks. The 2020/21 City Procurement savings target has not yet been set as it is still being reviewed due to Covid-19 and the need for revised category strategies to be developed.

### 2020/21 Efficiencies and savings as at 30 June 2020

- Sourcing & Category Management achieved procurement savings of £1.01m at the end of Q1 FY 20/21. Additionally, Commercial Contract Management has achieved efficiencies and savings to the value of £290k, giving total savings for Q1 of £1.3m.

### Key Procurement Projects 2020/21

- There is a very challenging sourcing plan for this year, added to by the urgent Covid-19 and a range of recovery requirements that has procurement implications. Some of the key procurement projects this year are summarised at Appendix A.

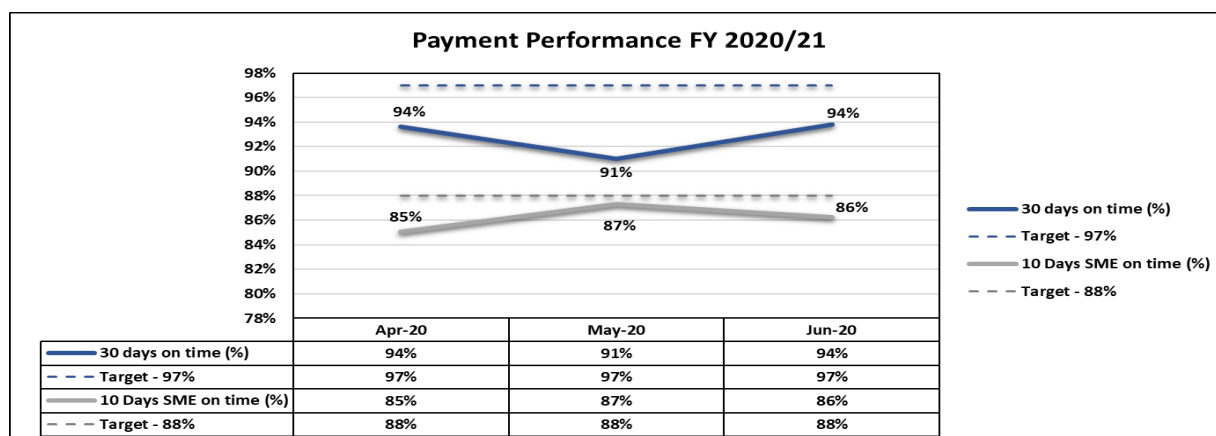
### Accounts Payable Performance – Compliance with No PO No Pay Policy

- We continue to achieve high levels of compliance with 98% PO compliance for Q1 FY 20/21, therefore exceeding our target of 97%.

### Payment Performance

- The Corporation's 30-day invoices paid-on-time performance for Q1 FY 20/21 is 93%, slightly below the target of 97%. Our 10-day SME invoice payment performance for Q1 FY 20/21 is 86%, falling just short of the 88% target. There have been a number of factors impacting results this year including carrying vacancies to balance budget, increased work for Accounts Payable assisting other parts of the organisation (including all Covid-19 relief payments) and some periods of down time in IT access to the payments systems.

Figure A – 30- and 10-Day Payment Performance trend charts



### Electronic Invoices Received

- Of all the invoices received from suppliers in Q1 FY 19/20, 94% were in the desired True PDF format, exceeding our target of 75%.
- All Accounts Payable staff continue to work from home due to the COVID-19 pandemic, so the necessity for invoices to be submitted electronically remains.

### **Non-compliant Waivers**

9. Compliant waivers are now considered as part of the Options Report when undertaking a procurement exercise. A separate report is no longer required for compliant waivers and under £50,000 purchases have been devolved to departments. The figures below include over £50,000 non-compliant waivers only.
- a) Trends for Non-compliant Waivers over £50,000:
- Non-compliant waivers decreased by 71% compared to the previous financial year.
  - A total of 2 Procurement Breach waivers have been recorded in FY 20/21 so far with a value of £183k.

### **Freedom of Information (FOI) Requests**

10. City Procurement has responded to 8 FOI requests between April – June 2020, amounting to 18 hours of officer time. Analysing the make-up of FOIs for this period gives the following categorisation:

<b>Nature of FOI Query</b>	<b>Instances</b>
Understanding our expenditure	5
Compliance queries	2
Seeking sales opportunities	1
	<b>8</b>

### **Covid-19 Response and actions for City Procurement**

11. Like much of the organisation, there has been a significant impact of the Covid-19 crisis on City Procurement.

### **Supporting Urgent Department requirements**

12. The main element of support to City Services, has been sourcing PPE and other urgent commodities or services for the organisation and the Covid-19 Strategic Coordination Group for London. We have been able to meet urgent demands consistently in a very difficult marketplace and have quickly built up a panel of suppliers to meet needs arising. This included large urgent orders for DCCS to support crucial services and suppliers. Both then and now, ensuring that services identify needs early is critical to ensure supply. It is expected that demand will remain high across London.

### **Impact on live and soon to commence procurement exercises**

13. The impact of Covid-19 has been very different across the range of goods, services and works contracts we are currently working on. Due to this, the Commercial Director has requested revised Category Strategies to reflect this. These draft strategies will be completed by the end of August 2020 and then presented and discussed at the various Category Boards before being approved. These strategies will consider whether to pause/defer certain procurements, extend existing arrangements, challenge the need or scope of procurement exercises and also take advantage of short-term market conditions that would be positive to the organisation. We will bring back the outcome of those exercises at October committee. This also has an impact on our targets for 2020/21, therefore we will present our target figures at this same committee.

## **Conclusion**

14. City Procurement continues to achieve a high level of performance during an extremely challenging period. The savings target has not been set yet due to Covid-19; however, it is being reviewed and we continue to make savings with £1.3m achieved so far for Q1. The payment performance figures are falling just short of their respective targets, but a few adverse factors have been identified and further investigation will be carried out with the aim of introducing measures to counteract these. We continue to achieve high levels of PO Compliance and we have seen a significant increase in True PDF invoice taking us above the 90% mark. Latterly, the impact of Covid-19 has created significant new additional work in terms of responding to the situation and new government policy notices. The current environment also has impacted our sourcing plan and ability to procure as normal, thus revised category strategies are being worked on with a revised plan and targets being presented for 2020-21 at the September Procurement Sub-Committee.

## **Report Author**

Chris Bell, Commercial Director, Chamberlain's Department

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## Appendix A – Key Projects for Category Management and Sourcing in 2020-2021.

Some of the key procurement projects this year are summarised below:

- a) **Power Purchase Agreement:** This sees the Corporation looking to procure a Power Purchase Agreement that will provide significant commercial benefits for our energy consumption over our corporate asset portfolio. This is due to expected tariff savings and fixed cost assurance over a 15-year period as well as see us invest in new Renewable Energy production in the UK, in line with our Responsible Strategy. This is a £40m (approximately) project which has spanned last year and this and is currently at the award recommendation stage under delegated authority.
- b) **Electricity/Gas Supplies:** This project sees the Corporation looking to procure several long-term flexible contracts for supply of electricity and gas to the City's residential and commercial assets. As commodity costs fluctuate, the aim is to ensure the City can purchase in advance and – in conjunction with the proposed Power Purchase Agreement - limit our exposure to high commodity costs. The total contract value over a 4-year proposed contract period is estimated at £62m. City Procurement intend to present the procurement strategy to Finance Committee for approval in October 2020.
- c) **National Fraud and Cyber-Crime Reporting and Analysis Service -** Procurement of a next generation National Fraud and Cyber-Crime Reporting and Analysis Service, comprising two main elements; the National Fraud Intelligence Bureau, and Action Fraud (i.e. Contact Centre and Victim Care). A newly shaped service will be developed and subsequently provide a central resource for counter-fraud policing activity, with an overall objective to deliver consistency and coordination to fraud investigations. Currently at the pre-market engagement phase, the estimated whole life costs for a next-generation service comprising all elements is c£60m based on up to five years (including build and run). The Procurement Strategy Stage 1 is expected to come to Procurement Sub Committee in October 2020.
- d) **Property Professional Services, Architects Framework -** The City is currently tendering for a Corporate Architects framework, covering four lots. Lot 1 - Architect/Designer for works projects for construction up to £6M, Lot 2 - Architect/Designer for works projects for construction value over £6M, Lot 3 - Architect/Designer for works projects of a heritage/listed construction projects and Lot 4 - Architect/Designer for works projects specially for interiors. The estimated spend is £34M. Evaluation and Award of this framework is expected in the Autumn of 2020.
- e) **Fleet Street Estate – Procurement Strategy – Construction -** The Procurement Strategy is currently being developed jointly with the appointed design team for the Fleet Street Estate Project, which is looking to secure a first class, technically strong Main Contractor (MC) and supply chain to deliver three high quality buildings

in the heart of the legal district whilst achieving a high level of cost and programme certainty aligned with the budget and programme. The procurement strategy includes the following requirements: Demolition, Main Contractor and Employers agent services approximately £340m for the total duration of the contract. The final recommendation will be presented at the Capital Building's Committee in November 2020, with a view of issuing the first package of work, Demolition tender in December 2020.

- f) **Markets Consolidation Programme – Procurement Strategy - Strategic Property Adviser and Professional Services** - This Procurement Strategy seeks to review both the existing scope of the appointed Strategic Property Adviser (SPA) contract and future professional services required for the next stage of the Market programme. The proposed strategy seeks to reduce the existing Advisers scope of services, retaining the strategic property related services, removing the technical professional services, with the ultimate purpose of re-tendering the set of requirements and developing the Delivery strategy. The commercial activity over the next coming months will focus on the existing SPA contractual extensions/variations and procurement activity/services required post November.
- g) **HR, Payroll and Finance, ERP Solution** - The procurement project has closed down its Discovery Phase and is finalising its Outline Business Case (OBC). As well as taking into account future costs (system and support), the OBC will outline its findings on whether it is possible to rationalise the current IT systems for its future HR, Payroll and Finance requirements into an ERP solution v's Best-In-Breed, and which option presents best value for money whilst highlighting their associated risks. It is expected that the procurement strategy and recommended Route to Market for procuring a new solution will be proposed Autumn 2020. The estimated total contract value is circa £7m based on implementation and establishment of new solution across a contract term of approximately 10 years.
- h) **Corporate Catering:** In November 2019, the incumbent supplier of corporate catering services served notice to terminate its contract with the City, despite there being over 3 years of the contract term remaining. The requirement covers corporate (staff/student) catering services for the Guildhall, Barbican, Guildhall School of Music and Drama (GSMD), and the City of London Police at Bishopsgate sites. At the start of the pandemic the decision was made (and approved by the Facilities Services Category Board) to continue with the competition and assess the viability of the contracts based on site occupancy towards the end of the competition. When it became clear that short-medium term occupancy levels at the Guildhall, Barbican and GSMD could not be predicted the decision was made by the Board not to re-open those services and consequently not to award those contracts. A further viability review will be undertaken in 3-6 months for those sites. Comptroller and City Solicitor are currently in the final stages of awarding a contract for the City of London Police at Bishopsgate, which retains high occupancy levels. The contract value for the Bishopsgate site will be £168k over three years. The supplier will partner with a social enterprise to provide opportunities to people with disabilities.
- i) **Finsbury Park Pavilion Design Competition** - To reinstate the oldest and largest public open space in the City of London. An OJEU design competition is being run



for the design of Finsbury Park Pavilion. Only 4 design competitions were run in the UK in 2018 and is the first run by the City.

