



Corporate Asset Sub (Finance) Committee (Appendices Pack)

Date: MONDAY, 19 JULY 2021

Time: 1.45 pm

Venue: INFORMAL VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

Members:

James de Sausmarez (Chairman)	Michael Hudson
Shravan Joshi (Deputy Chairman)	Jeremy Mayhew
Deputy Jamie Ingham Clark	Sheriff Christopher Hayward
Randall Anderson	Deputy Edward Lord
Marianne Fredericks	Deputy Roger Chadwick
Alderman Alison Gowman	Susan Pearson

Enquiries: Chris Rumbles
christopher.rumbles@cityoflondon.gov.uk

Accessing the virtual public meeting

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

<https://youtu.be/JaKDYzOSnqU>

This meeting will be a virtual meeting and therefore will not take place in a physical location. Any views reached by the Committee today will have to be considered by the City Surveyor after the meeting in accordance with the Court of Common Council's Covid Approval Procedure who will make a formal decision having considered all relevant matters. This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court of Common Council's decision of 15th April 2021 to continue with virtual meetings and take formal decisions through a delegation to the Town Clerk and other officers nominated by him after the informal meeting has taken place and the will of the Committee is known in open session. Details of all decisions taken under the Covid Approval Procedure will be available on line via the City Corporation's webpages.

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

6. **WALBROOK WHARF ROOF REPLACEMENT**

Report of the City Surveyor.

For Decision
(Pages 5 - 10)

8. **BUSINESS PLAN 2020-25 QUARTER 4 2020/21**

Report of the City Surveyor.

For Information
(Pages 11 - 18)

9. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER -UPDATE**

For Information
(Pages 19 - 32)

10. **GENERAL FM UPDATE**

Report of the City Surveyor.

For Information
(Pages 33 - 34)

19. **WOODREDON FARM (RIDING SCHOOL) DISPOSAL**

Report of the City Surveyor.

For Decision
(Pages 35 - 48)

20. **OPERATIONAL PROPERTY REVIEW - PROGRESS REPORT**

Report of the City Surveyor.

For Information
(Pages 49 - 56)

This document can only be considered valid when viewed via the CoL Intranet website. If this is printed into hard copy or saved to another location, you must check that the effective date on your copy matches that of the one on-line.

Project Coversheet

[1] Ownership & Status

UPI: 12004

Core Project Name: Walbrook Wharf Roof Replacement

Programme Affiliation (if applicable): N/A

Project Manager: Dorian Price

Definition of need: To provide a solution to the water ingress problems on the existing roof and drainage goods which have undergone unsuccessful patch repairs.

Key measures of success: No water ingress at Walbrook Wharf.

Expected timeframe for the project delivery: August 2021 – July 2022

Key Milestones: Tendering the work, Appointing contractors.

Are we on track for completing the project against the expected timeframe for project delivery? Y

Has this project generated public or media impact and response which the City of London has needed to manage or is managing? No

[2] Finance and Costed Risk

Headline Financial, Scope and Design Changes: Update relevant section post report approval. Add multiple entries to relevant box if issues reports are approved. Note this section is to tell the 'project story' of how we reached the current position outlined in the main report.

'Project Briefing' G1-2 report (as approved by Project Sub 16/05/2018 & CASC 21/05/2018):

- Total Estimated Cost (excluding risk): £500,00 to £1.1 million
- Resources to reach next Gateway (excluding risk): £16,500
- Spend to date: £Nil
- Costed Risk Against the Project: £Nil
- CRP Drawn Down: £Nil
- Estimated Programme Dates: Gateway 3/4 September 2018, Gateway 5 January 2019

'Options Appraisal and Authority to Start Work' G3-5 report (as approved by Project Sub 15/12/2019 & CASC 29/01/2020):

- Total Estimated Cost (including risk): £1,412,000
- Resources to reach next Gateway (excluding risk): £1,356,500
- Spend to date: £30,449
- Costed Risk Against the Project: £292,705
- CRP Requested: £Nil
- CRP Drawn Down: £Nil
- Estimated Programme Dates: Completion August 2020

Gateway 4 Issues Report (for consideration by Project Sub 28/07/2021 & CASC 19/07/2021):

This document can only be considered valid when viewed via the CoL Intranet website. If this is printed into hard copy or saved to another location, you must check that the effective date on your copy matches that of the one on-line.

Total Estimated Cost (excluding risk): £920,000

- Resources to reach next Gateway (excluding risk): £85,000
- Spend to date: £47,913.75
- Costed Risk Against the Project: £182,700
- CRP Requested: £Nil
- CRP Drawn Down: £Nil
- Estimated Programme Dates: Completion July 2022

Total anticipated on-going commitment post-delivery [£]:£500 to £2k annually for general maintenance to meet maintenance requirements for roof system guarantees; covered by repairs and maintenance budget for the site.

