



Corporate Asset Sub (Finance) Committee

Appendices to Reports

Date: THURSDAY, 4 APRIL 2019
Time: 1.45 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

6. **CITY SURVEYOR'S PROPOSED BUSINESS PLAN 2019/2024**
Report of the City Surveyor.

For Decision
(Pages 1 - 4)

7. **EV CHARGE POINTS FOR TRANSITION TO A ZERO-EMISSION FLEET**
Report of the City Surveyor.

For Decision
(Pages 5 - 8)

9. **CITY SURVEYOR'S BUSINESS PLAN 2018/19 - Q3 OUTCOME**
Report of the City Surveyor.

For Information
(Pages 9 - 14)

10. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER 2018/2019 - Q3 OUTCOME**
Report of the City Surveyor.

For Information
(Pages 15 - 26)

17. **ASSET MANAGEMENT SERVICE BASED REVIEW**
Report of the City Surveyor.

For Decision
(Pages 27 - 40)

18. **ISLINGTON ARTS FACTORY**
Report of the Director of Community and Children's Services.

For Decision
(Pages 41 - 42)

19. **ACCOMMODATION AND WAYS OF WORKING - VACATION OF WALBROOK WHARF**
Report of the City Surveyor.

For Decision
(Pages 43 - 54)

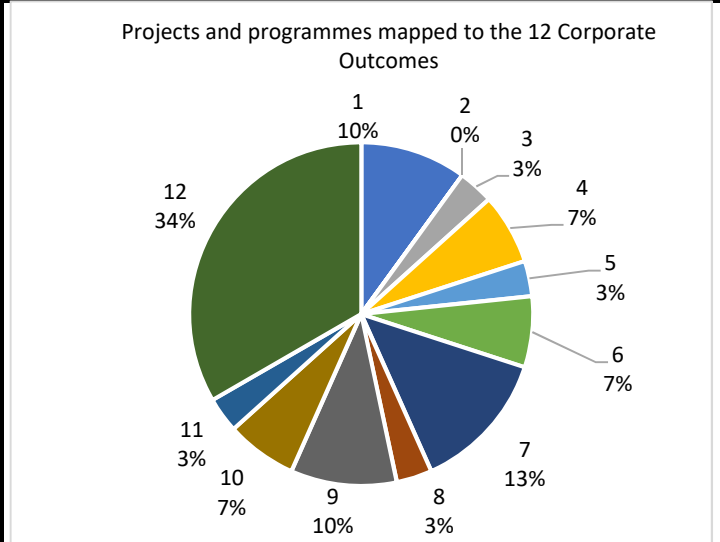
23. **CITIGEN FUTURE OPTIONS**
Report of the City Surveyor.

For Information
(Pages 55 - 134)



We optimise the City's property assets for the benefit of our customers, our community, our partners and our colleagues.

The corporate outcomes we aim to impact on are:



Our budget is:

Service Area	Expenditure	Income	Net
IPG	-38,919	153,520	114,600
CPG	-21,256	21,089	-167
PPG	-1,261	1,261	0
Operations	-9,893	3,553	-6,340
CPAT	-1,463	551	-912
Directorate & BPI	-776	348	-428
Total	-73,568	180,321	106,753

figures are in £'000 and based on 2019/20 original budget
 figures include Cyclical Works Programme (CWP)

What we do is:

The City Surveyor's department has a major strategic impact on the work and services of the Corporation. It is responsible for:

- actively managing the £4b corporate investment portfolio to generate circa £133m pa income supporting the aspirations of the City of London,
- achieving efficiencies in the asset management of City's operational properties,
- managing and delivering capital build projects to meet or exceed customer expectations,
- providing facilities management, building engineering services and building surveying projects as well as technical advice to operational and investment properties,
- providing property health and safety compliance and energy management,
- providing advice and services to the wider business and property communities in the Square Mile.

City Surveyor's

Our top line objectives are:

Service deliverables

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

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

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

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



Corporate programmes and projects

We will:

1. Deliver major corporate transformation projects in collaboration with colleagues from across the organisation such as Markets and Consumer Protection, Community and Children's Services, the City of London Police, Remembrancer, Comptroller and City Solicitor, and the Town Clerk's Department. This includes innovative projects such as New Housing and Education Projects and various Investment Property refurbishment projects such as Candlewick House, 123-124 New Bond Street and 15-17 Eldon Street together with the four major transformation programmes:
 - The Police Accommodation Strategy and Combined Courts Facility
 - The Markets Consolidation Programme
 - The Museum of London Relocation Programme
 - The Centre for Music
2. Update the Corporate Property Asset Management Strategy to ensure buildings are maintained to a satisfactory standard, and implement the Asset Management and the Operational Property Reviews.
3. Work in cooperation with Town Clerk's Department, the City of London Police, Built Environment and Open Spaces to continue the delivery of the cross-cutting Security Initiatives programme.
4. Undertake the refurbishment of 20/21 Aldermanbury for occupation in 2020 and dispose of Wood Street and Snow Hill surplus properties.
5. Implement Asset Management Plans for key sites with corporate partners to align asset management with business objectives.
6. Update our Investment Property Strategies and business plans for all Estates to maximise income.
7. Ensure the delivery of the Cyclical Works Programme (CWP).
8. Lead, working in conjunction with the Chamberlain's Department, the development of corporate wide procurement frameworks for intermediate and major works.
9. Promote and support the deployment of wireless and wired broadband solutions to support business needs.
10. Help businesses and developers to build, occupy and operate in the Square Mile and reinforce business and workforce networks through partnerships such as the Cheapside Business Alliance, the Aldgate Partnership and the One City social media platform.