- j) **Barking Power Station Remediation – Demolition** - This procurement project is for the Demolition works of Barking Power Station at the Dagenham Dock site with an estimated budget of £6.5m for the full duration of the contract. The tender is currently at the second stage of the OJEU restricted process, with 6 contractors selected to submit their ITT proposals. The tender is due to close on the 7th September 2020 with the aim of reaching a moderated outcome and contract award by the end of October which will come to Procurement Sub/Project Sub Committees in November 2020.
- k) **Brewery Road Refurbishment Works** - Refurbishment of Brewery Road building and externals for light industrial/office use. Maximising the marketability by refurbishing, reconfiguration, futureproofing and increasing the lettable office space available. The building is at the end of its economic design life and needs significant capital investment. The project was procured via the City's Major Works framework and all suppliers were keen to tender. Bidders were asked to provide a BAFO which they all did, saving the City £140k. The contract is in the process of being awarded with an estimated project value of 8.7m. The award should come to committee in October 2020.
- l) **Framework Agreement for an Art Transportation Service** - Undertaking a procurement process to establish a compliant multi-supplier framework agreement for an art transportation service to cover the Barbican's (and other City Corporation departments) requirements domestically and internationally up to a 4-year period. This will help the Barbican deliver its ambitious programme of visual arts exhibitions – with a dynamic mix of art, architecture, design, fashion and photography. Previously, the Barbican Art Gallery had been seeking quotes for this service on an ad-hoc basis and previous requisitions had been processed using the Artist Exemption. The estimated total value of the framework agreement is £3.8m and the process is currently at the tender evaluation phase. An award report is expected to Procurement Sub-committee in October 2020.
- m) **Hazardous Waste Collection and Disposal** - This sees the Corporation leading a procurement of Hazardous Waste Collection and Disposal services on behalf of 31 London Boroughs. The total contract value over 10 years (including 5-year extension) for all participating Boroughs will be approximately £9m, dependant on demand for the services. The allocation of costs to each Borough is calculated based on the number of residents, so cost to the City over the same period will be circa £20k. Approval was given by the Court of Common Council in May 2020 to proceed with contract award. Comptroller and City Solicitor are currently in the final stages of awarding the contract to the supplier and signing agreements with the 31 London Boroughs.

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<b>Committee</b>	<b>Dated:</b>
Procurement Sub Committee	9 September 2020
<b>Subject:</b> City Procurement Risk Management – Quarterly Report	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>
<b>Report author:</b> Lisa Moore, City Procurement, Chamberlain's	

## Summary

This report has been produced to provide Procurement Sub Committee with an overview of the management of risks faced by City Procurement. Risk is reviewed regularly by the Senior Management Team within City Procurement as part of the ongoing management of the service.

The City Procurement team currently has one department-level risk and six service-level risks on its risk register. There is currently one RED risk and six AMBER.

The Senior Management Team continues to monitor closely the progress being made to mitigate these risks.

## Recommendation

Members are asked to note the report and the actions taken by the City Procurement team to monitor and manage risks arising from our operations.

## Main Report

### Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department. Departmental risks from City Procurement are included in a quarterly report to Finance Committee.
2. This paper is a summary of all risks identified by City Procurement including service level risks that are not typically reported to Finance Committee as part of the required departmental risk report.
3. City Procurement's risk management is reviewed on a monthly basis at Senior Management Team (SMT) meetings. Consideration is also given as to whether there are any emerging risks for inclusion in the risk register within each section within City Procurement and updates on key issues from each of the Assistant Directors, ensuring that adequate consideration is given to each risk.
4. Risk and control owners are regularly consulted regarding the risks for which they are responsible, with updates captured accordingly.

## **Summary of Risks**

5. City Procurement currently has one department-level risk and six service-level risks on its risk register attached as Appendix 1. There is currently one RED risk and six AMBER. In order of risk rating, City Procurement's risk register includes:

### **CHB CP012 – City Procurement Budget Pressure 2020/21 (Current Risk: Red)**

6. The response required for COVID-19 and the disruption of normal working practices has impacted City Procurement's budget. This year's budget included a provision for income generation as part of the Fundamental Review which has not been possible in the current working climate. In addition, unexpected IT equipment, office furniture, and overtime pay were required at the start of this financial year.
7. The Commercial Director submitted a report detailing the projected end of year budget position and income generation to the Chamberlain in June 2020. The projection currently sits at £118,000 overspend as of the end of period four. This is reduced from a projected overspend of £183,000 at the end of period three. These figures sit below initial projections due to vacancy freezes, ending two temporary contracts, and a royalty payment. The Commercial Director continues to monitor the budget for potential savings. A review of total opportunities and reduction in budget expenditure is scheduled for October looking at the second half of the year.

### **CHB CP004 – City accelerate delays and impact on income levels (Current Risk: Amber)**

8. Uptake of the City Accelerate offering continues to be low. Our commercial partner has not been proactive in providing the plans to engage more of our tier one contractors. The Commercial Contract Management (CCM) Team drafting a report for SMT to review the outputs of this contract. Additional information has been requested by SMT for the September 2020 meeting.

### **CHB CP011 – City Procurement Resource Pressure (Current Risk: Amber)**

9. A reduction in City Procurement resource due to year-on-year savings requirement and the existing moratorium on filling vacancies has left little-to-no capacity to respond to emerging/unplanned projects without impacting service KPIs. This has been highlighted during the recent response to the COVID-19 pandemic. There are other emerging priorities to the business which will require additional resource that City Procurement does not have. If this risk is not managed there is an increased likelihood that KPIs for the core services such as savings and payment targets will suffer.
10. Immediate measures after the initial lockdown were deployed to handle this risk in the short-term including overtime, redeployment of staff, and de-prioritisation of work. For the medium-to-long term, SMT are reviewing the governance and operational set up of the Category Management and CCM teams. This is to fit with the objectives of City Procurement Strategy 2020 and the impending Target Operating Model. Additionally, unplanned activities will be reviewed on an individual basis to see if funding is required and available to provide additional resource.

### **CHB CP013 – Failure to Reach Savings Target (Current Risk: Amber)**

11. The response required for the COVID-19 pandemic has disrupted normal working practices delaying procurements. In addition, supply markets may change due to loss of companies. The savings that would have been delivered by these procurements may be missed.
12. The Category Management teams are reviewing the Sourcing Plan and the category strategies. The savings target will be brought back to committee for review after the summer break and after it has been brought in line with the redrafted category strategies as a response to the COVID-19 situation.

### **CHB CP009 – Monitoring Corporate Contract Spend (Current Risk: Amber)**

13. The CCM team identified a weakness with our current Enterprise Resource Planning (ERP) system to set up and track contract level expenditure. The Assistant Director of the CCM team, working closely with the Chamberlain's Oracle team, identified a systems-based solution that will allow contract managers and City Procurement to track contract spend accurately reducing the process to a single point failure at requisitioner level. The development order will be issued in October 2020 and a target implementation date will be available once the development starts.
14. CCM have completed a categorisation review of their portfolio which has resulted in an additional weighting to the categorisation process. The portfolio will be reviewed in September using the updated criteria. Once completed, that will inform the review of Change Control Notices coming through City Procurement.

### **CHB CP001 – Brexit risk to City Corporation procurement and supply chains (Departmental Level - Current Risk: Amber)**

15. City Procurement have been working closely with the City Corporation's Brexit Planning Group. As part of the communications plan, signed off by the Brexit Planning Group, letters were sent to all key suppliers requesting information about their Brexit planning including both the supply and cost risks, to their organisation/business and their supply chain and how they plan to mitigate the risk to our contract if any risk exists. Of the suppliers contacted, 64% responded. The Commercial Contract Management team have analysed the responses and will report to the Brexit Planning Group. No significant risks were identified in the initial sift. Some suppliers have highlighted that there will be some cost pressures post transition, but these are considered low risk.
16. During the transition period there are no identified supply or cost pressures.

### **CHB CP003 – VAT loss through use of Purchase Cards (Current Risk: Amber)**

17. City Procurement have long monitored VAT recovery as part of our duties administering purchase cards (P-cards). It is also part of each Chief Officer's quarterly P-card report of which results are reported to Procurement Sub Committee. Previous reporting showed a number of VAT being lost each quarter. City Procurement, along

with Lloyds Bank (our P-card supplier), are reviewing potential to import data for Level 2 and Level 3 suppliers which would negate the need for a VAT receipt.

18. The requirement to import VAT data has been included as a KPI in the new P-card contract which commenced in June 2020. The supplier has been given a deadline of November 2020 to report back on how this KPI will be met. As this is the only open action on this risk, City Procurement will move reporting on its progress to the quarterly P-card report unless any further actions are suggested by committee.

## **Conclusion**

19. Members are asked to note the actions taken to manage risks in relation to the operations of City Procurement.

## **Appendices**

- Appendix 1 - City Procurement Risk Register Aug 2020

### **Lisa Moore**

Procurement Policy & Compliance Officer

Chamberlain's Department

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# CHB CP City Procurement Detailed risk register EXCLUDING completed actions

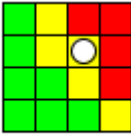
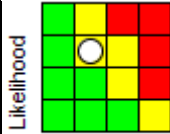

**Report Author:** Lisa Moore  
**Generated on:** 19 August 2020



Rows are sorted by Risk Score

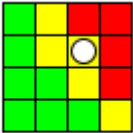
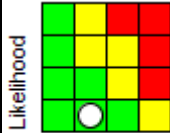

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>CHB CP012</b> City Procurement Budget Pressure 2020/21 22-Apr-2020 Christopher Bell	<b>Cause:</b> COVID-19 pandemic and required response to stop the spread of the disease. <b>Event:</b> The response required for the COVID-19 situation has disrupted normal working practices for City Procurement and the Corporation's supply chain. <b>Effect:</b> Inability to generate income/savings in line with our Fundamental Review submissions.	 Likelihood Impact	16	Projecting £118,000 overspend as of the end of period 4. This is reduced from our projected overspend of £183,000 at the end period 3. Mitigation includes a hold on vacancies, ending two temporary contacts, and a royalty payment. 12 Aug 2020	 Likelihood Impact	8	31-Mar-2021	 Constant

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHB CP012c	Commercial Director to review potential opportunities to reduce budget expenditure in the second half of the year.	Commercial Director to review potential opportunities to reduce budget expenditure in the second half of the year.			Christopher Bell	12-Aug-2020	30-Oct-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
<b>CHB CP004</b> <b>City accelerate delays and impact on income levels</b>  11-Dec-2018 Andrew Lenihan	<b>Cause:</b> City Accelerate uptake has not been as projected <b>Event:</b> 'Go Live' was delayed and there has been limited uptake by suppliers to the offering <b>Effect:</b> Not realising the projected income level opportunities	 Likelihood Impact	12	Our commercial partner has not been proactive in providing the spend data and plans to engage more of our tier one contractors. The Commercial Contract Management Team is drafting a report for SMT to review the outputs of this contract. First draft was circulated to SMT in June and additional information has been requested for September 2020.  <b>13 Aug 2020</b>	 Likelihood Impact	6	01-Sep-2020	  Constant

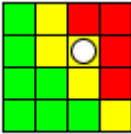
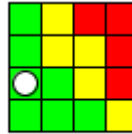

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP004b	City Procurement management team will conduct review of supplier spend strategy and come up with an action plan.	A dedicated Service Manager was assigned to the City Corporation account by our commercial partner. Their objective is to help speed up and co-ordinate the different strands of work between the commercial partner and the Commercial Contract Management team. For example, identifying recent spend with contractors to review whether City Corporation should regard them as SMEs. We have not received the results of any spend analysis or recommendations for on boarding more of our tier one contractors.	Andrew Lenihan	13-Aug-2020	01-Oct-2020
CHB CP004f	Commercial Contract Manager assigned to this contract to review potential savings forecasted for this year versus the charge of early termination of the contract. Report deadline for SMT is end of May.	A report with information on contract options was circulated to SMT. Additional information has been requested by SMT for a final review and will be provided by the Commercial Contract Management in September 2020.	Darran Reid	13-Aug-2020	30-Oct-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
CHB CP011 City Procurement Resource Pressure 2020/21	<p><b>Cause:</b> Reduction in City Procurement resource due to year-on-year savings requirement and the existing moratorium on filling vacancies.</p> <p><b>Event:</b> The response required for the COVID-19 pandemic and other large unplanned procurements e.g. Action Fraud re-tender and Guildhall Master Plan.</p> <p><b>Effect:</b> City Procurement does not have the resource capacity to respond to emerging/unplanned projects and/or is unable to deliver core objectives to the standard that is expected.</p>	 <p>Likelihood</p> <p>Impact</p>	12	<p>The reduction in resources has left limited capacity within City Procurement to respond to emerging projects without impacting service KPIs. This has been highlighted during the recent response to the COVID-19 pandemic. There are other emerging priorities to the business which will require additional resource that City Procurement does not have. If this risk is not managed there is an increased likelihood that KPIs for the core services such as savings and payment targets will suffer.</p> <p>Immediate measures after the initial lockdown were deployed to handle this risk in the short-term including overtime, redeployment of staff, and de-prioritisation of work. Those measures were successful and medium to long term planning is now taking place especially in the Sourcing and Contact Management teams.</p> <p>City Procurement's SMT continue to hold regular meetings to review the situation and react as required.</p> <p>Unplanned activities will be reviewed on an individual basis to see if funding is required and available for additional resource. An example of this in practice is Action Fraud. City Procurement has secured a secondment from Northants Constabulary to procure the next</p>	 <p>Likelihood</p> <p>Impact</p>	2	31-Mar-2021	