Appendix 2 Walbrook Wharf Roof Replacment Risk Register

City of London: Projects Procedure Corporate Risks Register

Project name: *Walbrook Wharf*

Unique project identifier: *24800026*

Total est cost (exc risk) *£0*

Corporate Risk Matrix score table

PM's overall risk rating	Medium		Minor impact	Serious impact	Major impact	Extreme impact
Avg risk pre-mitigation	9.1	Likely	4	8	16	32
Avg risk post-mitigation	5.3	Possible	3	6	12	24
Red risks (open)	4	Unlikely	2	4	8	16
Amber risks (open)	9	Rare	1	2	4	8
Green risks (open)	3					

Costed risks identified (All)

Costed risk pre-mitigation (open)

Costed risk post-mitigation (open)

Costed Risk Provision requested

£583,000.00	0%	Costed risk as % of total estimated cost of project
£583,000.00	0%	" "
£182,700.00	0%	" "
£0.00	0%	CRP as % of total estimated cost of project

- (1) Compliance/Regulatory
- (2) Financial
- (3) Reputation
- (4) Contractual/Partnership
- (5) H&S/Wellbeing
- (6) Safeguarding
- (7) Innovation
- (8) Technology
- (9) Environmental
- (10) Physical

Number of Open Risks	Avg Score	Costed impact	Red	Amber	Green
6	8.7	£238,000.00	0	6	0
1	3.0	£20,000.00	0	0	1
1	16.0	£25,000.00	1	0	0
8	9.4	£300,000.00	3	3	2
0	0.0	£0.00	0	0	0
0	0.0	£0.00	0	0	0
0	0.0	£0.00	0	0	0
0	0.0	£0.00	0	0	0
0	0.0	£0.00	0	0	0
0	0.0	£0.00	0	0	0
0	0.0	£0.00	0	0	0

Issues (open)	0
All Issues	0

Open Issues

All Issues

Extreme	Major	Serious	Minor
0	0	0	0
0	0	0	0

Cost to resolve all issues (on completion)

£0.00

Total CRP used to date

£0.00

Appendix 2 Walbrook Wharf Roof Replacment Risk Register

City of London: Projects Procedure Corporate Risks Register																							
Project Name: Walbrook Wharf			PM's overall risk rating: Medium		CRP requested this gateway		Average unmitigated risk		9.1		Open Risks		16										
Unique project identifier: 24800026			Total estimated cost (exc risk): £ -		Total CRP used to date £ -		Average mitigated risk score		5.3		Closed Risks		1										
General risk classification										Ownership & Action													
Risk ID	Gateway	Category	Description of the Risk	Risk Impact Description	Likelihood Classification pre-mitigation	Impact Classification pre-mitigation	Risk score	Costed Impact pre-mitigation (£)	Costed Risk Provision requested Y/N	Confidence in the estimation	Mitigating actions	Mitigation cost (£)	Likelihood Classification post-mitigation	Impact Classification post-mitigation	Costed Impact post-mitigation (£)	Post-Mitigation risk score	CRP used to date	Use of CRP	Date raised	Named Departmental Risk Manager/ Coordinator	Risk owner (Named Officer or External Party)	Date Closed OR Realised & moved to Issues	Comment(s)
R1	3	(1) Compliance/Regulatory	Consultant Appointment & Surveys: Structural Integrity of Roof	COST/ TIME- Unknown if the existing roof has structural capacity to support green roof.	Likely	Serious	8	£0.00	Y - for mitigation costs	A – Very Confident	Quote received from Structural Engineer to carry out initial calculations.	£0.00	Possible	Serious	£0.00	6	£0.00	N/a	02/08/19			05/11/19	No long applicable for the risk
R2	3	(1) Compliance/Regulatory	Consultant Appointment & Surveys: Ecology Report (baseline)	COST/ TIME- Seagulls nesting on existing roof.	Possible	Serious	6	£3,000.00	Y - for mitigation costs	B – Fairly Confident	Additional works by Avian to deter annual nesting.	£3,200.00	Possible	Minor	£0.00	3	£0.00	N/a	02/08/19				Col. taling with Ecology Consultant to seek advise if survey is required
R3	3	(1) Compliance/Regulatory	Survey- Asbestos Survey	COST/ TIME- Asbestos survey to be instructed.	Likely	Serious	8	£10,000.00	Y - for mitigation costs	B – Fairly Confident	Works proposed to not require demolition and affect ACM.	£2,500.00	Likely	Serious	£0.00	8	£0.00	N/a	02/08/19				InCo (PM) Using with Asbestos Survey Consultant for a prompt mobilisation
R4	2	(1) Compliance/Regulatory	Planning Permission	COST/ TIME- If alterations are required, planning permission will be required	Likely	Serious	8	£0.00	N		Col. (Ruby) is liaising with Col. Planning department to seek internal advice/ lead times		Likely	Serious		8	£0.00	N/a	02/08/19				
R5	4	(4) Contractual/Partnership	Tender documentation- collating sufficient information/ defining the scope contractually	COST- Ambiquity of the scope based upon the design information provided	Likely	Major	16	£40,000.00	Y - for costed impact post-mitigation	C – Uncomfortable	Create a schedule listing all information required for the Tender Document and seek to obtain all information. The Tender Document will require the tenderers to carry out onsite surveys during the tender period, therefore proposed a mid tender interview at the site to encourage a thorough scope is proposed by the tenderers	£30,000.00	Possible	Serious	£40,000.00	6	£0.00	N/a	02/08/19				
R6	4	(4) Contractual/Partnership	Programme slippage- Pre tender	TIME- Delays due to late 1) Asbestos survey- already scheduled to be carried out as addendum to the tender. 2) Structural survey report 3) Ecology Survey Report 4) Tendering in holiday season	Likely	Major	16	£0.00	N		Reschedule programme to aim for the October 2019 sign off. Entire team has access to the Programme as it is cloud based		Possible	Serious	£0.00	6	£0.00	N/a	02/08/19				
R7	4	(4) Contractual/Partnership	Concurrent projects- There are a number of projects being carried out at Walbrook Wharf.	Time/ Cost- There is risk of projects impacting each other i) Logistical ii) Scope interfaces	Likely	Major	16	£25,000.00	Y - for costed impact post-mitigation	C – Uncomfortable	Workshops have been carried out to understand what concurrent projects will be carried out- all key individuals are aware that impacts will ripple into other projects, so a collaborative approach will be undertaken	£5,000.00	Likely	Serious	£7,000.00	8	£0.00	N/a	02/08/19				
R8	6	(4) Contractual/Partnership	Ensuring Roof Warranty can be maintained post completion and despite later projects with interfaces to the roof	Cost- There is risk of projects impacting each other i.e. Scope interfaces and impact on the roofs warranties	Likely	Serious	8	£25,000.00	N		Workshops have been carried out to understand what later projects will be carried out- acknowledged by Col. that this is likely of an other project having an interface with the roof over the next 10 years	£0.00	Likely	Serious	£5,000.00	8	£0.00	N/a	02/08/19				
R9	5	(3) Reputation	Existing/ Occupied Environment- Impact on stakeholders	1) Water penetration whilst works being carried out 2) Noise 3) Logistical issues 4) All parties keeping informed of works being carried out 5) Adjacent buildings	Likely	Major	16	£25,000.00	Y - for costed impact post-mitigation	C – Uncomfortable	Col. Code of Conduct has been included in the Tender Documents	£0.00	Possible	Serious	£0.00	6	£0.00	N/a	02/08/19				
R10	2	(4) Contractual/Partnership	Programme slippage- Contract	Planning duration- Green Roof	Possible	Serious	6	£0.00	N		Awaiting for Structural Survey to confirm whether green roof is feasible	£0.00	Possible	Serious	£0.00	6	£0.00	N/a	02/08/19				
R11	5	(4) Contractual/Partnership	Weather	Incliment / adverse weather incurred during the works	Possible	Serious	6	£75,000.00	Y - for costed impact post-mitigation	C – Uncomfortable	Explore temporary roof - potential significant cost. Explore completing works in summer. Allowance based on £2.5k a week and 2 week delay	£5,000.00	Possible	Minor	£20,000.00	3	£0.00						
R12	3	(1) Compliance/Regulatory	Excessive Insurance Requirements	Tenderers may not be able to be insured for Col. levels on this specific project	Possible	Serious	6	£0.00	N		Explore reducing level of PI for Contractor	£0.00	Possible	Serious	£0.00	6	£0.00						
R13	5	(4) Contractual/Partnership	Contractor Extension of Time claim	Various reason in line with contract as applicable events where Contractor entitled to charge	Possible	Minor	3	£100,000.00	Y - for costed impact post-mitigation	C – Uncomfortable	Close programme / progress review during works. Early Warning system in place in the contract	£20,000.00	Unlikely	Minor	£20,000.00	2	£0.00						
R14	4	(4) Contractual/Partnership	Scope Creep - interface with rainwater goods, lightning conductor etc.	Additional works added to main works for ease but could muddy clear defined works packages	Likely	Minor	4	£35,000.00	Y - for costed impact post-mitigation	C – Uncomfortable	Strict Change Control process in place in line with PPG requirements. Time and costs impact to be highlighted within change control forms	£20,000.00	Possible	Minor	£5,000.00	3	£0.00						
R15	5	(2) Financial	Design Team Fees Claims	Various reasons in line with contract for prolongation or additional fee cost due	Possible	Minor	3	£20,000.00	Y - for costed impact post-mitigation	B – Fairly Confident	Manage any prolongation, additional works claims. Ensure change control in place for any scope change leading to fee claim	£0.00	Possible	Minor	£25,000.00	3	£0.00						