Departmental programmes and projects

We will:

11. Support the delivery of the Smarter Working programme within the Guildhall alongside HR and Chamberlain's Department, continue to reduce the Guildhall carbon footprint and identify further energy efficiencies.
12. Implement the new Carbon Descent Plan, developing programme of energy efficiency projects across the Estate.
13. Deliver the Corporate and Investment Property revenue works programmes.
14. Modernise the investment portfolio in line with the agreed Investment Property Strategy.
15. Negotiate and grant, along with the Comptrollers and City Solicitor's Department, a new headlease to 1 Leadenhall, a major new development in the heart of the City.
16. Deliver a rolling programme of reviews, rationalisation and optimisation of Facilities Management (FM) services, working in partnership with the FM corporate contractors. We will retender and mobilise contracts for corporate security and lifts.
17. Implement the Guildhall FM Service Based Review recommendations.
18. Manage the impact of macro-economic policy change (global and local political and economic decisions, changes in interest rates, exchange, taxation etc).
19. Provide Health and Safety guidance and policy advice for the entire the organisation, reporting through to the Health and Safety Committee alongside colleagues from HR.

How we plan to develop our capabilities this year

We will:

20. Establish a successful programme team in the Property Projects Team.
21. Align and embed the Project Management Delivery Methodology.
22. Continuously explore innovative ways to add value to projects across the whole project cycle including alternative delivery models and implementing Building Information Modelling (BIM).
23. Work with Human Resources to refresh the departmental Workforce Plan to align capacity and expertise with the long-term departmental vision. This will build upon feedback from the 2018 Staff Survey. We will embed the Equalities, Diversity and Inclusion Group in the work of the department.
24. Continue to embed apprenticeships to meet the department's needs.
25. Develop an ethos of customer service in the department, aligned with the work of the corporate Customer Services Group.
26. Develop a programme of customer surveys to better engage with our customers.
27. Develop a programme of processes and procedures reviews, including better use of technology, to deliver added value and greater pace.
28. Progress the adoption of a new commercial property management system that maximises efficiencies across the department.

What we'll measure:

Core Indicators

- KPI 1. Asset Realisation (Target: Capital receipts are > 90% of forecast)
- KPI 2. Corporate Energy Consumption (Target: Reduction of 40% on 2008 baseline by 2026 (4%pa))
- KPI 3. Space Utilisation (Target: 5% reduction in cost per FTE at Guildhall)
- KPI 4. Property Contract Performance Compliance (Target: Achieve > 90% agreed SLAs and KPIs)
- KPI 5. Adherence to Budgetary Spend Profiles (revenue projects) (Target: 95% - 105% target)
- KPI 6. Capital Projects Defects Management (Target: < 40% defects on completion v contract sum)
- KPI 7. Capital Projects Project Status (Target: < 50% of projects in quarter at status red)
- KPI 8. Capital Projects H&S (Target: > 80% of H&S Site Inspection scores are Good or above)
- KPI 9. Capital Projects Gateway Reports (Target: > 50% of gateway reports due in period approved by Committee)
- KPI 10. Site Sustainability Waste Management (Target: 90% of waste diverted)
- KPI 11. Rental Forecasts Achieved (Target: Rental income > 95% forecast)
- KPI 12. Minimise Arrears (Target: Total arrears < 2% of the rolling 12-month annual billing run, with a stretch target of 1%)
- KPI 13. Minimise Voids (Target: < 5% of the total DM and FRI space)
- KPI 14. Performance v MSCI return (Target: Overall performance to outperform benchmark over a rolling 5 year basis)
- KPI 15. Customer Satisfaction (Target: Survey questions in development)
- KPI 16. Delivery of Strategic Utility Infrastructure (Target: milestones achieved)
- KPI 17. Support the Retention and Inward Investment of Businesses (Target: milestones achieved)

What we're planning to do in the future:

We will:

29. Be a key partner on developing the organisation's four major transformation programmes.
30. Support Community and Children's Services and the Housing Strategy to deliver new homes both within and outside the City.
31. Focus on additional revenue growth, cost efficiencies and cost reduction strategies in an increasingly challenging property market environment to support the Corporation's Medium-Term Financial Strategy.
32. Seek to reduce the high levels of deferred building maintenance caused by historic underfunding, by narrowing the gap between the current condition and the acceptable standards in line with the agreed Corporate Property Asset Management Strategy.
33. Look to develop Building Intelligence by the use of management dashboards and the integration of forward maintenance plans within our IT systems.
34. Support the development of a feasibility study by the private sector, looking at the delivery of a SMART Energy Network.
35. Engage with the business community in the Eastern Cluster and the Fleet Street area with the view to bringing forward local network partnerships in these areas.