22-Apr-2020 Christopher Bell				generation of Action Fraud. <b>12 Aug 2020</b>				Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP011b	A prioritisation plan for times when the influx of work is greater than capacity.	Revised category strategies are being drafted in August and will be presented to category boards in September including recommended priorities for the remainder of this financial year.	Christopher Bell	12-Aug-2020	01-Oct-2020
CHB CP011c	Review of larger unplanned projects such as Guildhall Master Plan and Action Fraud to determine if additional resource is required.	Action Fraud has been reviewed and an additional resource is joining us on secondment from Northants Constabulary 12 August. Guildhall Master plan to be reviewed, as is any new unplanned project on a case-by-case basis to see if funding can be secured for additional resource.	Nicholas Richmond-Smith	12-Aug-2020	01-Oct-2020
CHB CP011e Page 22	City Procurement SMT are currently reviewing the governance and operational set up of the Category Management and Commercial Contract Management teams. This is to fit with the objectives of the new City Procurement strategy and the impending Target Operation Model.	City Procurement SMT are currently reviewing the governance and operational set up of the Category Management and Commercial Contract Management teams. This is to fit with the objectives of the new City Procurement strategy and the impending Target Operating Model.	Christopher Bell	12-Aug-2020	30-Oct-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
<b>CHB CP013</b> <b>Failure to Reach Savings Target</b>  12-May-2020 Nicholas Richmond-Smith	<b>Cause:</b> Indirect impact of COVID-19; planned procurements for FY2020/21 being delayed and competition in the market. <b>Event:</b> The response required for the COVID-19 pandemic has disrupted normal working practices for Corporation Services, delaying procurements. In addition, supply markets may change due to loss of companies. The savings that would have been delivered by these procurements may be missed. <b>Effect:</b> City Procurement does reach savings target set for FY2020/21.	 Likelihood Impact	12	The Category Management teams are reviewing the Sourcing Plan and the category strategies. The savings target will be brought back to committee for review after the summer break and after it has been brought in line with the redrafted category strategies as a response to the CV 19 situation.  <b>12 Aug 2020</b>	 Likelihood Impact	2	31-Mar-2021	  Constant

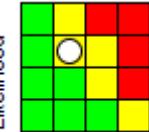
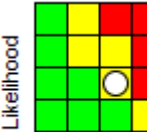

Page 23

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP013b	Assistant Director, Sourcing and Category Managers along with Senior Category Managers to review delayed projects and markets effected by Covid-19 reporting back to relevant Category Boards.	The category management teams have been reviewing impacts of CV-19 on the category strategies. The updated strategies and savings target will go to category boards and committee after the summer break.	Nicholas Richmond-Smith	12-Aug-2020	30-Oct-2020

22-Oct-2019  
Darran Reid

22-Oct-2019  
Darran Reid

	Team to explore options for a report and/or controls which might assist with this issue.	requisitioner level. This project is expected to be issued during October to the Oracle Team for development. A target implementation date will be confirmed following the scheduling of the development work by Oracle Team.			
CHB CP009b	City Procurement SMT to review process and procedures for maintaining a Corporate Contracts Register.	The initial CCM portfolio categorisation review has completed and discussed at SMT. Further to this initial exercise, the SMT agreed that “Contract Management Complexity” for each contract should also be assigned a weighting, which will factor into the final CCM Contract Tier evaluation which assigns A/B/C rating. This exercise has been assigned to Commercial Contracts Managers for completion by end September.	Darran Reid	13-Aug-2020	01-Oct-2020
CHB CP009c	Commercial Contract Management to assure appropriate change controls and spend for contracts is being tracked.	This is contingent on the outcome CCM tiering exercise and portfolio setting, so this exercise can begin during Q3.	Darran Reid	13-Aug-2020	30-Oct-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
CHB CP001 <b>Brexit risk to City Corporation procurement and supply chains</b>  12-Nov-2018 Christopher Bell  Page 26	<p><b>Cause:</b> The UK leaving the EU (Brexit) with no trading deals in place.</p> <p><b>Event:</b> The result of the Brexit negotiations could have a negative impact on the Corporation's supply chain, both with direct tier 1 suppliers and their sub-contractor network.</p> <p><b>Effect:</b> Brexit could effect changes to our direct suppliers and their supply chain, impacting negatively on the Corporation. A range of potential impacts are:</p> <ul style="list-style-type: none"> <li>• <b>Regulatory / Legal requirements</b> -existing supply contracts may be impacted by changes in regulation, or legal requirements.</li> <li>• <b>Assurance of Supply</b> - risk that a complete failure in supply of the goods / service (e.g. Carillion) from key suppliers could be felt.</li> <li>• <b>Quality</b>- quality of the goods / service impact due to changes in our Supply Chain.</li> <li>• <b>Service</b>- Service levels be impacted negatively by any changes in the Supply Chain or access to workers, particularly in low skilled categories.</li> <li>• <b>Financial risk</b> -Are any supply changes likely to drive up costs of the Goods / Services/Works in the short/medium/long term.</li> <li>• <b>Sustainability</b>- risk that will change the level of innovation or sustainability of the goods / service/work against expectations?</li> <li>• <b>Workload</b>- Will changes in the Supply Chain cause significant workload to the Procurement/Commercial/Legal teams due to change controls/re-negotiation of terms?</li> </ul>	Likelihood  Impact	6	Commercial Contract Management have drafted a report for Brexit Planning Group on the minimal risk identified as part of supplier survey. No significant risks have been identified. Final approval to send is being sought from the AD Commercial Contract Management and the Commercial Director.  14 Aug 2020	Likelihood  Impact	8	31-Dec-2020	  Constant

			owner	Date	
CHB CP001e		Commercial Contract Management have drafted a report for Brexit Planning Group on the minimal risk identified as part of supplier survey. No significant risks have been identified. Final approval to send is being sought from the AD Commercial Contract Management and the Commercial Director.	Christopher Bell	14-Aug-2020	31-Dec-2020

[illegible]

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP003d	Review possibility of a data import in CityCard system to exemption level 2/3 suppliers negating need to upload VAT receipts.	<p>City Procurement had a meeting with Lloyds Bank and Fraedom, who provide the CityCard software, to discuss how we move this forward now that Lloyds have been awarded the new contract. It has been made clear to both Lloyds bank and Fraedom that the data import is a priority for the City and regular catch up meetings have been scheduled to keep momentum.</p> <p>A KPI has been included in the final contract. Agreement on how VAT to be implemented is due by 30/11/2020 and incorporated by 31/05/2021.</p>	Andrew Lenihan	14-Aug-2020	01-Jun-2021



<b>Committee</b>	<b>Date</b>
Property Investment Board with Corporate Assets Sub Committee ( <i>For Information</i> )	19 August 2020
Resource Allocation Sub Committee ( <i>For Decision</i> )	7 September 2020
Planning & Transportation Committee ( <i>For Information</i> )	8 September 2020
Procurement Sub Committee ( <i>For Information</i> )	9 September 2020
Open Spaces Chairs ( <i>For Information</i> )	9 September 2020
Projects Sub Committee ( <i>For Information</i> )	15 September 2020
Corporate Asset Sub Committee ( <i>For Information</i> )	15 September 2020
Property Investment Board ( <i>For Information</i> )	16 September 2020
Resource Allocation Sub Committee ( <i>For Decision</i> )	18 September 2020
Port Health & Environmental Services Committee ( <i>For Information</i> )	22 September 2020
Finance Investment Board ( <i>For Information</i> )	23 September 2020
Policy & Resources Committee ( <i>For Decision</i> )	24 September 2020
Court of Common Council ( <i>For Decision</i> )	8 October 2020
<b>Subject</b> Climate Action Strategy	<b>Public</b>
<b>Report of</b> The Town Clerk & Chief Executive	
<b>Report Author</b> Damian Nussbaum, Director of Innovation & Growth	<b>For Information</b>

## Summary

This paper contains a scoped and costed Climate Action Strategy for the City of London Corporation, to be considered by the Policy & Resources Committee in September and the Court of Common Council in October 2020. It presents:

- i. **Appendix 1:** The proposed Climate Action Strategy;
- ii. **Appendix 2:** Action sets by committee; and
- iii. **RASC Confidential Appendix 3:** Resource Allocation Sub Committee only with an approach to funding the strategy.

The proposed strategy has three, interlinked primary objectives for the City Corporation and the Square Mile: to support the achievement of net zero emissions, to build resilience and to champion sustainable growth.

Climate Action is an extension of our work to advance London and UK as centre for excellence in green finance. Championing sustainable growth is therefore already core to the work done across the City Corporation. It is also an integral part of our work under the Responsible Business Strategy (2018-23). This paper therefore focuses on the other two primary objectives:

- Net zero: mitigating the impact of climate change by achieving net zero emissions for the City Corporation and the Square Mile; and

- Resilience: ensuring our buildings and public realm are resilient to the more extreme weather conditions that are going to occur.

Founded on science-based targets, rather than simply a call to action, the proposed strategy sets out a vision and goals for the next two decades. The City Corporation would be committing to:

- 1. Achieve net zero emissions by the end of:**
  - **2025 for the City Corporation's direct emissions**
  - **2040 in the City Corporation's wider value chain**
- 2. Achieve net zero in the Square Mile's direct and indirect emissions, excluding those resulting from investment activity.**
- 3. Further reduce climate-related risks by strengthening climate resilience of the Square Mile and the City Corporation's assets to extreme weather conditions and rising sea levels.**

To do this, we will cut the emissions associated with our direct activities such as buildings, and business. We will also tackle indirect emissions that are associated with our purchased goods and services, and our investments and other parts of our value chain. We will optimise the role of our open spaces and the public realm in removing carbon and as places for people and nature. We will work with our partners across the Square Mile to build upon our efforts to increase climate resilience and reduce risks posed by climate change. And we will maximise how net zero and resilience mutually reinforce each other, especially with respect to buildings.

The Climate Action Strategy introduces a new and permanent way of working for the City Corporation, where all decision-making integrates considerations of the risks and opportunities associated with climate change. It reinforces existing City Corporation strategies and will be pivotal to achieving the outcomes at the heart of the Corporate Plan (2018-23). As much as the overarching strategy addresses the next 20 years, the baselines, action plan and targets will be reviewed and refreshed every five years to drive transparent performance tracking and accountability. Learning on which actions and interventions are most efficiently driving impact will be incorporated on a more frequent basis.

Through this strategy, we will secure and strengthen our market position globally as a financial centre. Locally, we will ensure the competitiveness of our buildings, investment properties and public spaces as attractive places to work, live, study and visit, both now and in the future.

Though focused on tackling climate change, the strategy's impact will be wider. It will support the economy. It will enhance the physical environment and open spaces. And it will benefit individuals through creating jobs and improving air quality. More immediately, it will also ensure that the City Corporation has a strong platform to present at the Green Horizon Summit in November, one year ahead of the United Nations annual climate meeting, COP26.

## Recommendations

Planning & Transportation Committee, Resource Allocation Sub Committee, Procurement Sub Committee, the Open Spaces Chairs, Projects Sub Committee, Corporate Asset Sub Committee<sup>1</sup>, Port Health & Environmental Services Committee and Finance Investment Board are recommended to:

- i. Note the report, the draft strategy at **Appendix 1** and the action sets by committee at **Appendix 2**.

Resource Allocation Sub Committee only is also recommended to:

- ii. Consider the options for funding the additional budget required to deliver the strategy, shown at **Confidential Appendix 3**, and decide which to recommend to the Policy & Resources Committee for approval.

## Main Report

### Background

1. In June 2020, Policy & Resources Committee agreed that a Climate Action Strategy should be presented to the Committee in September, and the Court of Common Council in October, for approval. Building on a series of studies which reported in June/July, there has been intensive work over the summer to develop the strategy, so that it is impactful, affordable and deliverable.
2. The City Corporation's approach to developing this strategy has been set out in previous public papers and is summarised in the strategy at **Appendix 1**.