Appendix 2 Walbrook Wharf Roof Replacment Risk Register

R16	4	(1) Compliance/Regulatory	licenses / Statutory Approval delays	Delay to works due to licenses / approvals not being in place	Possible	Major	12	£25,000.00	Y - for costed impact post-mitigation	D – Very Uncomfortable	Early involvement with PLA, Environmental Health and check any other requirements due to proximity of roof replacement by river	£1,500.00	Unlikely	Serious	£10,700.00	4	£0.00					
R17	5	(1) Compliance/Regulatory	Contamination Found Post Survey	Abestos not picked up on surveys, lead paint etc.	Possible	Major	12	£200,000.00	Y - for costed impact post-mitigation	C – Uncomfortable	Explore any further surveys required and hold risk amount for any uncoverings	£15,000.00	Unlikely	Serious	£50,000.00	4	£0.00					

This page is intentionally left blank

LOCAL RISK	Latest Approved	Draft	Variance	
Outturn 2020/21	Budget	Outturn	Under / (Over)	NOTE
	£000	£000	£000	
CITY SURVEYOR				
City Fund				
City Fund Estate & Leadenhall	(1,938)	(1,928)	10	
CPAT & City Centre	(551)	(412)	139	1
Walbrook Wharf	(1,003)	(988)	15	
Mayor's & City of London Court	(23)	(32)	(9)	
Lower Thames St Roman Bath	(8)	(12)	(4)	
R&M & MI Work for other departments	(1,441)	(1,395)	46	3
Corporate FM cleaning & security	(110)	(120)	(10)	
	(5,074)	(4,887)	187	
City's Cash				
City's Cash Estate	(3,530)	(3,531)	(1)	
Departmental	(9,511)	(10,140)	(629)	2
Mayoralty & Shrievalty	(93)	(47)	46	
R&M & MI Work for other departments	(2,173)	(1,977)	196	3
Corporate FM cleaning & security	(632)	(617)	15	
	(15,939)	(16,312)	(373)	
Bridge House Estates				
Bridge House Estates	(1,890)	(2,015)	(125)	4
Tower Bridge Corporate FM cleaning	(262)	(189)	73	5
	(2,152)	(2,204)	(52)	
Guildhall Administration				
Guildhall Complex	(8,487)	(8,203)	284	6
	(8,487)	(8,203)	284	
Total City Surveyor Local Risk	(31,652)	(31,606)	46	