Project Briefing

Project identifier	
[1a] Unique Project Identifier	[1b] Departmental Reference Number n/a
[2] Core Project Name	EV charge points for transition to a zero-emission fleet
[3] Programme Affiliation (if applicable)	<p>This is a project in its own right, not related to the EV infrastructure being installed at Walbrook Wharf or that has previously been installed in CoL car parks, but there may be additional electric vehicle (EV) charge points required in future, as the City increases the number of zero emission vehicles.</p> <p>This project supports the implementation of the Responsible Business Strategy, the Transition to a Zero Emission Fleet Policy (for approval at P&R Committee on 21/02/19) and the Air Quality Strategy 2020 (for approval at Port Health & Env Services Committee 05/03/19)</p>

Ownership	
[4] Chief Officer has signed off on this document	Peter Kane, Chamberlain
[5] Senior Responsible Officer	Chris Bell, Commercial Director
[6] Project Manager	Natalie Evans (CHB) until Gateway 4, Harry Lakin (CSD) thereafter

Description and purpose	
[7] Project Mission statement / Elevator pitch	
<p>This project will involve the installation of 11 electric vehicle charge points at four locations. This infrastructure is needed to facilitate the transition of the City Corporation's fleet to zero emission vehicles, as set out in the policy paper approved by Policy & Resources Committee on 21/02/19.</p> <p>In response to the introduction of the first phase of the Ultra Low Emission Zone (ULEZ), which comes into force on 08/04/19, various departments are purchasing, leasing or retrofitting vehicles to electric models. It is anticipated that 14 electric models will be sourced across six departments.</p> <p>Significant efforts have been made to consolidate the locations of the charge points, whilst working within the parameters of operational efficiency and also to ensure that existing charge points are used to the fullest extent possible. This still leaves departments with the need for an additional 11 charge points at four locations; the Barbican Centre (1), City Garden's Depot (1), Guildhall Complex - Member's Car Park (8) and the Cemetery & Crematorium (1).</p>	
[8] Definition of Need: What is the problem we are trying to solve or opportunity we are trying to realise (i.e. the reasons why we should make a change)?	
<p>Around half of emissions of oxides of nitrogen (NOx), which contribute to illegal levels of nitrogen dioxide (NO2), and particulate matter (PM) come from transport. These pollutants are collectively estimated to cause around 9,400 equivalent deaths every year in Greater London and impose an economic cost between £1.4bn - £3.7bn a year.</p> <p>In response to this issue and to the requirements of ULEZ, the City Corporation has recently enacted a policy on a transition towards a zero emission fleet, which will see 34 corporation vehicles and 44 Police vehicles removed, replaced or retrofitted. A maximum of 14 vehicles will be new/ retrofitted electric models during this first replacement phase, hence the need for additional electric vehicle charging infrastructure.</p>	

NB: A maximum of 9 Police vehicles will be replaced for electric models but this paper does not relate to any request for infrastructure for the Police, this is being built into the new Police accommodation development.

[9] What is the link to the City of London Corporate plan outcomes?

- [2] People enjoy good health and wellbeing. (Air quality linked to public health in terms of respiratory ailments)
- [5] Businesses are trusted and socially and environmentally responsible.
- [7] We are a global hub for innovation and enterprise.
- [10] Our physical spaces have clean air, land and water and support a thriving and sustainable natural environment.

[10] What is the link to the departmental business plan objectives?

This is a cross cutting initiative involving six departments at this stage. It would be more relevant therefore to cite the link to the City Corporation’s Air Quality Strategy 2020 (currently going through Committee) and overarching Responsible Business Strategy 2018, which details how responsible business practices will be put in place across the organisation and is set within the framework of the Corporate Plan. It One of the main policy areas in the plan is to improve air quality, with the following specific actions:

- Improve local air quality in the Square Mile and reduce exposure to air pollution by continuing to develop and deliver the City of London Air Quality Strategy.
- Significantly increase the number of clean vehicles in our fleet and continue to trial new technology.
- Increase the number of electric-vehicle charging points across our sites.
- Provide leadership for air quality policy and action across London.
- Act as a facilitator for collaborative action on air pollution in London.

[11] Note all which apply:

Officer: Project developed from Officer initiation	Y	Member: Project developed from Member initiation	N	Corporate: Project developed as a large scale Corporate initiative	Y
Mandatory: Compliance with legislation, policy and audit	Y	Sustainability: Essential for business continuity	Y	Improvement: New opportunity/ idea that leads to improvement	Y

Project Benchmarking:

[12] What are the top 3 measures of success which will indicate that the project has achieved its aims?