### Current position

3. The baseline position, describing current and projected resilience risks, emissions sources and carbon removal capacity for the City Corporation and Square Mile, was shared with Members at a briefing in May and is also summarised in the strategy at **Appendix 1**.
4. With enormous financial pressures, affordability is critical. Initial indications pointed to additional spending of £100m-£120m for the remaining four years of the Medium-Term Financial Plan (MTFP). Over the summer, departments across the City Corporation have worked at pace to strengthen the financial modelling, strip out costs and both reprioritise and align with existing programmes. Members have also looked at how to achieve the outcomes while managing cost and risk. As a result, the additional envelope for the MTFP amounts to an annual cost of £15m capital and £2m revenue. (N.B. These figures were being finalised at the time of submission and will be confirmed in the confidential appendix on funding options.)

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<sup>1</sup> Property Investment Board reviewed the information presented here at their 19 August meeting and agreed the actions associated with the Investment Property Estate.

5. There is also a major financial upside. These capital investments will also bring major reductions in energy costs. In the case of the owned/operated properties, this will drive down future revenue requirements, as less money is spent on energy. This has the potential to save £3.5m per annum in future revenue costs. Equally, on the investment property estate, the reduction in energy costs amounts to £2m per annum. This offers an opportunity to enhance yields/values. Given time lags, these reductions are excluded from the funding options.

## Options

6. Funding options are set out in **Confidential Appendix 3**, for consideration for Resource Allocation Sub Committee, only, so that it can put forward its recommendation to Policy & Resources Committee.

## Proposals

7. Proposed actions for the first five years of the strategy are set out at **Appendix 2** to inform relevant committees before these are put to Policy & Resources Committee for decision.

## Public and stakeholder engagement

8. The engagement plan, approved by Policy & Resources Committee in June 2020, has three phases. Phase 1 – April to June 2020 – involved workshops with expert officers and external technical experts, written submissions from stakeholder groups and a survey of businesses about their climate action plans.
9. Phase 2 – mid-July to the end of August 2020 – broadened out the opportunity to share views to the wider public by means of an online survey on a dedicated web portal. Its purpose was to check levels of priority and the feasibility of potential options with our stakeholders and to gather contact details and followers in preparation for phase 3. At the time of drafting, over 2600 people had responded to the survey. 16% were residents, 44% were workers, 20% were visitors, 4% were students and 8% work at the City Corporation. 77% said climate change should be extremely important to the City Corporation. More information is available on request.
10. Phase 3 will commence with the launch of the strategy following approval by the Court of Common Council and continue for the duration of the strategy. Its purpose is to support implementation and local action.

## Next steps

11. The governance timetable is set out in the title box of this report. If Policy & Resources Committee and the Court of Common Council approve and endorse this strategy, the cross-departmental officer team will firm up detailed action plans and key performance indicators for the first period of the strategy, taking us up to 31 March 2025. The first step is to ensure the financials and actions are embedded in departmental budgets and Business Plans.

12. Governance and accountabilities will also be firmed up within the revised governance arrangements and operating model, which will also underpin a comprehensive approach to capability. This offers opportunities to work more effectively across the City Corporation and improve how we drive performance. Funding will be released as and when sufficient controls – clear targets, transparency on outcomes and accountability – are demonstrably in place. And we will report annually on progress.

## **Corporate & Strategic Implications**

13. Strategic Implications – This strategy complies with the latest climate science necessary to meet the goals of the Paris Climate Agreement (2015) and is complementary to London-wide and national efforts to reduce emissions and improve resilience of our communities and urban spaces. This includes the draft London Plan, GLA London City Resilience Strategy 2020, the London Councils' Leaders' commitment to a 'green recovery', the UK Committee on Climate Change, Climate Risk Assessment 2017 and National Adaptation Programme, as well as the landscape of policies set out by government.
14. It is integral to achieving economic, societal and environmental outcomes in the Corporate Plan, 2018-23. As stated above, it builds upon existing strategies and policies, including: The Responsible Business Strategy 2018-23, the Responsible Investment Policy, the City Procurement Strategy 2020-24, the Local Plan 2015, the draft City Plan 2036, the Transport Strategy 2018-43, the Air Quality Strategy 2015-20, the Climate Mitigation Strategy, the Carbon Descent Plan, the Transition to a Zero Emission Fleet Policy, the Renewable Electricity Policy & Sourcing Strategy and related campaigns, such as Plastic Free City. It is aligned to ongoing reviews of our financial and property investment portfolios and is influencing the development of the Bridge House Estates Strategy 2020-45 which is proceeding in parallel through governance.
15. Financial Implications – The additional envelope for the MTFP amounts to an annual cost of [£15m] capital and [£2m] revenue. Proposals on Climate Action beyond this MTFP will be brought to Members in the usual way, and savings made following investment in this first period should offset future investment requirements.
16. Resource Implications – Implementing the strategy will require changes in capability, capacity and culture. This will include expertise and skills sets in some areas that the City Corporation does not currently have. But it will be critical to the deliverability of the strategy that there is not only the funding for the capital works, but the capability to manage these projects successfully. Resource and capability requirements are being built into the new operating model. Any additional resources are included in the funding calculations or will be absorbed into existing budgets.

17. Risk Implications – This strategy is primarily focused on addressing risks to the competitiveness and physical environment of the Square Mile. These relate to unavoidable climatic events impacting critical infrastructure and natural resources, financial risk from decreased value of assets or opportunity loss and reputational risks from both operational failure and failing to adapt to UK and global decarbonisation commitments. Residual risks relate to successful implementation. These will be explored by means of a ‘deep dive’ discussion at Audit & Risk Management Committee on 1 October 2020, to provide additional assurance to the Court.
18. Legal Implications – There are no legal implications at this stage as recommendations are compliant with legislation, including the City Corporation’s obligations under the UK Climate Change Act (revised 2019), which has enshrined in law both a target of net zero emissions by 2050 and requirements for measures for climate adaptation (improved resilience). It is however highly likely that contracts and contract changes will result from the proposed actions.
19. Equalities Implications – A Test of Relevance was undertaken on the options put forward for consideration to Resource Allocation Sub Committee in June 2020. The purpose was to identify any potential detrimental impact on the nine protected groups defined in the Equality Act 2010. It showed that people in at least one of the following five protected groups - age, disability, race, pregnancy/maternity and gender - would be likely to benefit from actions set out in this strategy. This is due to the emphasis on improvements in air quality, the public realm and indoor comfort and on reducing fuel poverty. The widening of pavements would be expected to lead to an enhanced feeling of safety for all. No negative impacts were identified. Equalities analysis will be carried out throughout implementation so that any negative impacts can be mitigated and opportunities for positive impacts exploited.
20. The public survey included standard demographic questions to enable equality analysis. No statistically significant differences in feedback from the groups was identified. In terms of reach, 6% of visits to the website and survey used the Bengali translated site. Due to the timing and ongoing disruption at educational facilities, under 25 representation was low. This will be addressed in phase 3.
21. Security Implications – There are no security implications arising from the recommendations in this report.
22. Climate Implications – This section will be added to all committee papers seeking decisions going forward.

## Conclusion

23. The Climate Action Strategy offers the City Corporation a unique opportunity to act decisively in responding to climate change – a key challenge of our time – while managing costs. The strategy has the potential to be a defining cross-Corporation policy. Founded on science-based targets, rather than simply a call to action, it will ensure that the City Corporation has a credible approach to climate action that is impactful, affordable and deliverable. This will allow us to protect our physical and financial assets for decades to come. It also positions the City to seize the opportunities presented by the transition to a low-carbon economy.

## Appendices

1. The Draft Climate Action Strategy (2020-2040)
2. Action Sets by Committee
3. Confidential Funding Options **(for Resource Allocation Sub Committee only)**

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# **The City of London Corporation's Climate Action Strategy 2020-2040**

**Draft 0.5  
August 2020**

# Who we are

**The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK.**

The Square Mile is the historic centre of London and is home to the ‘City’ – the financial and commercial heart of the UK. Our reach extends far beyond the Square Mile’s boundaries and across private, public and charitable and community sector responsibilities. This, along with our independent and non-party political voice and convening power, enables us to promote the interests of people and organisations across London and the UK and play a valued role on the world-stage.

## What we can do

In the context of climate action, this means we can support the achievement of net zero<sup>1</sup>, build climate resilience and champion inclusive and sustainable growth to achieve a truly sustainable City. We will do this by means of the following actions that we committed to in our [Corporate Plan, 2018-23](#), against which we drive our performance. We will...

### **1. Build climate resilience by...**

- Building resilience to natural and man-made threats by strengthening, protecting and adapting our infrastructure directly and by influencing others.
- Protecting consumers and users of buildings, streets and public spaces.
- Preparing our response to natural and man-made threats.

### **2. Support the achievement of net zero by...**

- Influencing UK and global policy and regulation and international agreements to protect the environment.
- Providing environmental stewardship and advocacy, in use of resources, emissions, conservation, greening, biodiversity and access to nature.
- Providing thriving and biodiverse green spaces and urban habitats.
- Providing a clean environment and driving down the negative effects of our own activities.

### **3. Champion sustainable growth by...**

- Providing world-class spaces for businesses and markets to thrive.
- Modelling new ways of delivering inclusive and sustainable growth.
- Supporting organisations in pioneering preparing for and responding to changes in regulations, markets, products and ways of working.
- Supporting, celebrating and advocating for responsible practices and investments.

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<sup>1</sup> See Glossary on Page 6

# Why us, why now?

[Foreword - To be finalised post approval by RASC and edited by comms team prior to seeking approval from the appropriate Members.]

The City of London Corporation's core purpose is to promote the long-term interests of the City and thereby support the UK's economy. We have long been champions of sustainability – playing a key role in bringing in the Clean Air Act 1956, as the first local authority to develop a climate change adaptation strategy in 2010 and, more recently, supporting the growth of the UK's green finance sector.

Scientific evidence tells us the climate is already changing and that we need to act now if we are to limit global warming to 1.5 degrees and thereby avoid the more extreme effects of climate change. This means we need to commit to achieving net zero and to ensuring the Square Mile, and our assets outside it, are resilient to more extreme weather events. Acting now is key both to securing and advancing our market position globally as a financial centre and to ensuring the competitiveness of our buildings, investment properties and public spaces as attractive places to work, live, study and visit, both now and in the future.

It is not the case that we need to compromise the economy to fix the environment - in reality, climate action will drive growth and jobs. Now, in order to remain relevant and be commercially viable, we need to be responsible and resilient. What used to be 'green finance' is fast becoming the only option for the financial and professional services sector.

Founded on science-based targets, rather than simply a call to action, our Climate Action Strategy aims to ensure the Square Mile and City Corporation make a positive contribution to tackling climate change, are resilient to the risks it poses and seize the opportunities presented by the transition to a net zero economy.

This is one of the defining cross-City Corporation policy approaches supporting delivery of our Corporate Plan, 2018-23. But we cannot do this alone. This strategy sets out how we will work in partnership with City stakeholders to develop the solutions to tackle climate change and build back better following the pandemic, making sure no one is left behind.

We invite you to work with us as we adapt our physical and financial assets so that our society can flourish for decades to come.

[Insert photo and signature]

[Insert photo and signature]

The Rt Hon. The Lord Mayor,  
Alderman William Russell

Catherine McGuinness  
Chair of the Policy & Resources Committee

# Introduction

This document sets out the City of London Corporation's Climate Action Strategy for 2020-2040. This work is integral to achieving the economic, societal and environmental outcomes described in the Corporate Plan, 2018-23, and will underpin all decision-making at the City Corporation from 2020 to 2040.

It has been developed to comply with the latest climate science necessary to meet the goals of the Paris Climate Agreement (2015)<sup>2</sup> and meet our obligations under the UK Climate Change Act (revised 2019), which has enshrined in law both a target of net zero emissions by 2050 and measures for climate adaptation (improved resilience). It is complementary to London-wide and national efforts to reduce emissions and improve resilience of our communities and urban spaces. Crucially this includes the draft London Plan, GLA London City Resilience Strategy 2020, the London Councils' Leaders' commitment to a 'green recovery', the UK Committee on Climate Change, Climate Risk Assessment 2017 and National Adaptation Programme, as well as the landscape of policies set out by government.

In this way it sets us up to play our part globally, to help the UK reap the benefits of transitioning to a low-carbon economy, to address risks to the Square Mile and the City Corporation and to achieve better outcomes for people and business.

Clearly, we cannot do this alone. We must demonstrate robust climate action ourselves and share our methodology with, and learn from, others on this journey. So, in developing this strategy, we have focused on achieving best practice with our evidence-based approach, the range of physical risks and the breadth of emission sources we will address.