Notes

- Underspend due to cancellation of the MIPIM conference, recovery of 2020 event costs, and staffing savings due to part-year vacancy.
- Overspend on employee costs due to Fundamental Review savings not realised as they were paused pending decisions relating to the Target Operating Review. Also contributing to the overspend was a shortfall on professional fee income due to reduced property deals, and carry forward overspend from 2019/20
- Reduction in expenditure on reactive expenditure due to sites being closed during the pandemic.
- Overspend on breakdown, energy, and shortfall in service charge recovery offset by underspends on cleaning, security and employee budgets.
- Reduction in scope of cleaning during part of the year as a result of site closure due to pandemic.
- Underspend due to savings on staff overtime and other premises costs due to the building being closed by the pandemic. This was partially offset by additional expenditure to make the building Covid-19 safe for the return to the office.

This page is intentionally left blank

Key Performance Indicators											
Ref	Title	Target	Group	Committee	Q1		Q2		Q3		Q4
					Actual	RAG	Actual	RAG	Actual	RAG	Actual
KPI.1	Asset Realisation and additional income	£3.1m	CPG	CASC	off target	amber	off target	amber	off target	amber	£1.7m
KPI.2	Energy Consumption***	Min 4%	OG	CASC	7.00%	green	11.40%	green	13.50%	green	22.80%
KPI.3	Space Utilisation****	£3,826	CPG	CASC	tbc	****	tbc	****	tbc	****	£4,027
KPI.4	Property contract Performance Compliance	>90%	OG	CASC	92.59%	green	92.54%	green	92.59%	green	95.59%
KPI.5	Adherence to Budgetary Spend Profiles	95% to 105%	All	PIB; CASC	off target	amber	37.62%	amber	46.30%	amber	93.42%
KPI.6	Capital Project - Delivery - defects on completion*	<20%	PPG	PIB; CASC	n/a	n/a	6.00%	green	n/a	n/a	52.00%
KPI.7	Capital Project - Project Status	<20%	PPG	PIB; CASC	14.00%	green	16.00%	green	13.00%	green	12.00%
KPI.8	Capital Project- Health & Safety*	80%	PPG	PIB; CASC	n/a	n/a	80.00%	green	n/a	n/a	88.00%
KPI.9	Capital Project- Gateway Reports	>70%	PPG	PIB; CASC	57.00%	amber	75.00%	green	77.00%	green	70.00%
KPI.10	Capital Project - Site sustainability waste management	>90%	PPG	PIB; CASC	100.00%	green	99.00%	green	99.00%	green	99.00%
KPI.11	Rental Forecasts ****	tbc	IPG	PIB	tbc	****	tbc	****	tbc	****	£132m
KPI.12	Minimise Arrears ****	tbc	IPG	PIB	24.87%	****	11.11%	****	12.91%	****	18.63%
KPI.13	Minimise voids (*) ****	tbc	IPG	PIB	2.94%	****	n/a	****	2.52%	****	n/a
KPI.14	Outperform MSCI**	exceed ben	IPG	PIB	tbc	tbc	tbc	tbc	tbc	tbc	tbc
KPI.15	Customer satisfaction survey**	>-32	All	CASC	n/a	n/a	n/a	n/a	n/a	n/a	-26
KPI.16	Delivery of Strategic utility infrastructure	on schedule	CPAT	PIB; CASC	off target	green	on target	green	on target	amber	achieved
KPI.17	Supporting the retention and inward investment of businesses	on schedule	CPAT	PIB; CASC	on target	green	on target	green	on target	amber	achieved
	*reported bi annually										
	** reported annually										
	*** reported a quarter in arrears										
	**** RAG currently suspended										