<These should be impacts of the activity to complete the aim/objective, rather than ‘finishes on time and on budget’>>

- 1) All necessary permissions and feasibility parameters are confirmed at each site (e.g. necessary power supply, permission from Members to install in Members car park etc.)
- 2) Electric vehicle charging infrastructure is installed and is operational, including data, communications and metering functionality
- 3) Infrastructure is installed as expediently as possible to minimise the amount of time contingency measures have to be used (ULEZ comes into force on 08/04/19 and after that time, when electric vehicles are delivered, many will have to be charged at public or residential locations, which is sub-optimal in terms of operational efficiency).

[13] Will this project have any measurable legacy benefits/outcome that we will need to track after the end of the 'delivery' phase? If so, what are they and how will you track them? (E.g. cost savings, quality etc.)
Members will be able to use the EV charge points in the daytime as will key contractors visiting sites, if the charge points are unoccupied by corporate fleet vehicles. Tracking will take place through metering.
[14] What is the expected delivery cost of this project (range values)[£]?
Lower Range estimate: £140,000 Upper Range estimate: £160,000
[15] Total anticipated on-going revenue commitment post-delivery (lifecycle costs)[£]:
The warrantee and <u>maintenance</u> packages for most electric vehicle charge points is valid for five years. Use of the charge points will be metered to enable recharging where necessary.
[16] What are the expected sources of funding for this project?
There is no existing financial provision for these works. Therefore a bid for resources from the 2018/19 City Fund and City's Cash provisions for new schemes will need to be made to the Resource Allocation Sub and Policy and Resources Committees. Allocation of resources will be subject to a process of prioritisation and will be considered in the context of other competing bids.
[17] What is the expected delivery timeframe for this project (range values)? Are there any deadlines which must be met (e.g. statutory obligations)?
Lower Range estimate: February 19 – July 19 Upper Range estimate: April 19 – Sept 19 <Critical deadline(s):> Already acknowledged that the critical deadline of the 08/04/19 will be missed

Project Impact:	
[18] Will this project generate public or media impact and response which the City of London will need to manage? Will this be a high-profile activity with public and media momentum?	
It will attract media attention as a result of its links to the Corporation's ambitious 'Transition to a Zero emission Fleet' policy. This could be positive, if construed as the Corporation taking a positive step forward in terms of combatting air pollution in the Square Mile, or negative if the emphasis is placed on the fact that these charge points will be for Corporation (or possibly supplier) use only and not for the use of the general public, and/or linked to existing scrutiny over the lack of on-street charge points available to the public and the delays with the Noble Street (on street rapid charger installation) pilot. The fact that the infrastructure is being installed so long after ULEZ is enacted could also be used as a criticism of the Corporation's planning and commitment.	
[19] Who has been actively consulted to develop this project to this stage? <(Add additional internal or external stakeholders where required) >	
Chamberlains: Finance	Officer Name: Dianne Merrifield
Chamberlains: Procurement	Officer Name: Chris Bell
IT	Officer Name: n/a
HR	Officer Name: n/a
Communications	Officer Name: Carl Locsin
Corporate Property (City Surveyor's)	Officer Name: Harry Lakin and Chris Hartwell
External	Sykes and Son (M&E minor works framework contractors)
[20] Is this project being delivered internally on behalf of another department? If not ignore this question. If so: Please note the Client supplier departments. Who will be the Officer responsible for the designing of the project? If the supplier department will take over the day-to-day responsibility for the project, when will this occur in its design and delivery?	

Client	Department: City Procurement, representing six other departments
Supplier	Department: City Surveyors
Supplier	Department:
Project Design Manager	Department: Harry Lakin
Design/Delivery handover to Supplier	Gateway stage: Post Authority to Start Work

CITY SURVEYORS DEPARTMENT - BUDGET MONITORING STATEMENT 2018/19							
QUARTER 3	Latest Approved	Quarter 3	Total Expenditure	(Under)/Over	Projected Outturn	Under/Over	
LOCAL RISK BUDGET	Budget	Profile	to Quarter 3	Spend for Period	At Quarter 3	Spend	NOTE
	£000	£000	£000	£000	£000	£000	
City Surveyor							
City Fund							
City Fund Estate & Leadenhall	2,420	491	446	(45)	2,180	(240)	1
CPAT & City Centre	557	427	423	(4)	540	(17)	
Walbrook Wharf	985	796	816	20	1,085	100	2
Mayor's & City of London Court	23	17	25	8	33	10	
Recoverable Projects	0			0		0	
Lower Thames St Roman Bath	8	6	7	1	10	2	
R&M & MI Work for other departments	1,374	1,020	1,012	(8)	1,491	117	3
Corporate FM cleaning & security	108	81	101	20	125	17	
	5,475	2,838	2,830	(8)	5,464	(11)	
City's Cash							
City's Cash Estate	3,223	2,458	2,558	100	3,048	(175)	4
Departmental	9,608	7,235	7,585	350	9,931	323	5
Mayoralty & Shrievalty-	92	69	79	10	98	6	
R&M & MI Work for other departments	2,203	1,637	1,720	83	2,297	94	6
Corporate FM cleaning & security	566	424	363	(61)	565	(1)	7
	15,692	11,823	12,305	482	15,939	247	
Bridge House Estates							
Bridge House Estates	2,254	1,135	1,072	(63)	2,133	(121)	8
Tower Bridge Corporate FM cleaning	196	147	218	71	254	58	
	2,450	1,282	1,290	8	2,387	(63)	
Guildhall Administration							
Guildhall Complex	7,552	5,635	6,225	590	8,372	820	9
	7,552	5,635	6,225	590	8,372	820	
Total City Surveyor Local Risk	31,169	21,578	22,650	1,072	32,162	993	