## Our evidence-based approach

This strategy brings together numerous related City Corporation strategies, policies and campaigns – from our Local Plan and Responsible Business Strategy through to our Clean City Awards – and builds on the momentum, progress and lessons learned so far. See the 'Our baseline' section for more information on achievements to date.

To understand how far we had come already and what is left to do, we commissioned experts to investigate our current and future resilience levels, carbon emissions and capacity for removing carbon from the atmosphere. We followed the leading global standards and best-practice guidelines in developing our approach.

We explored resilience risks with the sectors and organisations that our economic growth is built upon, from utilities and transport providers through to financial and professional services and our cultural sector. Together, we identified what is needed for the Square Mile to continue to compete successfully in the face of climate change. And we asked the public how important climate action is to them, what they would like to see happen and what they would be willing to do themselves. Three-quarters of respondents said climate change should be extremely important to us. Together, this provided the evidence base upon which we built our action plan and the data we need to set and track stretching but reachable targets, and test and learn as we go. It also means that rather than picking one date as our net zero target, we

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<sup>2</sup> See Glossary at Page 6

have identified separate targets for the Square Mile, the City Corporation and types of emissions.

## **The breadth of emission sources we will address**

Many organisations and authorities focus on driving down the emissions they have most control over – scope 1 and 2. Addressing scope 3 can be daunting as it covers everything an organisation buys, sells, invests in, leases to others and disposes of as well as commuting and business travel. But for organisations and financial centres like ours, scope 3 makes up a large portion of the total carbon footprint – and measuring it can lead to the design of innovative solutions to lower carbon emissions significantly.

We have included scope 1, 2 and 3 emissions to take ownership, show leadership and to illustrate how others can make this standard practice. This can make it appear that we are larger emitters than our comparators that have not included as full a picture of scope 3 in their data. We will continue to enhance our understanding of scope 3 data with our partners and keep pushing for standardisation of reporting to ensure everyone addresses their total carbon footprint effectively.

Whatever action we and others take, we still need to prepare for hotter drier summers, warmer wetter winters, more frequent extreme weather events and rising sea levels. As we do this, we will go beyond mitigation and seize opportunities to make positive changes that mean that everyone benefits from climate action.

[Here we will use an infographic showing how risks can become opportunities:

- Risks to health, wellbeing and productivity from high temperatures
  - Risk of shortages in the public water supply
  - Flooding of communities, businesses and infrastructure
  - Risks to <sup>3</sup>natural capital, including terrestrial and freshwater ecosystems, soils and biodiversity
  - Threats to food production and trade
  - New and emerging pests and diseases, and invasive non-native species, affecting people, plants and animals.
- 
- Fewer people living in fuel poverty
  - Benefits to health, wellbeing and productivity from climate action
  - More and better space for people and nature, and biodiversity
  - A resilient global business environment in the face of climate impacts
  - Benefits over other global financial centres which will face more extreme challenges
  - Job creation
  - Reductions in insurance premiums and support for the City's Insurance sector
  - Reduction in unnecessary use of resources (water, food) and generation of waste and use of natural capital (greening rather than air con to reduce temperatures)]

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<sup>3</sup> See Glossary on Page 6

## Glossary

**BASIC+ emissions** include those from within the Square Mile from stationary energy, transportation and waste, as well as transboundary transportation, industrial processes and product use and the agriculture, forestry and land use sectors. It does not include emissions from investments.

**Carbon removal** is the process by which a **carbon sink**, such as forestry, reduces the amount of greenhouse gases in the atmosphere.

**Circular economy principles** means keeping resources in use for as long as possible, extracting the maximum value from them whilst in use, then recovering and regenerating products and materials at the end of each service life.

**Climate resilience** is the ability to anticipate, prepare for and respond to hazardous events, trends or disturbances related to climate. (Centre for Climate and Energy Solutions)

**Ecosystem services** are benefits to humans from the natural environment and from healthy ecosystems.

**GHGs** means greenhouse gases - the emissions responsible for global warming.

**ktCO<sub>2</sub>** is the unit of measurement for GHG emissions. It standardises greenhouse gases into units of kilo-tonnes of carbon dioxide equivalent (ktCO<sub>2</sub>e).

A **low-carbon economy** is simply an economy that causes low levels of GHG emissions compared with today's carbon-intensive economy. 'Carbon' refers to carbon dioxide, the GHG which contributes the most to climate change. The low-carbon economy can be seen as a step in the process towards a zero-carbon economy. (Science Direct)

**Natural capital** refers to the stock of natural resources, which includes geology, soils, air, water and all living organisms.

**Net zero** emissions is a state where annual residual GHG emissions are completely cancelled out through offsetting or removed through carbon dioxide removal or emissions removal measures. It is also referred to as carbon neutrality. (C40 Cities Climate Leadership Group, Defining Carbon Neutrality for Cities & Managing Residual Emissions, April 2019)

**Science-based / Paris-aligned** (Science-Based Target Setting Manual, April 2020) GHG emissions reduction targets are considered "science-based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Climate Agreement 2015 - to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

For an organisation: (Carbon Trust definitions)

**Scope 1** means direct emissions from owned or controlled sources

**Scope 2** means indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company

**Scope 3** means all other indirect emissions that occur in a company's value chain

For a city:

**Scope 1** means direct emissions from within the geographical boundary

**Scope 2** means indirect emissions from within the geographical boundary

**Scope 3** means all other direct emissions from outside the geographical boundary

# Our baseline [using mainly infographics]

## Supporting the achievement of net zero

The City Corporation has achieved a 19% reduction in energy consumption within our operational sites since 2008 (using data from 2018/19) and since 2018 100% of the electricity we have purchased has been renewable.

We bought six new electric vehicles and eight new hybrid vehicles in 2018/19 and installed 20 new electric vehicle charging points as part of the City's "Transition to a Zero Emission Fleet" policy.

The Square Mile has achieved a 55% reduction in Scope 1 and 2 emissions since 2008 (using data from 2018/19). This has been assisted by our ambitious planning requirements which have led to 75% of new commercial developments with over 20,000m<sup>2</sup> floorspace achieving at least a BREEAM 'Excellent' rating since 2014.

## Where the City Corporation's emissions come from

## Where the Square Mile's emissions come from

## How we remove carbon from the atmosphere

We look after over 11,000 acres of green spaces across London and its green belt. This equates to approximately 5,500 football pitches. This natural capital not only provides valued space for people and nature but also currently removes **416 ktCO<sub>2</sub> per year**. This is equivalent to 40% of the City Corporation's scope 1 and 2 emissions.

## Building resilience

The City Corporation has long used its planning powers to implement a range of resilience measures in the Square Mile. These include green roofs, urban greening, landscaping, flood resilience and climate resilient new buildings.

As of 2020, the Square Mile has 42,600m<sup>2</sup> of green roof, up from 11,200 m<sup>2</sup> in 2005. This is set to increase to 65,800m<sup>2</sup> by 2024 through planning permissions in the current pipeline.

## Championing sustainable growth

The UK is the only global financial centre that is also a leading centre for green finance, topping both conventional and 'green' rankings. UK market players are most committed to sustainable principles and the regulatory context is both favourable and innovative. The London Stock Exchange is the 'greenest' main stock exchange across all global financial centres and the UK is best placed to produce talent that is trained and skilled in sustainability matters.

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<sup>4</sup> See Glossary on Page 6

# Our climate vision, aims and goals

## Our vision

The City of London is competitive, sustainable and resilient.

## Our aims

- 1) To support the achievement of net zero
- 2) To build climate resilience
- 3) To champion sustainable growth.

## Our goals

### For the City of London Corporation

- A. City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040.
- B. The City of London Corporation and its assets are resilient to climate change.
- C. The City of London Corporation influences UK and overseas organisations to become climate responsible.

### For the Square Mile's fabric and function

- D. The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040.
- E. The Square Mile's buildings, public spaces and infrastructure are resilient to climate change.

### For society

- F. People in the Square Mile and beyond benefit from a cleaner, greener and safer environment and job creation.



# The first 5 years

Reinforcing and building on the commitments we made in our Corporate Plan (2018-23) to make sure we're doing all we can to reach our goals, we commit to:

- Identifying measurable targets to track performance against our goals
- Keeping our actions and targets in line with changing legislation and recommendations, for example from the Intergovernmental Panel on Climate Change, the Committee on Climate Change and the UK Government
- Working with our stakeholders and partners and listening to their ideas, experiences and views
- Ensuring that vulnerable groups who are most likely to be impacted by climate change are prioritised in our decision making
- Accessing the best evidence of our impact possible so we can learn and hone our actions as we go
- Reporting publicly to our committees and via published annual reports and
- Reviewing and refreshing the action plan every five years and re-baselining regularly.

The actions and targets set out below therefore only relate to the first five years of the strategy – **up to the end of March 2025**.

## To support the achievement of net zero

Our goals are...	Actions we will take are...	We will assess our impact by measuring...
B. City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040.	<p>Transform the energy efficiency of our operational buildings through the adoption of best available technologies</p> <p>Maximise the use of renewable energy sources across our operational buildings</p> <p>Introducing new land management practices across our open spaces aiming to maximise their ability to remove carbon, and optimise their biodiversity and resilience value</p> <p>Aligning our financial investment portfolio with the goals of the Paris Agreement on climate change</p>	

	<p>Embedding circular economy<sup>5</sup> principles into our capital projects using life cycle carbon and cost assessment techniques</p> <p>Accelerating the move to net zero carbon and energy efficient tenanted buildings, working closely with tenants to achieve shared goals</p> <p>Strengthening our supplier engagement to drive performance and innovation in delivering low carbon, sustainable products and solutions</p>	
E. The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040.	<p>Working with businesses and organisations to develop collaborative solutions to improve the energy efficiency of buildings in Square Mile</p> <p>Developing a Square Mile renewable energy strategy to support others to transition to renewable energy.</p> <p>Using our planning role to influence others to embed carbon analysis and circular economy principles in capital projects</p> <p>Advocating for the importance of green spaces as natural carbon sinks, and their contribution to biodiversity and overall wellbeing</p> <p>Supporting organisations in the Square Mile to build circular, low-carbon and resilient supply chains</p>	<p>Tonnes of carbon is removed from the atmosphere</p> <p>Percentages of low-carbon and circular buildings in existing stock and new builds</p> <p>Percentage of Square Mile businesses committed to transition to low-carbon</p>

## To build climate resilience

Our goals are...	Actions we will take are...	We will assess our impact by measuring...
A. The City of London Corporation and its assets are resilient to climate change.	Build on our existing work to develop an early warning system, and clear resilience strategies for pests and diseases across our ports and markets, driving down the climate related food security risks	

<sup>5</sup> See Glossary at Page 6

	<p>Embed resilience measures into our upgrade plans for our owned and operated buildings</p> <p>Upskill our workforce on climate resilience and embed a climate resilience lens into all our decision making</p>	
<p>D. The Square Mile's buildings, public spaces and infrastructure are resilient to climate change.</p>	<p>Make the Square Mile public realm more climate change ready through adding in more green spaces, flood resistant road surfaces, adaptable planting regimes and heat resistant materials</p> <p>Reduce the risk of flooding through developing sustainable rain and surface water management policies, resulting in a connected system of water recycling, sustainable urban draining and rainwater management measures</p> <p>Strengthen our planning guidance on climate resilience measures for new developments</p> <p>Work with our partners to create a more climate resilient and diversified energy network across the Square Mile</p> <p>Develop a strong, data-led approach to deepen our understanding of climate related risks and mitigations across the Square Mile</p> <p>Ensuring that we continue to protect the residents, critical assets, infrastructure and heritage of the Square Mile</p>	<p>Attractiveness ratings of workers, residents, visitors and students</p>

# To champion sustainable growth

Our actions and targets build upon our Responsible Business Strategy (2018 - 23) – “Towards a Sustainable Future” and our ongoing work in supporting innovation and growth in the financial and professional services sector.

Our goals are...	Actions we will take are...	We will assess our impact by measuring...
C. The City of London Corporation influences UK and overseas organisations to become climate responsible.	<p>Improving visibility and standards across our projects - Catalysing change across the UK real estate market</p> <p>Work with Square Mile Businesses to promote sustainability best practice</p> <p>Share best practice on standards, tools, platforms and expertise to facilitate green and sustainable investment and growth</p> <p>Support charities and SMEs to consider, prepare for lead response to climate change</p> <p>Increase engagement and communications about sustainability with residents, business, visitors and other stakeholders</p> <p>Promote responsible procurement and investment practices for both asset managers and owners</p> <p>Support and drive innovation in the UK to provide the financing solutions to address climate change</p> <p>Enhancing London’s capacity to finance sustainable investment opportunities globally including emerging markets</p> <p>Work with UK Government and the financial services sector to deploy and scale sustainable finance products and services that countries and corporates need to help them transition to low-carbon.</p> <p>Improve the transparency and global standardisation of sustainability</p>	<p>Value of green and sustainable bonds issuance &amp; trading at London Stock Exchange</p> <p>No. of firms reporting in line with TCFD principles</p> <p>Signatories to PRI</p> <p>London Stock Exchange sustainability disclosure rate</p> <p>Z/Yen’s latest Global Green Finance Index report</p> <p>Number of new products which consider environmental and social factors</p> <p>Jobs created and size of investment in UK green tech sector</p> <p>Comparison of take up of technical products and services with other financial centres</p> <p>Investment levels and growth figures in businesses that have transition plans in place</p> <p>Growth in businesses transitioning to net zero.</p>

	<p>reporting through influencing and supporting the delivery of technical solutions to increase comparability of data and ease of reporting.</p> <p>Share learning and best practice about challenges opportunities of our net zero journey</p> <p>Support SMEs in Square Mile to refurbish</p>	
<p>F. People in the Square Mile and beyond benefit from a cleaner, greener and safer environment and job creation.</p>	<p>Addressing existing inequalities and ensuring no one is left behind.</p> <p>Prepare people with jobs for the future</p> <p>Facilitate collaborative action on air pollution in London</p> <p>Reduce pollution and increase the resilience of the Square Mile</p> <p>Implement our ambitious air quality and transport strategies</p> <p>Embrace circular economy principles across our strategies and work</p> <p>Work with our creative and educational sector partners to deliver sustainable initiatives</p> <p>Enhance greening and biodiversity across our public realm and open spaces</p>	<p>NOx levels reach 90% WHO compliance by 2025</p> <p>1000 new jobs are created</p> <p>Energy performance of residential buildings improves</p> <p>Number of firms in the Square Mile engaged in Responsible Business initiatives</p> <p>Visitor satisfaction levels at Square Mile and Open Spaces</p>

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## Appendix 2 – Detailed profile of each action area for Net Zero

### Action area 1: Corporate Property and Landlord Areas

Committee: CASC

**NET ZERO VISION:** The City Corporation is responsible for some of Central London's most historic, landmark buildings. The net-zero future will prepare them for the next one hundred years, reducing emissions and costs, while improving occupant comfort and productivity.

**STRATEGY GOALS:** A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040

<b>High level actions</b>  <b>Action 1.1</b> Update building condition surveys <b>Action 1.2</b> Undertake funding sources review <b>Action 1.3</b> Develop energy efficient and low-carbon refurbishment standards <b>Action 1.4</b> Upgrade to LED lighting and controls <b>Action 1.5</b> Implement centralised BMS <b>Action 1.6</b> Sub-meter energy consumption <b>Action 1.7</b> Begin installation of heat pumps and deep fabric retrofit schedule	<b>Net cost</b>  £2.62m	<b>Job creation (estimate)</b>  71	<b>What it pays for</b> <ul style="list-style-type: none"> <li>• A better understanding the condition of our buildings to allow us to prioritise our investment approach</li> <li>• The ability to maximise the use of external funding to scale up our ability to increase energy efficiency of the portfolio</li> <li>• An upgrade to the lighting in our buildings to be energy efficient</li> <li>• A change in the way we manage the energy use of our buildings to make it more efficient</li> <li>• An upgrade to the insulation in the fabric of our buildings to increase energy efficiency</li> <li>• An upgrade of our gas boilers to low emission heat pumps</li> </ul>
<b>Impact on net zero</b> 2,250 ktCO <sub>2</sub> e per year	<b>Measurement</b> Energy intensity (kWh/m <sup>2</sup> ) of operated buildings	<b>Key Benefits</b> <ul style="list-style-type: none"> <li>• Improved indoor comfort</li> <li>• Improved occupant satisfaction, increased productivity and employee retention</li> <li>• Future-proof CPG estate</li> <li>• Tackle fuel poverty for residents</li> <li>• Increased building performance data</li> <li>• Reduction in long-term property maintenance costs</li> <li>• Increased visibility and control on capital spend</li> <li>• Green jobs and economic multipliers for green / tech ecosystem</li> <li>• Energy savings</li> </ul>	<b>Strategic Links</b> Corporate Plan Outcomes – 5,11,12, Lighting Strategy 2018-21, Responsible Business Strategy 2018-23, the Local Plan 2015, The draft City Plan 2036, Waste Strategy 2013-20

**NET ZERO VISION:** A future where climate and carbon are a leading driver in all organisational procurement decisions and where individuals and organisations have adjusted their consumption and travel habits, with consequential health and wellbeing, community and family benefits.

**STRATEGY GOALS:** A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040 G) People benefit from a cleaner, greener and safer environment and job creation

<b>High level actions</b>  <b>Action 2.1</b> Measured-data emissions footprint <b>Action 2.2</b> Strengthen supplier engagement <b>Action 2.3</b> Set carbon intensity reduction targets for top 25 emitters <b>Action 2.4</b> Decarbonisation route map <b>Action 2.5</b> Upgrade fleet vehicles to EV	<b>Net cost</b>  £1.66m	<b>Job creation (estimate)</b>  19	<b>What it pays for</b>  <ul style="list-style-type: none"> <li>• A better understanding of the carbon emissions in our supply chains</li> <li>• A strengthened relationship with our suppliers through shared goals on carbon emission reduction</li> <li>• Clear targets for carbon reduction in our top suppliers</li> <li>• An automated carbon emissions reporting tool for our supply chain</li> </ul>
<b>Impact on net zero</b> 5,000 ktCO <sub>2</sub> e per year  Page 52	<b>Measurement</b> Carbon intensity (ktCO <sub>2</sub> e per £m of revenue spend)		<b>Key Benefits</b>  <ul style="list-style-type: none"> <li>• Positive reputation amongst suppliers</li> <li>• Improved supplier emissions footprints benefit other buyers</li> <li>• New standards and approaches to procurement for local authorities</li> <li>• Increased visibility and standards across and within projects</li> <li>• Economic multipliers for green / clean tech ecosystem</li> </ul>
	<b>Strategic Links</b> Corporate Plan Outcomes – 5,11,12, Transport Strategy 2018-43, Local Plan 2015, The draft City Plan 2036, Responsible Business Strategy 2018-23, Waste Strategy 2013-20, City Procurement Strategy 2020-24		



**NET ZERO VISION:** A future where all construction materials have a second life and where innovation is prioritised to identify materials and design efficiencies. Where all organisations are competing to rent the lowest carbon and circular buildings and where empty existing buildings are immediately re-purposed.

**STRATEGY GOALS:** A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040 G) People benefit from cleaner, greener and safer environment, and job creation

<p><b>High level actions</b></p> <p><b>Action 3.1</b> Measured-data emissions footprint</p> <p><b>Action 3.2</b> Sustainable and circular design standards (new build and refurb)</p> <p><b>Action 3.3</b> Low-impact materials specifications</p> <p><b>Action 3.4</b> Circular construction / low-embodied emissions pathfinder project</p> <p><b>Action 3.5</b> Assess commercial and operational viability of new design standards</p>	<p><b>Net cost</b></p> <p>£0.7m</p>	<p><b>Job creation (estimate)</b></p> <p>6</p>	<p><b>What it pays for</b></p> <ul style="list-style-type: none"> <li>• A new toolkit to assess the life cycle carbon emissions of our capital projects to enable better decision making</li> <li>• A commercially viable standard specification guide to ensure climate action and responsible business goals are considered in new builds and refurbishments</li> <li>• An approved catalogue of low carbon, low impact materials to replace higher carbon, commonly used materials</li> <li>• A historic building refurbishment programme demonstrating best practice on low carbon interventions</li> </ul>
<p><b>Impact on net zero</b></p> <p>500 ktCO<sub>2</sub>e per year</p>	<p><b>Measurement</b></p> <p>Carbon intensity (ktCO<sub>2</sub>e per £m of revenue spend)</p>	<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Economic multipliers through growth in green / clean tech industries</li> <li>• Positive reputation amongst businesses</li> <li>• Catalyse change across UK real estate market</li> <li>• Increased visibility and standards across and within projects</li> <li>• Increased visibility and control on capital spend</li> </ul>	
	<p><b>Strategic Links</b></p> <p>Corporate Plan Outcomes – 5,11,12, Waste Strategy 2013-20, City Procurement Strategy 2020-24</p>		

#### Action area 4: Investment Property Group (Leased Downstream Assets)

Committee: Property Investment Board

**NET ZERO VISION:** The City Corporation is responsible for some of Central London's most historic, landmark buildings. The net-zero future will prepare them for the next one hundred years, reducing emissions and costs, while improving tenant satisfaction and long term valuation.

**STRATEGY GOALS:** A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040 D) The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040

<b>High level actions</b>  <b>Action 4.1</b> Review risks of future relevant regulations and develop a readiness plan <b>Action 4.2</b> Ensure environmental requirements in new acquisition and leases <b>Action 4.3</b> Embed energy efficient and low carbon solutions in refurbishment standards <b>Action 4.4</b> Establish a comprehensive program to monitor energy consumption <b>Action 4.5</b> EPC B upgrade programme for buildings coming off lease with planned refurbishment works between 2020-2025 <b>Action 4.6</b> Design and agree operational plan to deliver 50% emission reduction across the IPG estate by 2040 with 5-year incremental performance targets named, with yearly reporting on progress against targets	<b>Net cost</b>  <b>£1.39m</b>	<b>Job creation (estimate)</b>  <b>48</b>	<b>What it pays for</b>  <ul style="list-style-type: none"><li>• A plan for meeting and potentially exceeding The Non-Domestic Private Rented Sector Minimum Energy Efficiency Standards.</li><li>• A strengthened relationship with our tenants through identifying and agreeing low carbon interventions with shared benefits</li><li>• A strong alignment of energy efficiency initiatives across our leased buildings, new capital project design specifications, and refurbishment guidance</li><li>• A new central energy monitoring system for leased buildings</li><li>• An upgrade to EPC B for all our leased buildings over the next 20 years</li><li>• A clear and considered operational plan for meeting climate action targets in line with agreed dates</li></ul>
<b>Impact on net zero</b> 2,350 ktCO <sub>2</sub> e per year	<b>Measurement</b> Energy intensity (kWh/m <sup>2</sup> ) of investment property		<b>Key Benefits</b> <ul style="list-style-type: none"><li>• Energy savings</li><li>• Potential increase in property values and yield</li><li>• Increase in tenant satisfaction and reduced void periods</li><li>• Reduction in long-term property maintenance costs</li><li>• Reduction in letting costs</li><li>• Future proof key asset base for Corporation</li><li>• Increased visibility and control on capital spend</li><li>• Green jobs and economic multipliers for green tech ecosystem</li></ul>
<b>Strategic Links</b> Corporate Plan Outcomes – 5,7,11,12, Responsible Business Strategy 2018-23, Local Plan 2015, The draft City Plan 2036, Waste Strategy 2013-20, City Procurement Strategy 2020-24			

## Action area 5: Financial investments

Committee: Financial Investments Board

**NET ZERO TARGET:** ESG Integration and Climate Related Financial Risk Analysis are used to drive manager and product selection. The Corporation influences others to take action and actively contribute to advancing understanding of how to manage climate related financial risks.

**STRATEGY GOALS:** A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040 B) The City of London Corporation and its assets are resilient to climate change. C) The City of London Corporation influences UK and overseas organisations to become climate responsible

<b>High level actions</b>  <b>Action 5.1</b> Embed ESG Integration and Climate Related Financial Risk in Investment Mandates <b>Action 5.2</b> Ensure climate criteria are embedded in Fund Manager selection <b>Action 5.3</b> Commit to at least 60% of portfolio Paris-aligned by 2040 <b>Action 5.4</b> Signal ambition for 100% portfolio aligned by 2030 and become signatory to TCFD	<b>Net cost</b>  <b>£0.1m</b>	<b>Job creation (estimate)</b>  <b>1</b>	<b>What it pays for</b>  <ul style="list-style-type: none"> <li>• A better understanding of the ESG and climate risk exposure in our portfolio</li> <li>• A clear plan on how to achieve a Paris-aligned portfolio by 2040</li> <li>• A stretching plan on how to achieve a Paris-aligned portfolio by 2030</li> <li>• A new investment criterion on climate action added into our fund manager mandates</li> <li>• Regular reporting to the Task Force on Carbon Disclosure (TCFD) in line with our peers</li> </ul>
<b>Impact on net zero</b> 10,750 ktCO <sub>2</sub> e per year	<b>Measurement</b> Carbon intensity (ktCO <sub>2</sub> e per £m of revenue spend)		<b>Key Benefits</b>  <ul style="list-style-type: none"> <li>• Reduction of reputational and climate-related financial risk</li> <li>• Capitalise on investment returns as economy transitions</li> <li>• Future proof key asset base of Corporation</li> <li>• Increased visibility on performance and engagement record</li> <li>• Corporation's profile as responsible investor aligned with peers and international dialogue at Green Horizons Summit, COP26 and other international platforms</li> <li>• Increased understanding of risk across portfolio</li> </ul>
	<b>Strategic Links</b> Corporate Plan Outcomes – 5,11,12, Responsible Business Strategy 2018-23, Local Plan 2015, The draft City Plan 2036		

**NET ZERO TARGET:** Streets that inspire and delight, world-class connections and a Square Mile that is accessible to all. The Square Mile will be a healthy, attractive and easy place to live, work, learn and visit.

**STRATEGY GOALS:** D) The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040, G) People benefit from cleaner, greener and safer environment, and job creation

<b>High level actions</b>  <b>Action 6.1</b> Pavement widening to comfort level A+ <b>Action 6.2</b> Additional 20km timed street closures <b>Action 6.3</b> Freight consolidation centre	<b>Net cost</b>  <b>£1.51m</b>	<b>Job creation (estimate)</b>  <b>20</b>	<b>What it pays for</b>  <ul style="list-style-type: none"> <li>• 14km of widened pavement to support pedestrian movements and reduce emissions from vehicles</li> <li>• A network of new pedestrian priority streets</li> <li>• A pilot study on a new logistical hub to manage and reduce freight vehicles and emissions</li> </ul>
<b>Impact on net zero</b> 3,250 ktCO <sub>2</sub> e per year  <div>Page 56</div>	<b>Measurement</b> Carbon intensity (ktCO <sub>2</sub> /m <sup>2</sup> ) per capita		<b>Key Benefits</b>  <ul style="list-style-type: none"> <li>• Improved air quality</li> <li>• Improved employee health leads to reduced absenteeism</li> <li>• Increased footfall and local spending</li> <li>• Job creation</li> </ul>
	<b>Strategic Links and Partners</b> Corporate Plan Outcomes –1, 5,11,12, Air Quality Strategy 2019-24, Transport Strategy 2018-43, Responsible Business Strategy 2018-23, Local Plan 2015, The draft City Plan 2036, Culture Strategy 2018-22, Waste Strategy 2013-20, City Procurement Strategy 2020-24		

**NET ZERO TARGET:** The net-zero future sees the unique built environment of the Square Mile prepared for the next one hundred years, reducing emissions and costs, while improving commercial value and occupant comfort.

**STRATEGY GOALS:** D) The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040 F) Businesses capitalise on commercial opportunities through transitioning to net zero

<p><b>High level actions</b></p> <p><b>Action 7.1</b> Square Mile renewable energy strategy</p> <p><b>Action 7.2</b> Historic building energy efficiency retrofit challenge</p> <p><b>Action 7.3</b> Create exemplar guidance on Square Mile refurbishment</p> <p><b>Action 7.4</b> Tighten standards for new buildings through SPG</p>	<p><b>Net cost (pa)</b></p> <p><b>£1.26</b></p>	<p><b>Job creation (estimate pa)</b></p> <p><b>15</b></p>	<p><b>What it pays for</b></p> <ul style="list-style-type: none"> <li>• A leading strategy developed with key stakeholders on how to source renewable energy for the Square Mile</li> <li>• New approaches to energy efficiency in historic buildings developed through an innovation competition, hosted in partnership with Royal Institute of British Architects</li> <li>• A guide for best practice in energy efficiency design approaches for building types in the Square Mile</li> <li>• A Supplementary Planning Guidance document requiring improvement in the carbon emissions and energy efficiency performance of new developments</li> </ul>
<p><b>Impact on net zero</b></p> <p>1,800 ktCO<sub>2</sub>e per year</p>	<p><b>Measurement</b></p> <p>Carbon intensity (ktCO<sub>2</sub>/m<sup>2</sup>) per capita</p>		<p><b>Key Benefits</b></p> <ul style="list-style-type: none"> <li>• Improved air quality</li> <li>• Improved employee health leads to reduced absenteeism</li> <li>• Increased footfall and local spending</li> <li>• Green jobs and economic multipliers</li> </ul>
	<p><b>Strategic Links</b></p> <p>Corporate Plan Outcomes –1, 5,11,12, Air Quality Strategy 2015-20, Transport Strategy 2018-43, Responsible Business Strategy 2018-23, Local Plan 2015, The Draft City Plan 2036, Waste Strategy 2013-20</p>		

**NET ZERO TARGET:** The Square Mile transitions towards a circular economy, where the City Corporation engages with key stakeholders to accelerate the adoption of global best practices.

**STRATEGY GOALS:** D) The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040 F) Businesses capitalise on commercial opportunities through transitioning to net zero

<b>High level actions</b>  <b>Action 8.1</b> Improve material and floorspace efficiency in construction <b>Action 8.2</b> Scope Square Mile carbon offset fund <b>Action 8.3</b> Launch Square Mile carbon offset fund	<b>Net costs (pa)</b>  <b>£0.21</b>	<b>Job creation (estimate pa)</b>  <b>2</b>	<b>What it pays for</b> <ul style="list-style-type: none"> <li>• Collaborative Square Mile-wide solutions to deal with supply chain emissions, working closely with the business community</li> <li>• A Square-Mile carbon offset fund, which all businesses can contribute to, to offset residual emissions</li> </ul>
<b>Impact on net zero</b> N/A (outside of target scope)	<b>Measurement</b> N/A		<b>Key Benefits</b> <ul style="list-style-type: none"> <li>• Positive reputation as innovative green finance leader</li> <li>• Green jobs and economic multipliers</li> </ul>
	<b>Strategic Links</b> Corporate Plan Outcome 7, Local Plan 2015, The draft City Plan 2036, Responsible Business Strategy 2018-23		

**NET ZERO TARGET:** The City Corporation open spaces are celebrated as high-value ecological habitats that also form an integral part of balancing any residual emissions. Enhanced land management practices set the standard for others to follow.

**STRATEGY GOALS:** A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040 C) The City of London Corporation influences UK and overseas organisations to become climate responsible. G) People benefit from a cleaner, greener and safer environment, and job creation.

<b>High level actions</b>  <b>Action 9.1</b> Sequestration modelling study building upon baseline study <b>Action 9.2</b> Woodland and grassland ecological restoration where appropriate	<b>Net cost (pa)</b>  <b>£0.83m</b>	<b>Job creation (estimate pa)</b>  <b>8</b>	<b>What it pays for</b>  <ul style="list-style-type: none"> <li>• A change in land management to re-introduce pollarding and coppicing on Epping Forest</li> <li>• A commercially viable model for using timber in biomass burners at Epping Forest and Burnham Beeches</li> </ul>
<b>Impact on net zero</b> 10,000 ktCO <sub>2</sub> e per year  Page 59	<b>Measurement</b> Carbon removal (ktCO <sub>2</sub> per year)		<b>Key Benefits</b>  <ul style="list-style-type: none"> <li>• Enhanced biodiversity</li> <li>• Optimisation of benefits from other ecosystem services, such as pollination, water quality and air pollution mitigation</li> <li>• Enhance and expand area of ecosystem services resilience</li> <li>• Direct effect on green jobs</li> </ul>
	<b>Strategic Links</b> Corporate Plan Outcomes 11,12. Local Plan 2015, The draft City Plan 2036, Responsible Business Strategy 2018-23, Hampstead Heath Management Strategy 2018-28, Waste Strategy 2013-20		

## Action area 10: Strategy implementation

Committee: Policy and Resources

**NET ZERO TARGET:** Climate action is embraced and integrated across the City Corporation, with Members informed and officers empowered to deliver measurable impact. This cross-Corporation function responds to changing conditions, monitoring performance and realigning strategy and plans where necessary, ensuring long-term emissions targets are achieved or exceeded. Climate action becomes a driver of corporate performance.

**STRATEGY GOALS:** A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040 B) The City of London Corporation and its assets are resilient to climate change C) The City of London Corporation influences UK and overseas organisations to become climate responsible.

<b>High level actions</b>  <b>Action 10.1</b> Identify programme and data management resource for implementation <b>Action 10.2</b> Create a data management and carbon accounting system <b>Action 10.3</b> Monitor performance targets <b>Action 10.4</b> Report progress to agreed internal and external partners / networks <b>Action 10.5</b> Sustained engagement programme and publicise success stories	<b>Net cost (pa)</b>  <b>£0.4m</b>	<b>Job creation (estimate pa)</b>  <b>2</b>	<b>What it pays for</b> <ul style="list-style-type: none"> <li>• A dedicated climate action strategy programme team</li> <li>• A carbon accounting system</li> <li>• A performance measurement and reporting system linked to the corporate performance framework – holding us to account</li> <li>• Regular reporting of progress and targets to both internal and external partners</li> <li>• A clear internal and external communications plan</li> </ul>
<b>Impact on net zero and resilience</b> Ensures delivery across the programme	<b>Measurement</b> Total no. climate risks managed		<b>Key Benefits</b> <ul style="list-style-type: none"> <li>• Climate related performance drives commercial performance across Corporation</li> <li>• Additional skills and expertise transferred to wider staff</li> <li>• Accelerate use of Corporate Performance Framework</li> <li>• Implementation of carbon accounting system will allow for capture of other sustainable accounting practices</li> </ul>
	<b>Strategic Links</b> Corporate Plan Outcomes – 7,8 Responsible Business Strategy 2018-23		



## Appendix 2b – Detailed profile of each action area for Climate Resilience

### Action area 1: Ports and Market resilience

Committee: Port Health

STRATEGY GOALS: B) The City of London Corporation and its assets are resilient to climate change. E) The Square Mile's buildings, public spaces and infrastructure are resilient to climate change.			
<b>High level actions</b>  <b>Action 1.1</b> Pest and disease horizon scanning, surveillance and research programme <b>Action 1.2</b> Ports and markets operational resilience planning <b>Action 1.3</b> Undertake funding sources review	<b>Net cost (pa)</b>  <b>£0.1m</b>	<b>Job creation (estimate pa)</b>  <b>0</b>	<b>What it pays for</b>  <ul style="list-style-type: none"> <li>• Clear mitigation strategies for a wide variety of pests and diseases, with emphasis on those specific to markets and ports</li> <li>• An early warning system for pests and diseases</li> <li>• A dedicated resilience strategy for the ports and markets</li> <li>• An ability to maximise external funding sources and strategies</li> </ul>
<b>Resilience Risks</b> <ul style="list-style-type: none"> <li>• Food</li> <li>• Pest and disease</li> </ul> <b>Impact on resilience risks</b> <ul style="list-style-type: none"> <li>• Working with traders and local businesses to develop contingency plans for periods of food shortage</li> <li>• A dedicated resilience strategy for ports and markets will allow clear strategies to respond to shock events and climate related emergencies</li> <li>• An early warning system for pests and disease will allow us to respond quickly and effectively</li> </ul>	<b>Measurement</b> Total no. climate risks managed		<b>Key Benefits</b>  <ul style="list-style-type: none"> <li>• Future-proof commercial resilience of key assets</li> <li>• Indirect effect on green jobs</li> </ul>
	<b>Strategic Links</b> Corporate Plan Outcomes –11,12.		

## Action area 2: Resilient Streets and Greening

Committee: Planning and Transport

STRATEGY GOALS: B) The City of London Corporation and its assets are resilient to climate change. E) The Square Mile's buildings, public spaces and infrastructure are resilient to climate change. G) People benefit from a cleaner, greener and safer environment, and job creation			
<b>High level actions</b>  <b>Action 2.1</b> Flood modelling, which include SUDs and other mitigation strategies, to complement EA flood models <b>Action 2.2</b> Conduct pilot to test heat resistant materials in planned works for streets and highways during 2021-2025 <b>Action 2.3</b> Develop City Corporation and Square Mile water footprint management strategy <b>Action 2.4</b> Develop natural flood risk management areas <b>Action 2.5</b> Sustainable rain and surface water management policies and implementation <b>Action 2.6</b> Work with partners to accelerate actions to address water leak management <b>Action 2.7</b> Increase the quality and provision of green space and coverage in the Square Mile and wider City Corporation spaces <b>Action 2.8</b> Introduce climate-resistant and adaptive landscaping in planned works <b>Action 2.9</b> Undertake funding sources review	<b>Net cost (pa)</b>  <b>£2.2m</b>	<b>Job creation (estimate pa)</b>  <b>9</b>	<b>What it pays for</b>  <ul style="list-style-type: none"> <li>• An investigation into new water infrastructure such as strategic SUDs, roof top greening, catchment greening and afforestation, and more as relevant</li> <li>• A register and upgrade plan for roads that are vulnerable to acute heat which mainstreams heat-resistant road surfacing</li> <li>• A connected system of water recycling, urban drainage and rainwater management measures</li> <li>• More greenery in the Square Mile public realm</li> <li>• Climate change adaptable landscapes and planting</li> <li>• A strong partnership with Thames Water to reduce water wastage through leaking</li> </ul>
<b>Resilience Risks</b> <ul style="list-style-type: none"> <li>• Flooding</li> <li>• Overheating</li> <li>• Water stress</li> <li>• Natural capital</li> </ul> <b>Impact on resilience risks</b> <ul style="list-style-type: none"> <li>• Additional guidance on climate resilience forming part of Planning Policy will reduce all resilience risks</li> <li>• Minimising temperature increases through the public realm, creating cool spots</li> <li>• Interventions such as shading, urban greening, heat-resistant road surfacing, natural flood risk management areas, flood defence asset maintenance and careful material selection will reduce all resilience risks</li> </ul>	<b>Measurement</b> Total no. climate risks managed	<b>Key Benefits</b> <ul style="list-style-type: none"> <li>• Positive reputation amongst suppliers and construction industry</li> <li>• Indirect effect on green jobs and economic multipliers for green tech ecosystem</li> <li>• Increased visibility and standards across projects</li> <li>• Future proof public realm for climate impacts</li> </ul>	<b>Strategic Links</b> Corporate Plan Outcomes – 5,7, Local Plan 2015, The draft City Plan 2036, Transport Strategy 2018-43, Responsible Business Strategy 2018-23, Local Flood Risk Management Strategy 2014-2020

### Action area 3: Resilient buildings

Committee: Property Investment Board, CASC

STRATEGY GOALS: B) The City of London Corporation and its assets are resilient to climate change E) The Square Mile's buildings, public spaces and infrastructure are resilient to climate change. G) People benefit from a cleaner, greener and safer environment, and job creation			
<b>High level actions</b>  <b>Action 3.1</b> Embed resilience measures into 5-year plan upgrade plans for IPG and CPG properties <b>Action 3.2</b> Diversify energy sources and partner with regional organisations and utility providers to increase back-up power for critical services <b>Action 3.3</b> Flood defence assets maintenance and management regimes incorporated into upgrade plans <b>Action 3.4</b> Protect key assets, critical infrastructure and sensitive equipment in flood zones <b>Action 3.5</b> Undertake funding sources review	<b>Net cost (pa)</b>  <b>£2.5m</b>	<b>Job creation (estimate pa)</b>  <b>33</b>	<b>What it pays for</b>  <ul style="list-style-type: none"> <li>• A more climate resilient and future proofed property portfolio</li> <li>• A more resilient energy network for the Square Mile</li> <li>• An assessment of flood risk vulnerability for all the critical infrastructure, services, or features of heritage and archaeological value for the Square Mile</li> <li>• A plan for managing and upgrading critical flood defences, using nature led approaches where possible</li> <li>• An ability to maximise external funding sources and strategies to complete this work</li> </ul>
<b>Resilience Risks</b> <ul style="list-style-type: none"> <li>• Flooding</li> <li>• Overheating</li> <li>• Water stress</li> </ul> <b>Impact on resilience risks</b> <ul style="list-style-type: none"> <li>• Retrofits can be used to adapt buildings to reduce their influence on and risk from climate change</li> <li>• Introduction of shading and ventilation strategies can mitigate overheating</li> <li>• Flood protection measures such as water proofing, attenuation and flood barriers reduce flood risk</li> <li>• Interventions to reduce water consumption in buildings reduce water stress</li> </ul>	<b>Measurement</b> Total no. climate risks managed		<b>Key Benefits</b>  <ul style="list-style-type: none"> <li>• Indirect effect on green jobs and economic multipliers for green tech ecosystem</li> <li>• Positive reputation amongst businesses</li> <li>• Catalyse change across UK real estate market</li> <li>• Increased visibility and standards across projects</li> <li>• Increased performance from capital spend</li> <li>• Future proof key asset base for the Corporation</li> </ul>
	<b>Strategic Links</b> Corporate Plan Outcomes – 5,7 Local Plan 2015, The draft City Plan 2036 Transport Strategy 2018-43 Responsible Business Strategy 2018-23 Local Flood Risk Management Strategy 2014-2020		

#### Action area 4: Resilience Co-ordination and training

Committee: Primarily Porth Health, and Planning and Transport

STRATEGY GOALS: B) The City of London Corporation and its assets are resilient to climate change E) The Square Mile’s buildings, public spaces and infrastructure are resilient to climate change. F) Businesses capitalise on commercial opportunities through transitioning to net zero G) People benefit from a cleaner, greener and safer environment, and job creation.			
<b>High level actions</b>  <b>Action 4.1</b> Develop financial package and programme to manage resilience <b>Action 4.2</b> Expand use and availability of non-sensitive data to monitor effectiveness of interventions <b>Action 4.3</b> Embed principles of inclusion and equity throughout all resilience strategies <b>Action 4.4</b> Design cross-Corporation training programme to strengthen skills and capabilities on resilience <b>Action 4.5</b> Mainstream climate resilience into City Corporation governance and decision-making <b>Action 4.6</b> Review of above and below ground space utilisation in the Square Mile <b>Action 4.7</b> Strengthen resilience requirements for planning <b>Action 4.8</b> Undertake funding sources review	<b>Net cost (pa)</b>  £0.3m	<b>Job creation (estimate pa)</b>  1	<b>What it pays for</b>  <ul style="list-style-type: none"><li>• A considered plan on funding options for climate resilience work, blending internal and external funding sources</li><li>• A stronger, data-led approach to understanding climate related risks and mitigations across the Square Mile</li><li>• A method to ensure that the needs of the most vulnerable to climate change are prioritised in decision making</li><li>• A workforce with the knowledge and skills required to manage climate resilience across the Square Mile, backed up by a climate resilience lens across all decision making</li><li>• A review of the supplementary planning guidance and approach for new developments to strengthen climate resilience measures</li></ul>
<b>Resilience Risks</b> <ul style="list-style-type: none"><li>• Flooding</li><li>• Water stress</li><li>• Overheating</li><li>• Cross-cutting</li></ul> <b>Impact on resilience risks</b> <ul style="list-style-type: none"><li>• Embedding inclusion and equity in strategies and projects will ensure that the needs of the most vulnerable are prioritised</li><li>• Skills gap analysis, skills sharing, and training will future proof the organisation</li><li>• Deeper understanding of climate related data, as well as a review of ground space utilisation, will allow better strategic planning</li></ul>	<b>Measurement</b> Total no. climate risks managed		<b>Key Benefits</b>  <ul style="list-style-type: none"><li>• External investment in Corporation assets</li><li>• Increased visibility and standards across projects</li><li>• Increased performance from capital spend</li><li>• Future proof key asset base for the Corporation</li><li>• Decreased costs due to integration of resilience actions</li></ul>
<b>Strategic Links</b> Corporate Plan Outcomes – 5,7 Local Plan 2015, The draft City Plan 2036 Transport Strategy 2018-43 Local Flood Risk Management Strategy 2014-2020			

Action area 5: Public health engagement and education

Committee: Primarily Port Health and CCS

STRATEGY GOALS: B) The City of London Corporation and its assets are resilient to climate change. E) The Square Mile's buildings, public spaces and infrastructure are resilient to climate change. G) People benefit from a cleaner, greener and safer environment, and job creation.			
<b>High level actions</b>  <b>Action 5.1</b> Climate-ready, fortified public health programme <b>Action 5.2</b> Develop urban heat vulnerability index and mitigation strategy <b>Action 5.3</b> Strengthen community and business networks to build adaptive capacity <b>Action 5.4</b> Strengthen climate resilience education track at Open Spaces <b>Action 5.5</b> Public communications and awareness raising campaign(s)	<b>Net costs (pa)</b>  <b>£0.1m</b>	<b>Job creation (estimate pa)</b>  <b>0</b>	<b>What it pays for</b>  <ul style="list-style-type: none"> <li>• A plan to protect public health and social services critical services and infrastructure during shock events</li> <li>• An Urban Heat Vulnerability Index to help prioritise temperature reducing measures for vulnerable groups</li> <li>• A more cohesive community through supporting grassroots resilience projects, community groups and business networks</li> <li>• A clear communications plan to integrate climate resilience into existing education strategies across our services</li> </ul>
<b>Resilience Risks</b> Food • Overheating Cross-cutting • Pest and Disease	<b>Measurement</b> Total no. climate risks managed		<b>Key Benefits</b>  <ul style="list-style-type: none"> <li>• Enhanced reputation and public support</li> </ul>
	<b>Strategic Links</b> Corporate Plan Outcomes 5,7,9,10,12 Responsible Business 2018-23 Local Plan 2015, the draft City Plan 2036		
<b>Impact on resilience risks</b> <ul style="list-style-type: none"> <li>• Identification of food insecurities and robust plans for mitigation</li> <li>• Working with mutual aid, community aid and business networks to ensure vulnerable populations are supported</li> <li>• Planning to protect critical health and social care structures during shock events and emergencies</li> </ul>			

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<b>Committee:</b>	<b>Date:</b>
Procurement Sub Committee	09 September 2020
<b>Subject:</b> Report of Action Taken under Delegated Authority or Urgency Powers – <ul style="list-style-type: none"> <li>• Rough Sleeping Outreach Contract</li> <li>• Power Purchase Agreement</li> </ul>	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Information</b>
<b>Report Author:</b> Antoinette Duhaney	

## Summary

This report advises Members of action taken by the Town Clerk in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and 41(b) since the last meeting.

## **Recommendation**

That Members note the action taken since the last meeting of the Sub Committee.

## **Main Report**

### **Rough Sleeping Outreach Contract**

1. Following approval of the Stage 1 Strategy report for the provision of a Rough Sleeping Outreach Service by the Procurement Sub-Committee and the Community & Children's Services Committee, tenders were invited. However, due to the unforeseen and exceptional circumstances arising from the COVID-19 pandemic, this process was delayed.
2. Given the circumstances, along with the requirement for a minimum 10-week mobilisation period, the timelines did not enable a Stage 2 Award report to be completed in time for the Procurement Sub Committee meeting on 6<sup>th</sup> July 2020. Furthermore, due to Summer recess, the subsequent Procurement Sub Committee meeting on 9<sup>th</sup> September 2020 is too late for approval. Therefore, at the last meeting of the Procurement Sub Committee held on 6<sup>th</sup> July 2020, Members agreed that the Town Clerk in consultation with the Chairman and Deputy Chairman of the Procurement Sub Committee could approve the award of the Award of the Rough Sleeping Outreach contract under Urgency.
3. Officers in the Children's & Community Services Department have now been able to evaluate tenders and the Town Clerk in consultation with the Chairman and Deputy Chairman of the Procurement Sub Committee, has approved the award of the Rough Sleeping Outreach contract.

## **Power Purchase Agreement**

4. The Town Clerk in consultation with the Sub Committee, has approved the appointment of a preferred supplier of a Power Purchase Agreement (PPA) for off-site renewable electricity for the City of London Corporation.
5. Awarding this contract will enable the development of a new purpose built solar farm to provide electricity to the City Corporation's portfolio.

### **Contact:**

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