This page is intentionally left blank

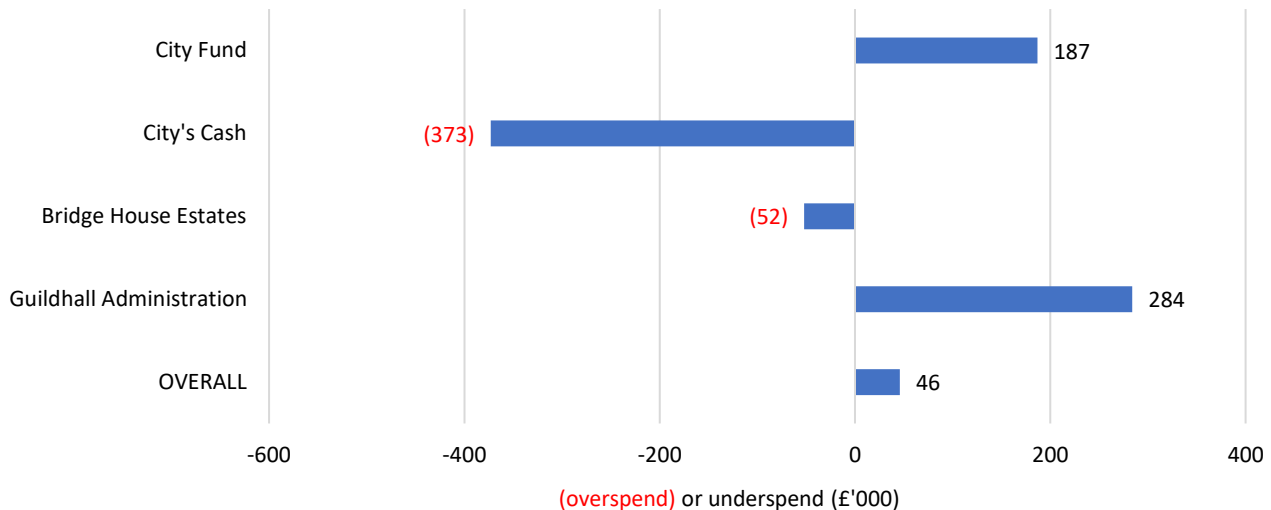


Figure 1 Variance against profiled local risk budget – (overspend) or underspend. End-of-year position.

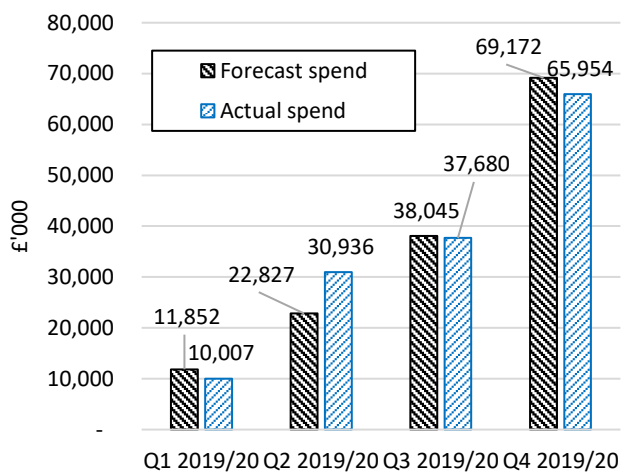


Figure 2 All project spend, forecast v actual

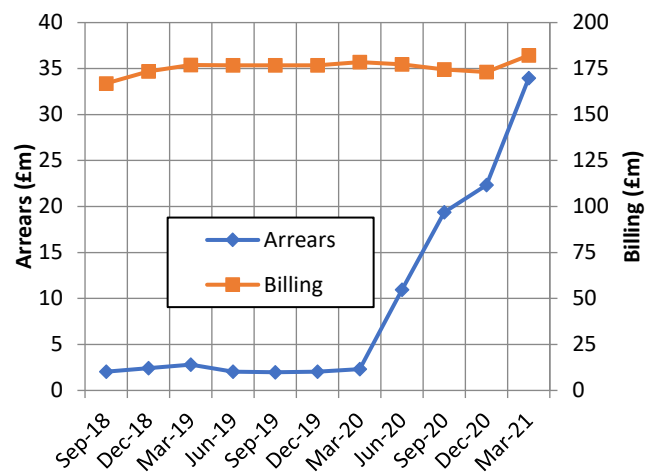


Figure 3 (Investment Properties) Commercial tenants' arrears compared to annual rolling billing run.

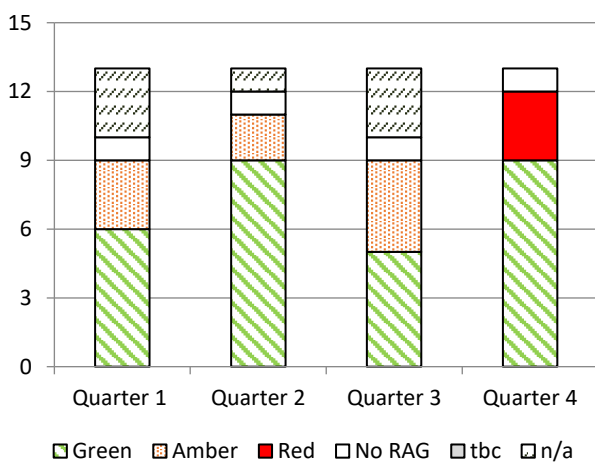


Figure 4 Performance of KPIs linked to Corporate Property (Corporate Asset Sub Committee)

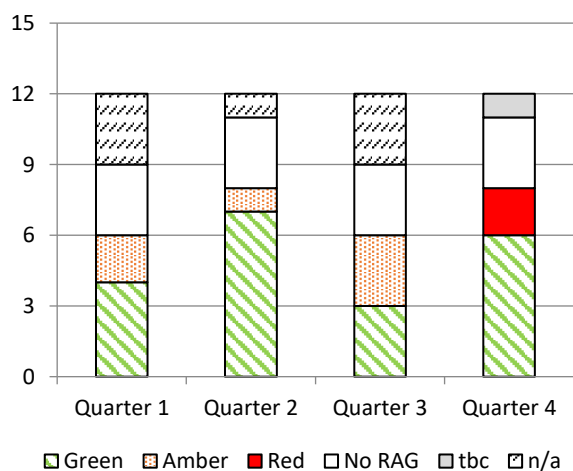


Figure 5 Performance of KPIs linked to Investment Property (Property Investment Board)