Notes

1. The underspend at quarter three is due to delays in cyclical works on the strategic estate. This, plus an anticipated reimbursement of fees on London Wall Place, mean a significant underspend is forecast for year-end.
2. A shortfall on income from letting vacant floors, plus a higher than anticipated level of reactive spend on Old Bailey, City Gardens and Off-Street Parking, has produced an overspend at quarter three. Further reactive spend, plus this shortfall in income, accounts for the forecast outturn position.
3. Whilst quarter three is largely in balance, additional reactive works are anticipated which account of the forecast overspend.
4. The quarter three overspend is due to cyclical works and other premises costs running ahead of budget. This will correct itself in the final quarter and, with the cancellation of two cyclical projects no longer required, the forecast outturn moves into underspend.
5. The overspend at quarter three comprises additional spend on employee budgets for agency staff and recruitment costs and overall shortfall in fee income due to reduced

number of major deals. Anticipated income from some major projects (e.g. 22 Bishopsgate in quarter four) should reduce the net overspend by year-end.

6. The overspend at quarter three and at year-end is due to some additional one-off reactive repairs and maintenance works at Magistrates Court, Billingsgate Market, Epping Forest and Hampstead Health.
7. The underspend at quarter three is due to delays compared to the profiled budget. This underspend is anticipated to be caught up by year-end.
8. The quarter three underspend is due to slippage on cyclical works and additional dilapidations income, offset in part by some additional FM employee costs and professional fees. This will continue to year-end producing the forecast underspend.
9. The overspend at quarter three relates to higher directly employed salary costs (security, maintenance and facilities), increased energy prices from October, and significant additional reactive repairs and maintenance works. These costs pressures account for the forecast year-end overspend.

Key Performance Indicators												
Ref	Title	Target	Group	Committee	Q1		Q2		Q3		Q4	
					Actual	RAG	Actual	RAG	Actual	RAG	Actual	RAG
KPI. 1	Internal stakeholder satisfaction (AM Services)	Baseline	All	PIB; CASC	annual	n/a	annual	n/a	annual	n/a		
KPI. 2	Delivery of strategic asset plans - Corportate Property Group	100%	PPG	PIB; CASC	on target	green	off target	amber	off target	amber		
KPI. 3	Service Based Review Savings	£884K	OG	PIB; CASC	off target	amber	off target	amber	off target	amber		
KPI. 4	Asset realisation	£2.2m	OG	CASC	260K	green	260K	green	1,238K	green		
KPI. 5	Energy Efficiency	Min 3.75%	OG	CASC	off target	amber	1.80%	green	tbc	tbc		
KPI. 6	Space Utilisation	FTE - 7m ² CPG	CPG	CASC	on target	green	on target	green	7.8m ²	amber		
KPI. 7	Property contract Performance Compliance	> 90%	OG	CASC	87.01%	amber	84.00%	amber	80.00%	amber		
KPI. 8	Reactive Maintenance	100%	OG	PIB; CASC	100%	green	100.0%	green	100.00%	green		
KPI. 9	Stakeholder Satisfaction	Baseline	All	PIB; CASC	annual	n/a	annual	n/a	annual	n/a		
KPI. 10	Adherence to Budgetary Spend Profiles	95% to 10%	All	PIB; CASC	14.00%	green	28.00%	amber	55.00%	green		
KPI. 11	Capital Project - Delivery - defects on completion	< 40%	PPG	PIB; CASC	annual	n/a	annual	n/a	annual	n/a		
KPI. 12	Capital Projects - Project Status	< 50%	PPG	PIB; CASC	bi annual	n/a	7.00%	green	bi annual	n/a		
KPI. 13	Capital Projects - Health and Safety	50%- 80%	CPG	PIB; CASC	bi annual	n/a	80.00%	green	bi annual	n/a		
KPI. 14	Capital Projects - Gateway reports	>30%	PPG	PIB; CASC	new kpi	new kpi	83.00%	green	100%	green		
KPI. 15	Rental Forecasts	£124m	IPG	PIB	on target	green	£128m	green	£128m	green		
KPI. 16	Minimise Arrears	<2%	IPG	PIB	1.24%	green	1.24%	green	1.40%	green		
KPI. 17	Minimise voids	<5%	IPG	PIB	3.98%	green	bi annual	green	3.70%	green		
KPI. 18	Outperform MSCI	exceed be	IPG	PIB	annual	n/a	annual	n/a	annual	n/a		
KPI. 19	Delivery of Strategic utility infrastructure	On Schedt	CPAT	PIB; CASC	on target	green	100.0%	green	100.0%	green		
KPI. 20	Promotion of the City	On Schedt	CPAT	PIB; CASC	on target	green	100.0%	green	100.0%	green		
KPI. 21	Supporting the retention and inward investment of businesses	On Schedt	CPAT	PIB; CASC	on target	green	100.0%	green	100.0%	green		

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Headline Performance Charts

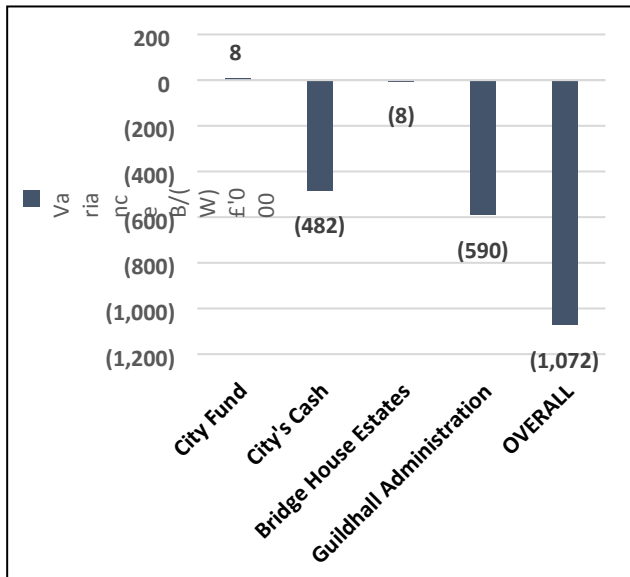


Figure 1 Quarter 3 variance against profiled local risk budget (better/(worse))

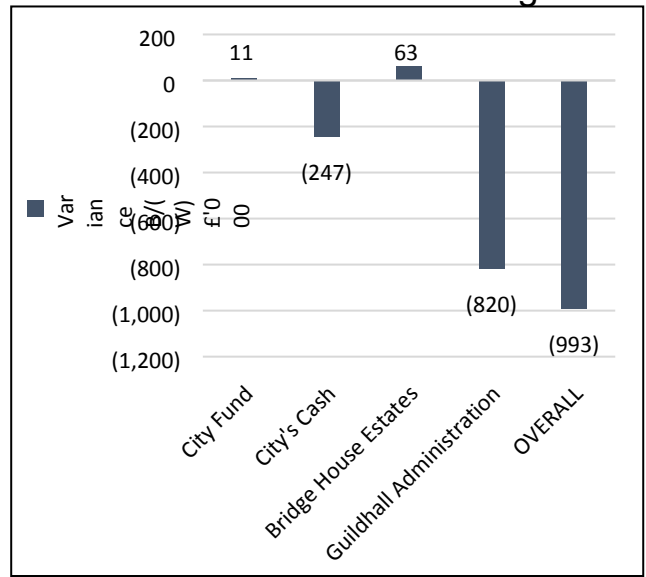


Figure 2 Projected outturn variance as at quarter 3 local risk budget (better/(worse))

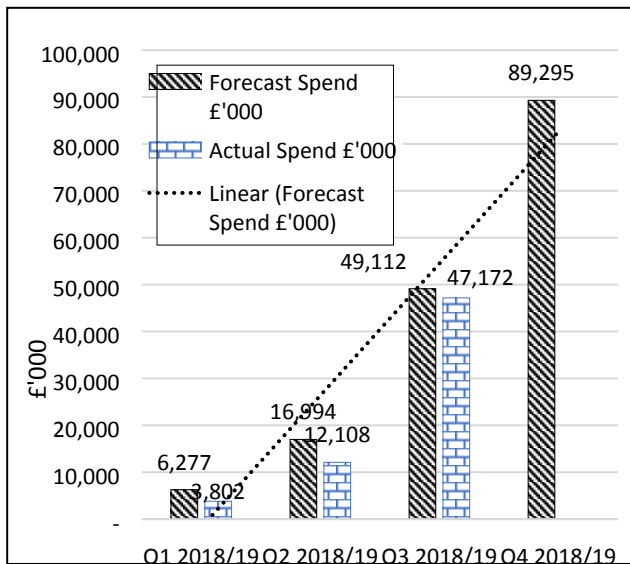


Figure 3 All project spend, forecast v actual as at quarter 3

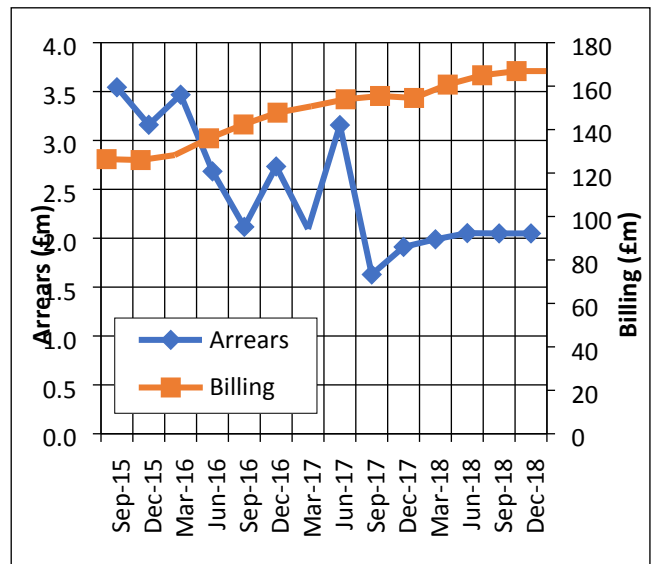


Figure 4 (Investment Properties) Commercial tenants' arrears compared to annual rolling billing run.

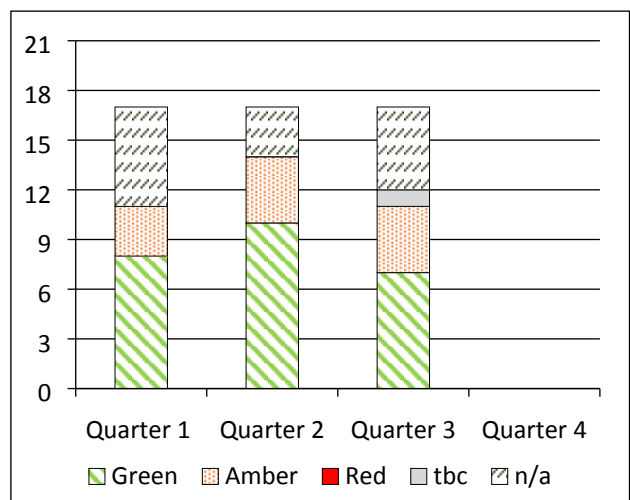


Figure 5 Performance of KPIs linked to Corporate Property (Corporate Asset Sub Committee)

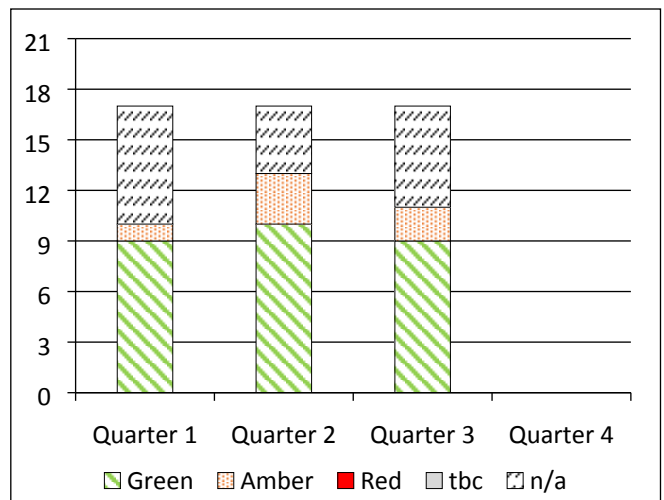


Figure 6 Performance of KPIs linked to Investment Property (Property Investment Board)

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Sur Detailed risk register

Report Author: Faith Bowman
Generated on: 01 March 2019



Rows are sorted by Risk Score

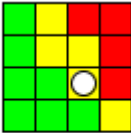
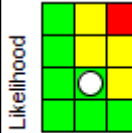

Code & Title: SUR SMT SENIOR MANAGEMENT TEAM - (High Level) DEPARTMENT RISKS 5

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator	
SUR SMT 001 Fall in property performance 03-Mar-2015	<p>Cause: Unexpected change or unknown impact of macro-economic policy (global and local political and economic decisions, change in interest rate, exchange rate, taxation, etc.)</p> <p>Event: Business sentiment changes and U.K. / London becomes less attractive to investors / tenants.</p> <p>Impact: Business Plan objectives are not achieved with resultant negative impact on income, yields, voids and arrears.</p>	 Likelihood Impact	<p>12</p> <p>The strategy is to maintain a diverse portfolio that reduces the impact of this risk. This includes:</p> <ol style="list-style-type: none"> 1. Use (office, retail, industrial) 2. Location (City, Southwark, West End etc.) 3. Tenancies (Long term Headlease geared, FRI, directly managed) 4. Covenants (multinationals, SME) 5. Asset management (lease renewals, voids, arrears, etc) 6. Monitoring retail habits in change of building use <p>This risk links to CR26 Brexit - particularly on the “impact of Brexit on City Corporation income streams” action, owned by the Chamberlain.</p> <p>01 Mar 2019</p>	 Likelihood Impact	4	31-Mar-2020	 Constant

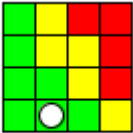
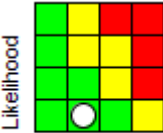

Nicholas Gill							
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Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 001c Global and local economic and political decisions	Global and local economic and political decisions	SMT continues to closely monitor the position quarterly, including analysis of market reaction. This information is reported through to Property Investment Board regularly.	Nicholas Gill	01-Mar-2019	31-Mar-2020
SUR SMT 001d Maintain a diverse portfolio	Maintain a diverse mix of space, locations, and tenants to ensure the business has wide market appeal and is not reliant on particular business sector	IPG Management Team monitors development of property portfolio and tenant mix.	Nicholas Gill	01-Mar-2019	31-Mar-2020

Adopt and Change Approach		have been presented and agreed by Committee and is now subject to approval by Court.	Wilkinson	2019	2019
SUR SMT 005b Staff Survey	Staff Survey	Over the autumn a staff survey was run Corporately. Results have been disseminated and the department is developing an action plan. We will be working with Corporate colleagues to refine the plan and implement thereafter. Corporately, the organisation is looking to run a 'pulse' survey in autumn 2019 to track changes.	Paul Wilkinson	01-Mar-2019	31-Mar-2020

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 010 Unable to meet the Carbon Decent Plan for 2026. 13-Dec-2018 Peter Collinson	Cause: Lack of resources – people and funds across organisation to deliver energy efficiency projects Event: Failure to reach Carbon Decent Plan Targets (40% reduction in 2008 emissions by 2026) Effect: Environmental damage, Failure to reduce expenditure, Reputational damage, Failure to achieve vision of the department, unable to meet ambition of the Corporate Plan.	Likelihood  Impact	8	Have 29% of target left. Vacant positions for: 1. Programme manager 2. BMS engineer 3. Energy Engineer 4. Energy PM 27 Feb 2019	Likelihood  Impact	4	31-Mar-2026	 Constant

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 010a Recruitment of posts above 1-3	Recruitment of posts above 1-3	Recruit roles 1-3. Interviews have been undertaken for the BMS engineer.	Peter Collinson	04-Mar-2019	31-May-2019
SUR SMT 010b Recruitment of post 4	Recruit role 4	Recruit role 4	Peter Collinson	04-Mar-2019	31-Mar-2020
SUR SMT 010c Agreement of funding source and route for capital programme	Funding source and route for capital programme	Gateway paper being developed to secure funding to deliver projects. To be presented to Resource Allocation Sub Committee and Project Sub-Committee.	Peter Collinson	04-Mar-2019	31-Mar-2020
SUR SMT 010d Measurement	Measurement	Investigation of measurement in order to accurately capture consumption reduction in light of increased occupancy.	Peter Collinson	13-Dec-2018	31-Mar-2019

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 004 Inability to deliver savings required by Service Based Review 03-Mar-2015 Paul Wilkinson	Cause: Departments do not deliver the agreed Facilities Management and Asset Management actions to time and to the appropriate success criteria. Event: Recommendations arising from the Asset Management and Facilities Management reviews are not implemented in full. Impact: Saving targets not achieved and objective not met – including transformation service improvements.	 Likelihood Impact	2	Risk score has decreased from a score of six in September as uncertainty regarding savings has been reduced. Budgets have been adjusted to account for service-based review savings. This risk will be de-escalated at the conclusion of the financial year. 01 Mar 2019	 Likelihood Impact	2	31-Mar-2020	 Decreasing

2019

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 004b Asset Management Service Based Review	Asset Management Service Based Review	Review by GVA now complete. Transformation Fund bid for programme manager and support manager has been approved, and this will help drive delivery of asset management programme. Further report being presented to Corporate Asset Sub Committee in April to clarify funding and options. All recommendations have been approved in principle.	Peter Young	01-Mar-2019	31-Mar-2020

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SUR City Bridges - detailed report

Report Author: Faith Bowman

Generated on: 01 March 2019



Rows are sorted by Risk Score

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

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR CB 003a	Navigation controls	Navigation is controlled by the Port of London Authority and navigation lights fixed to	Nicholas	01-Mar-	31-Mar-

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR CB 007d	Tideway Tunnelling	The City's Engineer, Paul Monaghan is working with the Comptroller and City Solicitor through the Development Consent Order and negotiated protection for the river crossings and, in the case of Tower Bridge, reduced face loss. He and the engineering team are working with the planning lead, Ted Rayment, to ensure that these requirements are being met. Regular weekly, monthly and quarterly meetings take place with the respective parts of TTT. For support they have the existing commission with an external engineering consultant appointed for the inspection of river crossings.	Nicholas Gill, Peter Young	01-Mar-2019	31-Mar-2021
SUR CB 007e	Monitoring & Works	Monitoring is on-going on the bridge sites to ensure that risks are managed. Monitoring at Tower Bridge has been in place for circa three years. Millennium Bridge has had its tensioning adjusted to account for any movement.	Nicholas Gill, Peter Young	01-Mar-2019	31-Mar-2021

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