This page is intentionally left blank

1. In the lettings market, Savills reported that City office take-up for March reached 273,058 sq ft across 17 deals. This brought the total for January – March to 771,406 sq ft (46 deals). This is down on this point last year by 43% (1.35m sq ft) and down 31% on the 10-year average take-up. The current 12-month rolling take-up fell to 2.35m sq ft, this is compared to this time last year where it stood at 7.0m sq ft, a 66% decrease.
2. Grade A space continues to be the preference within the City, with 95% of take-up over the first three months of 2021 being of this quality. At the end of March 2021, there was 12.3m sq ft of available supply, equating to a vacancy rate of 8.9%. This is up by 360bps on the same period last year, and unsurprisingly up on the long-term average of 6.6%. Total demand within the City of London stands at 9.5m sq ft, consisting of 6.4m sq ft of active requirements and 3.1m sq ft of potential requirements. This is down 8% on total demand at the end of calendar 2020, but up on the long-term average by 8%. For comparison, at the same time in 2020, total demand requirement stood at 8.3m sq ft. Some 3.2m sq ft of space is due for completion in throughout calendar 2021, of which 31% is already pre-let.
3. In the West End office letting market, Savills reported that January – March take-up reached 564,532 sq ft with March becoming the strongest month for take-up since the first lockdown in March 2020. Leasing activity reached 369,260 sq ft for the month, across 25 transactions. Although this was 81% below the long-term average for the January – March period, March 2021 is up 89% from January and February's total combined. March saw a notable increase in supply as it stood at 7.8m sq ft. This is a 5% rise from the previous month, and a 10% rise from the end of calendar 2020. This takes the overall vacancy rate for the West End to 6.9%, 30bps higher than last month's figure. Of developments set to complete this year, 62% have been pre-let.
4. In the City investment market, total volume for January – March 2021 was approximately £625.75m, around 50% down on the same period in 2020 (£1.32bn) and 65% down on the five-year average of £1.79bn. A relatively strong March contributed to 12 transactions, which compares with 22 in January – March 2020. Furthermore, Savills understand there is approximately £1.93bn currently under offer in the City across 16 transactions, down from last month (£2.21bn).
5. In the West End investment market, turnover stood at an estimated £246m in March, spread across seven transactions. Whilst ahead of last year, this is approximately 49% below the five-year monthly average and brings annual turnover to £701m across 20 transactions – some 33% below last year's January – March figure and 55% below the five-year average. Furthermore, Savills understand there is approximately £1.6bn currently under offer in the West End.
6. Savills's Prime City yield is 4.00% (approximately in line with pre-pandemic yields). This compares with the West End prime yield of 3.5%. Prime rents in the City are now at circa £82.50 psf (10% up from a year ago), with rent frees for a 10-year lease rising to 28 months, compared to 25-27 months, last quarter. In the West End the prime rent has increased by 7% from a year ago at £118.50psf, although rent free periods have moved out to 27 months (from 24 months) on a 10-year term.

This page is intentionally left blank

SUR Departmental risks - detailed report EXCLUDING COMPLETED ACTIONS for COMMITTEE

Report Author: Faith Bowman

Generated on: 30 June 2021

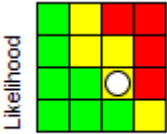
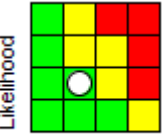



Rows are sorted by Risk Score

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/Risk Approach	Current Risk score change indicator
P Page 17 R SMT 003 fall in property performance 17-May-2021 Nicholas Gill	Cause: Changed occupation patterns as businesses move towards a hybrid model Event: Lower demand for office space in the City and surrounding areas, with a knock-on impact on the viability of businesses in the food and beverage sector. Impact: Income levels are not achieved; arrears levels are not significantly reduced post-pandemic.	 Likelihood Impact	12	This risk captures issues arising as the UK emerges from the Covid-19 pandemic. Risks relating to the current Coronavirus situation (CVD19 SG PROP 01) are covered in a separate appendix. Further actions will be captured as this new risk is further assessed. 30 Jun 2021	 Likelihood Impact	12	31-Mar-2021	 Constant
							Accept	

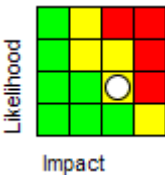
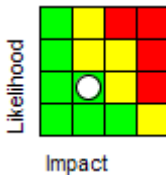
Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
SUR SMT 003a	The strategy is to maintain a diverse portfolio that reduces the impact of this risk. This includes: 1. Use (office, retail, industrial)	The actions described are being undertaken and reviewed regularly with the Assistant Directors.				30-Jun-2021	31-Mar-2022

	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				
--	--	--	--	--	--

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/Risk Approach	Current Risk score change indicator
SUR SMT 001 Climate Action Strategy - Deliver programme of works across operational and investment portfolios <div>Page 19</div>	Cause: Insufficient resources and prioritisation allocated to Climate Action. Event: The City Surveyor's Department fails to deliver programme of works on time, to budget, or with the required contribution to assist the delivery of the City Corporation's Climate Action Strategy. Impact: Failing to adequately invest in net zero initiatives leading to negative impact on our financial and property investments	 Likelihood Impact	8	The City of London Corporation's Climate Action Strategy (CAS) 2020 was approved by the Court of Common Council in October 2020. Work is underway to mobilise the various workstreams ready for delivery to commence in April 2021. The CAS subsumes the earlier Carbon Descent Plan (CDP). The earlier City Surveyor's risk relating to the delivery of the CDP has been merged into this risk. The Department has four workstreams, detailed below, which detail the actions to be undertaken to mitigate this risk. Currently the department is at the mobilisation stage. The delivery of mitigations under this risk support the Corporate Risk CR30 – Climate Action. 30 Jun 2021	 Likelihood Impact	4	31-Mar-2027	
							Reduce	Constant
13-Apr-2021 Peter Collinson								

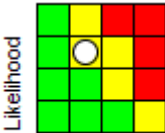
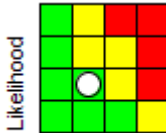

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 001a	Investment property	Investment Property component is at tender stage.	Peter Collinson	30-Jun-2021	31-Mar-2027

SUR SMT 001b	Corporate Property	Mobilisation in progress.	Peter Collinson	30-Jun-2021	31-Mar-2027
SUR SMT 001c	Capital Projects	Mobilisation in progress.	Peter Collinson	30-Jun-2021	31-Mar-2027
SUR SMT 001d	Resilience	Mobilisation in progress.	Peter Collinson	30-Jun-2021	31-Mar-2027

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/Risk Approach	Current Risk score change indicator
SUR SMT 014 Backlog maintenance 04-Nov-2019 Peter Collinson	Cause: insufficient funds to manage the repair demands at operational properties (Budget available does not match the annual Cyclical Works Programme Bid List of requirements) Event: Maintenance demands for operational properties exceeds available funding. Impact: Reactive repairs budget used to meet maintenance demands, loss of income from events spaces, reputational impacts, long-term properties may cease to meet operational requirements (Reduced rental income, reduced capital value, increased breakdown of M&E services, reduced customer satisfaction, poor building use and efficiency)		8	The Cyclical Works Programme (CWP) bid for 20/21 has a reserve list of unfunded works of £26m, these works are essential to keep the operational properties in a good standard. This unfunded works will result in an increase in the backlog of maintenance. 30 Jun 2021		4	31-Mar-2022	Constant
							Reduce	

Page 21

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 014g	Next generation CAFM system	The department is looking to procure a 'next generation' CAFM (Computer Aided Facilities Management) system. This will enhance the department's capacity to plan forward maintenance on asset condition and result in a more accurate determination of outstanding and upcoming repairs and maintenance. This procurement activity is currently on track.	Peter Collinson	30-Jun-2021	31-Oct-2021
SUR SMT 014h	Ring fenced budgets	CSD is communicating with ring fenced departments to identify appropriate building maintenance requirements and spend (forward maintenance). These department occupiers allocate funds for the maintenance of the built assets. Whilst the City Surveyor's Department recommends work to be undertaken, it is the occupying department who holds the budget responsibility and thus decides with final control over activity. This follows the completion of the Internal Audit in this area.	Peter Collinson	30-Jun-2021	31-Oct-2021
SUR SMT 014i	Special Structures 'includes both building and non-building assets'.	An inventory of special structures is being developed, following which time surveys will be undertaken. A gap analysis will be undertaken to consider the current v desired condition. A funding bid may be required, depending on the results of the above analysis.	Peter Collinson; Peter Young	15-Feb-2021	31-Mar-2022

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/Risk Approach	Current Risk score change indicator
SUR SMT 002 Insufficient budget to meet user and asset demand at Guildhall Feb-2015 Peter Young	Cause: Insufficient funding available for Major Works, Cyclical Works and Reactive Maintenance to manage the repair demands on the Guildhall Complex. Event: Insufficient asset funding. Impact: The standard of the Guildhall Complex will deteriorate, resulting in; poorer working environments leading to increased dissatisfaction and lower employee productivity and potential increase in breakdowns and reactive costs as the basic infrastructure of the Complex becomes beyond economic repair.	 Likelihood Impact	6	The principal mitigation actions are related to forecasting and monitoring the allocation of financial and human resources The department reviewed the prioritisation of major projects in light of covid-19 and the financial circumstances. This also considered the Guildhall Masterplan and how this may impact projects. This review has been approved by CAsC. 30 Jun 2021	 Likelihood Impact	4	31-Mar-2022	 Decreasing
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 002e	Fundamental Review of the Guildhall Complex	A wholesale review of the North Wing and West Wing was presented as an option to Members for consideration as part of the Fundamental Review. An Annual Bid for fees in 2021/22 was approved and this will be progressed to Gateway 2 stage in the coming year.	Paul Wilkinson; Peter Young	15-Mar-2021	31-Mar-2022
SUR SMT 002f	Cross departmental working	Single point of contact for Profit and Loss to be created within the Remembrancer's Department. This activity has been agreed by CASC and a more detailed report, noting the key figures, will be presented to Members later in the year.	Remembrancer; Peter Collinson	30-Jun-2021	30-Sep-2021
SUR SMT 002g	Maintenance Management	The department continues to work with Skanska, our Building Repairs and Maintenance Contractor, to review and improve the correct Planned Preventative Maintenance (PPM) regime	Peter Collinson	30-Jun-2021	31-Jul-2021
SUR SMT 002h	Prioritisation review	The department reviewed the prioritisation of major projects in light of covid-19 and the financial circumstances. This also considered the Guildhall Masterplan and how this may impact projects. This review has been approved by CAsC, and the some bids approved by	Peter Collinson; Peter	15-Mar-2021	31-Jul-2021

		Resource Allocation Sub-Committee for funding in 2021/22.	Young		
--	--	---	-------	--	--

This page is intentionally left blank

Copy of SUR COVID-19 - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Faith Bowman

Generated on: 15 March 2021



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
COVID19 SG PROP 01 Impact on investment portfolio (SUR) 01-Apr-2020 Nicholas Gill	<p>Cause: The spread of COVID 19 has affected business and trade resulting in:</p> <ul style="list-style-type: none"> . Lack of trade . Lower investment transactions . Lower lettings transactions . Longer development and refurbishment timelines . Impact on valuations <p>Event: The spread of COVID 19 impacts on the City Surveyors business, namely collection of rental income</p> <p>Effects: Through COVID 19 and the lockdown and resultant working from home tenants are not able to pay their rental payments leading to rent arrears or forfeit leases on managed/FR&I tenants, confidence in the City of London Corporation and the City of London is damaged</p>	<p>Likelihood</p> <p>Impact</p>	16	Turnover rents for 'at risk' tenants was agreed in November 2020 for a one-year period with a five-year period for Leadenhall Market tenants. The moratorium on enforcement action has been extended to March 2022. Thereby making rent collection difficult. For Bridge House Estates properties, decisions are made in the best interests of the charity. 30 Jun 2021	<p>Likelihood</p> <p>Impact</p>	8	30-Sep-2021	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CVD19 SG PROP 01b	Monthly Payments	Move to monthly rent collections where requested. This continues to be offered for all directly managed and FR&I tenants (this does not apply to ground rents).	Nicholas Gill	30-Jun-2021	30-Sep-2021
CVD19 SG PROP 01h	Members Paper	Rent concessions have been provided for March, June and September quarters and for some tenants for the December quarter. Turnover rents continue to be offered for the December quarter onwards. No further rent concessions are proposed. IPG continue to monitor the peer group.	Nicholas Gill	30-Jun-2021	30-Sep-2021
CVD19 SG PROP 01i	Rent Arrears	Being reviewed on a regular basis, and updates are being provided to Members. The government have extended the landlord restraint on legal action against tenants for non-payment of rent until March 2022. As a result arrears are likely to increase.	Nicholas Gill	30-Jun-2021	30-Sep-2021
CVD19 SG PROP 01j	Monitor Impact	IPG to Monitor the impact on; <ul style="list-style-type: none"> . Lack of trade . Capacity of our tenants' ability to pay their rent . Investment transactions . Letting transactions . Refurbishments and Developments 	Nicholas Gill	30-Jun-2021	30-Sep-2021
CVD19 SG PROP 01k	Snapshot reporting	With the assistance of Chamberlain's Department, a regular snapshot of rental collection (deferrals and rent frees) is being produced and monitored.	Nicholas Gill; John James	30-Jun-2021	30-Sep-2021

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CV19 SG PROP 02h	Contractor may request additional fees, additional statutory authority fees	Reduced prelims valued to the contractor if there is reduced resource on site; ask parties to demonstrate what additional costs are for, and which contractual clause it relates to; negotiate additional fees upfront ahead of agreeing start on site. Contractors have recently experienced issues obtaining insurance and these costs may be passed along to the CoL. Whilst initial results seem to be positive for the City, this will continue to be monitored.	Ola Obadara	30-Jun-2021	30-Sep-2021
CV19 SG PROP 02i	Material and components	It is the contractor's responsibility for managing materials on site. There has been a potential issue with regards to the availability of materials and components when projects are on-site – particularly related to long lead items and those from abroad. Property Project Group is monitoring for impact, although this appears to be easing currently.	Ola Obadara	30-Jun-2021	30-Sep-2021

28-May-2020
Ola Obadara

28-May-2020
Ola Obadara

		such risks. Delays caused by COVID-19 impacts may be covered under a force majeure or similar clause of the contract. Contractors will argue that COVID-19 related delays were wholly unforeseeable and outside of the contractor's control, and therefore the contractor should not be held responsible. Under these circumstances, many contracts entitle the contractor to a time extension of the project completion date, and some contracts also allow for the contractor's recovery of increased performance costs. For new contracts, these will account for Covid-19 and these 'contractual risks' will be built into the price and timeframes – although it should be noted that Covid-19 remains a fluid challenge, and future changes to SOPs may result in increased risk.			
CVD19 SG PROP 03b	Health and Safety.	Guidance from Government and Construction Leadership Council (CLC) is regularly monitored with the Principal Designer, updated RAMS have been received from the contractor. Guidance to continue being reviewed. Ensure contractor is following CDM duties and providing plenty of welfare. Reviewing method statements to ensure alignment and compliance with PHE/HSE guidance and any changes that they bring forth.	Ola Obadara	30-Jun- 2021	30-Sep- 2021

Appendix 1 – Contractor KPI Performance April 2020 – March 2021

	2020									2021		
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Passes	40	40	45	39	40	45	40	40	45	40	40	46
Fails	3	3	4	4	3	3	3	3	4	3	3	3

Monthly Total KPIs	43	43	49	43	43	48	43	43	49	43	43	49
Monthly KPI Pass rate	93.02%	93.02%	91.84%	90.70%	93.02%	93.75%	93.02%	93.02%	91.84%	93.02%	93.02%	93.88%

Average Pass Rate April 2020 – Mar 2021	92.60%
--	--------

Please note the number of KPI's vary each month as some contractor have quarterly and annual KPI's which are included in the respective month.

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank