



# Operational Property and Projects Sub Committee

## INFORMATION PACK

**Date:** WEDNESDAY, 14 DECEMBER 2022  
**Time:** 11.00 am  
**Venue:** COMMITTEE ROOMS, GUILDHALL, LONDON, EC2V 7HH

NB: These items have been presented for information only. They will be taken without discussion, unless the Committee Clerk has been informed that a Member has questions or comments prior to the start of the meeting.

6. **\*CLIMATE ACTION STRATEGY (CAS) NZ1, NZ3 AND RS3 WORKSTREAM UPDATE FOR THE OPERATIONAL PORTFOLIO**  
Report of the City Surveyor.

**For Information**  
(Pages 3 - 10)

7. **\*CYCLICAL WORKS PROGRAMME - MID-YEAR PROGRESS REPORT**  
Report of the City Surveyor.

**For Information**  
(Pages 11 - 16)

8. **\*22/23 ENERGY & DECARBONISATION PERFORMANCE Q2 UPDATE FOR THE OPERATIONAL PORTFOLIO**  
Report of the City Surveyor.

**For Information**  
(Pages 17 - 26)

9. **\*GW5 (ISSUES) - BEECH STREET TRANSPORTATION AND PUBLIC REALM PROJECT**  
Report of the Executive Director of Environment.

**For Information**  
(Pages 27 - 38)

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# Agenda Item 6

<b>Committee(s)</b>	<b>Dated:</b>
Operational Property and Projects Sub Committee	December 14 <sup>th</sup> 2022
<b>Subject: CAS NZ1, NZ3 and RS3 Workstream update for the Operational Portfolio</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>5,11 &amp; 12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>Yes</b>
<b>If so, how much?</b>	<b>£10,527,715 mix of revenue and capital</b>
<b>What is the source of Funding?</b>	<b>CAS Budget</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>Yes</b>
<b>Report of: The City Surveyor</b>	<b>For Information</b>
<b>Report author: Graeme Low</b>	

## Summary

This report presents an update on the key actions of the operational buildings workstreams as part of the Climate Action Strategy (CAS). Progress has been made in the following key areas:

- Vital Energi have completed building energy surveys to all top fifteen buildings with High Level Assessments issued. Following this, four detailed proposals are now in development.
- Climate Impact Modelling in progress with a “digital twin” model of the square mile completed, workshops completed in September focusing on heat stress and flooding.
- Building Energy Management System analytics software has been rolled out for the Guildhall and LMA.
- £34k Low Carbon Skills funding (BEIS) secured for Heat Decarbonisation plans at 3 sites.

## Recommendation(s)

- Note the progress made on actions within the report.
- Note progress made in delivery of project tasks including energy surveys, BEMS Strategy, and design and technology standards.
- Note the progress on the delivery of capital projects including PSDS phase 1.
- Note the implications of the operational property review on timely agreement of carbon saving opportunities.

## Main Report

### Background

1. The Climate Action Strategy (CAS) measured our direct building emissions in 2018/19 as 36 ktCO<sub>2</sub>e, by 2026/7 this must reduce to 15.3 ktCO<sub>2</sub>e to reach our net zero target

for our operational properties and Housing portfolio. CO<sub>2</sub>e emissions for Housing and operational properties are as follows:

**Table 1: Baseline and current carbon emissions by portfolio and 2027 target**

Portfolio	Baseline 2018/19	YTD (Q2 2022/2023)	2026/27 Target
Housing	10.6 kt/CO <sub>2</sub> e	1.84 kt/CO <sub>2</sub> e	4.6 kt/CO <sub>2</sub> e
Operational	22.2 kt/CO <sub>2</sub> e	5.95 kt/CO <sub>2</sub> e	10.8 kt/CO <sub>2</sub> e

- To support this goal, the CAS buildings approach was presented at the April Corporate Asset Sub Committee in 2021 with a series of discrete actions which conjoin to deliver the CAS strategy NZ1, NZ3 and RS3 for the Operational buildings' portfolio – including housing. These actions are summarised in the table 2 below and demonstrate the requirement for the City Corporation to continue investment in carbon reduction projects.

**Table 2: NZ1 - Operational Property and Housing Landlord Areas Actions**

1 – Commission building energy surveys – operational assets and housing
2 - Develop building controls management strategy
3 - Enhance monitoring and targeting programme
4 - Decarbonisation of Heat
5 - Deep fabric retrofit pilot – Commercial asset??
6 - Additional energy specialist resources
7 - Capital programme roll-out

## Status Updates

**Action 1 Progress:** Building energy surveys – operational assets & Housing

### Corporate

- Vital Energi Ltd. have provided energy efficiency audits to the top fifteen buildings (appendix 1) in support of the Climate Action Strategy. Their activities have involved a high-level assessment of each building, providing a list of projects that can be immediately undertaken, and a list of projects that rely on other existing CoL projects finishing.
- To date, all fifteen buildings have had a High-Level Assessment (HLA) issued. The HLA's have been reviewed and an initial tranche of interventions will be presented in a Gateway 2 paper to Committees in December for approval. These measures have been prioritised according to their return on investment, potential to save carbon and deliverability within a 2-year period. Four investment grade proposals covering seven sites have been completed. These sites are the Guildhall, Barbican Arts Centre, London Metropolitan Archives, Freeman's School, Tower hill Coach and Carpark, Central Criminal Court & Girl's School.

5. These measures and subsequent phases of low carbon interventions are being incorporated into a delivery plan, due for completion in December. The delivery plan will outline additional identified measures needed to meet our scope 1& 2 target and a timeline through to 2026/27.

**Housing**

6. Etude Consulting Ltd. have been appointed to provide resource support to the tasks related to Housing within NZ1, particularly supporting the management of initial surveys, development of decarbonisation plan, and support surrounding Housing Heat decarbonisation.
7. Survey work has been completed at the Barbican Estate to evaluate the benefit of improving insulation and heating controls with properties. Further cost analysis has recently been completed providing the value and benefit of undertaking these works. We continue to consult with Barbican residents as these proceed.
8. Housing surveys are underway to review landlord areas within our scope 1 & 2 operational emissions, focusing on options for PV, LED lighting upgrades and other opportunities such as pump controls & ventilation efficiency improvements. Awarded to Silver EMS, surveys are expected to be completed by February for landlord areas.

<b>Next Steps – Action 1</b>	
a.	<b>Operational:</b> Completion of decarbonisation delivery plan. Presentation of Gateway paper for capital works.
b.	<b>Housing:</b> Completion of surveys and feasibility studies for pilot projects.

**Action 2 Progress:** Develop building controls management strategy.

9. The Schneider Electric Building Advisor platform (Analytics) has been operating since July 4<sup>th</sup>. It has already identified opportunities for efficiency improvements and is being integrated with Facilities Management in regular management reporting for the Guildhall and LMA.
10. The building controls draft strategy was completed in November and has been submitted for review
11. Sigma EMS integration with BEMS is progressing as the BEMS is migrated and Sigma is fully onboarded over the forthcoming quarter.

<b>Next Steps – Action 2</b>	
a.	Completion of BEMS strategy
b.	BEMS integration with Team Sigma.

**Action 3 Progress:** Enhance monitoring and targeting programme.

12. Benchmarking, target setting and analysis against variables is currently being set up within Team Sigma for individual sites. In Q4 we plan to have individual targets

updated within Sigma, league tables set up for building categories and benchmarks in place to compare our building performance against National datasets.

**Action 4 Progress:** Decarbonisation of Heat

13. Citigen - New centre of excellence resource is now in place to support with the Citigen strategy. Meetings have been held with St. Bartholomew’s Hospital, Museum of London for the new development site, and the London Wall West project team to support the development of the network and unlock further carbon saving potential. We are looking to apply to the governments Heat Network Development Unit (HNDU) for £67k of grant funding to support a study on the decarbonisation of the Citigen heat network..

14. Operational estate – We have commissioned engineering consultants (Silver EMS) to provide Heat Decarbonisation Plans for 3 of our sites. This work is being part funded by a £34k Low Carbon Skills Fund grant covering: Heathrow Animal Reception Centre, Walbrook Wharf (update to existing plan,) and City of London Crematorium. We are about to tender a further round of Heat Decarbonisation studies to provide investment grade proposals for sites which have already been assessed at a high-level, for the following sites: City of London School for Boys, Freeman’s School, Alfred Place 8-10, 35-38 New Bridge St, 9 Bonhill St.

Housing – We have commissioned engineering consultants (Beveridge Associates) to undertake feasibility studies to establish the preferred low carbon solutions for the communal heating systems which supply 5 housing estates.

Next Steps – Action 4	
a.	Secure HNDU funding for Citigen decarbonisation studies and develop study specification in preparation for commissioning consultancy services.
b.	Commission further heat decarbonisation studies for all operational sites, to commence in January and complete by April, focused on those with short-to-medium term priorities, to an investment grade level to allow development of the business case for investment.
c.	Complete the housing decarbonisation studies by January and develop the delivery plan.

**Action 5 Progress:** Deep fabric retrofit pilot – operational asset

15. This project will be a proof of concept to inform our wider design and resilience standards. Scoping and delivery will be driven by the dedicated design resource within the Centre of Excellence. It will follow the completion of the Design and Technology Standards.

**Action 6 Progress:** Additional energy specialist resources

16. Following a review of the Centre of Excellence, we have recently appointed a new consultant to support with Housing decarbonisation, new resource is coming in October to support on heat decarbonisation. One role remains vacant within the

Energy and Sustainability Team (Energy Engineering Project Manager) following unsuccessful recruitment campaigns.

17. The Centre of Excellence will also address the NZ3 and RS3 work streams plus the Investment portfolio (NZ4) approach.

<b>Next Steps – Action 6</b>	
a.	Appointment of remaining Energy Engineering Project Manager.
b.	Actions 1,2,3,4 & 5 are reliant on a fully resourced Centre of Excellence.

**Action 7 Progress:** Capital programme roll-out

18. The main capital programme roll-out will flow from opportunities identified in the energy surveys and gateway paper presented in December (action 1). The £9.5m PSDS project, Phase 1 & 2 of the Energy Reduction Programme (completion 2022/23) and £4.5m Guildhall Cooling replacement project (completion expected summer 2023) will contribute to our carbon reductions. Project resource has also been procured to ensure Climate Action Strategy capital works can continue following the submission of the Gateway paper in December
19. Specific projects at three sites categorised as ‘quick-wins’ have been progressed to the Investment Grade Proposal stage. These are LED lighting projects for which there is immediate known benefit and value for money. Projects are focusing on City of London Freeman’s School, City of London School for Girls, and Central Criminal Court. The school projects are currently on hold, pending funding confirmation and a trial at Central Criminal Court is due in Q4.

<b>Next Steps – Action 7</b>	
a.	Extend interim project management resource for 2023/24 and onwards.
b.	Delivery of quick win projects at three sites.

**NZ3 Capital Projects Design Standards and RS3 Resilient Buildings**

20. Arcadis have been appointed to develop the technology and design standards which will be delivered in Q3, respectively. Work continues on both the Design and Technology standards with an initial draft expected in December. We are now working through the design and functionality of the standards. Embedding these standards will begin in Q4 2022/23, planned completion is in March 2023.
21. Pilot whole life carbon assessments have been completed by BDP on a range of diverse projects. The process and evaluation of project performance will be utilised in the application of the design standards. Further details are featured within the appendix.

22. The climate impact modelling began with a digital twin model of our buildings in June, focusing on flood and heat stress. Two workshops have been completed to inform further on the interventions required for key assets. This modelling will inform the resilience action plan which is planned for completion by Q3.

### **Project support activities**

23. Arcadis have been appointed by the City Surveyor to provide, initial assurance support; ongoing assurance; establishing and promoting the Centre of Excellence and to lead the development of an auditable energy management system. The assurance support will finish as planned in November 2022.

### **Key risks**

24. Key risks are included within item 4. of the appendix. This now includes the current operational property review impacting the level of opportunity to reduce carbon across this group of buildings.

## **Corporate & Strategic Implications**

### **Strategic implications:**

25. This suite of actions drives the objectives of the Climate Action Strategy, buildings stream and will provide linkage and co-ordination with ongoing property management, capital schemes and cyclical works.

### **Financial implications:**

26. The CAS tasks in this report are covered within the overall Climate Action Strategy programme. Capital and resource costs are estimated at £21m for the 6-year term for the tasks related to these project plans. This funding forms part of the £68m agreed at RASC and P&R committees in September 2020.

### **Climate implications:**

27. This action stream will deliver the Net zero carbon goals of the Corporation and support the climate residence goals of the broader programme.

## **Conclusion**

28. The City Surveyor has commenced the mobilisation and has moved into the delivery stage of the building-related workstreams, three being relevant to this Sub Committee (NZ1, NZ3 & RS3). A flexible approach continues to be necessary to secure the right mix of skills and experience needed. This approach will support our need to move the programme forward and meeting key milestones.

## **Report author**

### **Graeme Low**

Head of Energy and Sustainability  
City Surveyor's Department

E: [graeme.low@cityoflondon.gov.uk](mailto:graeme.low@cityoflondon.gov.uk)



## Appendix

### 1. List of key sites in an energy performance partnership with Vital Energi

1. Guildhall Complex	8. City of London School	14. London Metropolitan Archives
2. Barbican Arts Centre	9. City of London School for Girls	15. Tower Hill Car Park
3. London Central Market (Smithfield)	10. Walbrook Wharf Cleansing Depot	
4. Central Criminal Court	11. Tower Bridge	
5. New Spitalfields Market	12. Mansion House	
6. City of London Freeman's School	13. GSMD (inc. Milton Court and Sundial Court)	
7. Billingsgate Market		

### 2. Centre of Excellence roles.

Centre of Excellence roles	
Sustainable Investment Property Specialist – Arcadis <b>(in place)</b>	Heat Decarbonisation Engineering Support – Arcadis <b>(in place)</b>
Resilience and Sustainable Design – Arcadis <b>(in place)</b>	Energy Project Services (Housing) – Etude <b>(in place)</b>
Building Management Systems Operations – Schneider <b>(in place)</b>	Monitoring and Targeting – Team Energy Auditing <b>(in place)</b>

### 3. Whole Life Carbon Assessments – Pilot projects.

	Project Name	Areas (m <sup>2</sup> )	RIBA Stage	Project Type
1	15-17 Eldon Street & 1st-5th/6 Broad Street Place	10,000	RIBA 3	Office
2	Brewery Road - Refurbishment & Extension	3,931	RIBA 5	Office
3	Finsbury Garden Pavilion and Landscaping	600	RIBA 4	New Build
4	CoL Junior School Expansion	2,400	RIBA 4	School
5	COLPAI - CoL Primary Academy & Islington	8,500	RIBA 5	School

### 4. Key Risks

Risk	Mitigation
Delays in securing resource Impacts project delivery.	Review of Centre of Excellence completed to address this issue. Use of flexible frameworks for Project Management resource. Utilising Lead Consultancy with backup resource available.
Funding gap emerges following investment grade proposals.	Existing funding allocation to be complemented with grant funding applications. Investigate energy performance contracts option to minimise capital investment.
Carbon grid factors adversely affected.	Keep in review BEIS grid factors and their impact on reach the 2026/27 Targets. Use PPA benefit and report Market based emissions as well as location based.

<p>Major projects/programmes:</p> <p>The proposed further review of operational properties as part of the MTFP and Net Zero Budgeting.</p>	<p>Major programmes and projects may impact the decisions on CAS interventions or reduce the payback period if a decision is made to dispose or refurbish a building. In all cases full consideration should be made within the decision-making process. Additional carbon emitted from new developments limited by NZC design standards introduced and any subsequent asset disposals.</p>
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# Agenda Item 7

<b>Committee(s)</b>	<b>Dated:</b>
Operational Property & Projects Sub Committee – For Information	14 <sup>th</sup> December 2022
<b>Subject:</b> Cyclical Works Programme – Mid-Year Progress Report	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>£N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>Yes</b>
<b>Report of:</b> The City Surveyor report ref CS408/22	<b>For Information</b>
<b>Report author:</b> Jonathan Cooper – Assistant Director, Head of Surveying & Engineering Projects, City Surveyor’s Department	

## Summary

This report provides an overview of the progress and expenditure of the current Cyclical Works Programmes (CWP) across the Corporate property portfolio, to the end of October 2022.

This year’s total programme consists of historic CWP spends before 2019/20, 20/21, 21/22 and 22/23. Traditionally, a new CWP is provided each year, the current CWP (22/23) was forecast to be spent over 2 years, though previous programmes have been forecast over different periods e.g., 1-4 years. Most remaining budgets were forecast to complete at the end of 22/23, except the most recent 22/23 CWP which has been forecast over 2 years.

This report outlines progress against fund (City’s Cash, City Fund and Guildhall) and against location type (Corporate, Guildhall School for Music & Drama, Heritage Assets, Open Spaces, and the Barbican).

The latest budget for CWP works to be delivered within 22/23 totals c.£13.6million. Current spend and committed funds total c.£8.69million - around 64%. This is a better position than this point last year, where around 50% of a £12.25million budget was committed.

The City Surveyor delivery team has developed new programme monitoring tools to focus on project delivery and future planning. This was implemented on the latest 22/23 programme and has resulted in a successful start, in that of the forecast £5.2million, c.62% is already spent or committed.

It is felt that this success can be improved with a revised approach to CWP in future years, this approach was outlined on the recent 23/24 CWP bid report to your committee in November 2022.

Forecasts suggest that c.£1 million of the overall programme may not be spent in this financial year; this is for various operational reasons that means work can only be carried out in small windows, particularly to the Barbican and GSMD. The total amount will be formally requested to be carried forward in the end of year outturn report. The recommendation to carry forward any remaining budget was approved at the November committee.

### **Recommendations**

Members are asked to:

1. Note the progress of current CWP programmes of work
2. Note the likely requirement to carry forward a portion (c.£1million) of the programme funding in to 2023/24

### **Main Report**

#### **Background**

1. There is need to conduct planned refurbishment and replacement of buildings and their associated equipment in addition to routine serving and repairs. Resources being limited, such works need to be prioritised across the entire corporate operational estate. The Cyclical Works Programmes consider the requirements of each and prioritises individual projects in the context of the whole to ensure that the City's overall property maintenance objectives are met.
2. The CWP is overseen by the City Surveyor's department who undertake a large part of the project delivery, however projects undertaken by the Barbican and Guildhall School and the engineering projects for the Department of the Built Environment (DBE) are delivered by their own teams and so are accountable for their element of project delivery not the City Surveyors' Department.
3. The Peer Review Group, chaired by the Chamberlain, has authority to agree funding increases within the overall funding envelopment for individual projects and to divert funding to new projects that meet a jointly agreed criterion. These changes are made within the agreed programme funding envelope. This ensures that project issues can be dealt with promptly and has the potential to reduce the backlog of maintenance (bow-wave) where projects can be brought forward.
4. The recent CWP 2023/24 bid request titled 'Cyclical Works Programme 2023/2024 and beyond' seeks to revise the future funding approach (from 2024/25) to enable a better forward resource and Contractor planning of future programmes of work.

#### **Current Position**

The table below outlines overall programme performance, broken down to fund type and property type within that fund.

Table 1 – Total programme expenditure for 22/23 financial year (figures up to the end of October 2022)

Fund		Original Budget	Latest Budget	Committed	Actual	Total Cost	Balance
City's Cash	Corporate	1,807,000	1,864,000	746,560	520,192	1,266,752	597,248
	GSMD	2,207,000	1,960,000	532,013	473,333	1,005,347	954,653
	Heritage	0	375,000	63,610	43,592	107,202	267,798
	Open Spaces	2,011,000	2,242,000	932,544	236,375	1,168,918	1,073,082
		<b>6,025,000</b>	<b>6,441,000</b>	<b>2,274,727</b>	<b>1,273,492</b>	<b>3,548,219</b>	<b>2,892,781</b>
City Fund	Barbican	3,345,000	2,670,000	1,322,101	334,563	1,656,664	1,013,336
	Corporate	2,681,000	2,337,000	963,874	470,134	1,434,008	902,992
	Heritage	0	121,000	46,336	35,780	82,116	38,884
	Open Spaces	73,000	82,000	22,662	20,960	43,622	38,378
		<b>6,099,000</b>	<b>5,210,000</b>	<b>2,354,973</b>	<b>861,437</b>	<b>3,216,410</b>	<b>1,993,590</b>
Guildhall	Corporate	1,244,000	1,694,000	905,657	588,529	1,494,186	199,814
	Heritage	0	283,000	193,631	215,934	409,565	-126,565
		<b>1,244,000</b>	<b>1,977,000</b>	<b>1,099,288</b>	<b>804,463</b>	<b>1,903,751</b>	<b>73,249</b>
	Totals	<b>13,368,000</b>	<b>13,628,000</b>	<b>5,728,989</b>	<b>2,939,392</b>	<b>8,668,381</b>	<b>4,959,619</b>

5. The original budget was set at the start of 2022/23. Project managers were asked in September to provide realistic outturns for their respective projects so that the budget can be appropriately reprofiled, with project funding (and forecasts) aligned to projects that may require an increase or diverted to new projects that can be brought forward from the forward maintenance plan. This exercise has informed the figures for the 'latest budget' above. The overall budget has been able to increase as central 'pot' money has been agreed to be retained from previous financial years and can be reallocated in these instances.
6. Whilst the Open Spaces area across City's Cash is showing a lower expenditure, works have progressed with our current maintenance repairs Contractor (Skanska) but are yet to be invoiced. Over 50% of the £1.07million budget is already committed.
7. Circa.£2million is yet to be committed or spent at the Barbican (City's Fund) and the GSMD (City's Cash) due to difficulties the centre has in programming large-scale maintenance works that could affect shows or bookings within the centre. Should it not be possible to complete these works within the funding timeframe, consideration will be given to using the funding to deliver projects from the approved reserve list instead and the schemes will need to be included in a bid for future years.
8. There are a few larger projects (e.g., building services type projects) that are yet to take place, that sit within the Corporate estate of City Fund, these make up a

large portion of the uncommitted c.£900k in this area. Project Managers have confirmed that orders for these will soon be placed.

**Table 2 - Progress against each fund and the remaining CWP programmes**

By Fund	2022/23 Revised	Committed	Paid	Total	Balance		Paid / Budget	Total / Budget
City's Cash	6,441,000	2,274,727	1,273,492	3,548,219	2,892,781		19.77%	55.09%
City Fund	5,210,000	2,354,973	861,437	3,216,410	1,993,590		16.53%	61.74%
Guildhall	1,977,000	1,099,288	804,463	1,903,751	73,249		40.69%	96.29%
	<b>13,628,000</b>	<b>5,728,989</b>	<b>2,939,392</b>	<b>8,668,381</b>	<b>4,959,619</b>		<b>21.57%</b>	<b>63.61%</b>
<b>By CWP Programme</b>								
2017/18 & 2018/19	367,000	228,769	106,042	334,811	32,189		28.89%	91.23%
2019/20	2,929,000	1,041,134	1,068,958	2,110,091	818,909		36.50%	72.04%
2020/21	3,998,000	1,389,133	787,116	2,176,249	1,821,752		19.69%	54.43%
2021/22	1,117,000	372,655	443,371	816,025	300,975		39.69%	73.06%
2022/23	5,217,000	2,697,299	533,905	3,231,204	1,985,796		10.23%	61.94%
	<b>13,628,000</b>	<b>5,728,989</b>	<b>2,939,392</b>	<b>8,668,381</b>	<b>4,959,619</b>		<b>21.57%</b>	<b>63.61%</b>

9. Overall expenditure across all funds is positive for this point in the year. Focus has been on expending previous years budgets and to ensure appropriate planning of newly provided budget e.g., the 2022/23 CWP.
10. The overall 22/23 budget was c.£11million with c.£5.2million forecast for this year. The focussed programme management has resulted in a good level of orders placed (budget committed) within the first half of the year. A significant part of the remaining balance has already been committed with our repairs and maintenance contractor (Skanska).
11. Expenditure will always be higher in the second half of each financial year due to planning and design and lead in periods of orders placed.
12. A large majority of the 2020/21 budget is due to be spent by the GSMD against City's Cash. It is likely that a portion of this remaining balance – c.£1million will be requested to be carried forward to a further year. This is currently the only area where performance is lower than expected. This is largely due to limited access

to the School, for example in 2023, cyclical inspections and CWP projects have a 3-week window to undertake work. This is due to the Summer School and West End Stage occupying the majority of the buildings. Future delays will be mitigated by recently introduced logistics meetings with School stakeholders.

13. There are nominal sums of expenditure still against the earlier funds from 2017/18 and 2018/19. These sums were allocated against historic and capital projects hence the money has still been held.
14. There have been and will continue to be efficiency savings made until year end. The 2023/24 bid report recommended that any unspent funding from previous CWP programmes, due to savings achieved, are to be retained so that this can be reallocated by the Peer review group. This provides us with an efficient funding route to react quickly to any urgent, unforeseen requirements.

### **Corporate & Strategic Implications**

15. Cyclical Works Programmes set out to deliver three of the key objectives in the Corporate Property Asset Management Strategy.
  - SO.1 – Operational assets remain in a good, safe and statutory compliant condition.
  - SO.2 – Operational assets are fit for purpose and meet service delivery needs.
  - SO.3 – Capital and supplementary revenue programmes are affordable, sustainable and prudent and that the limited available resources are directed to the highest corporate priorities.

### **Conclusion**

16. The overall performance of the 2022/23 CWP has been good and has improved over this point in recent years. The accuracy of forward planning will be bettered still with the revised CWP bid approach that is sought to be requested from 2024/25.
17. This year the City Surveyors delivery team has focussed on forward planning of new projects, this has resulted in a very good performance for the latest programme of works (2022/23) programme.
18. Various cost savings have been sought from projects, these savings have been returned to the central funding pot and have been diverted to high scoring projects that may not have had previous funding. This will reduce funding pressures on future works programmes and enable the City Surveyor (and other departments) to address high priority maintenance projects across the corporate portfolio.

### **Report Author**

Jonathan Cooper  
Assistant Director - City Surveyor's Department  
T: 07903 945152  
E: [jonathan.cooper@cityoflondon.gov.uk](mailto:jonathan.cooper@cityoflondon.gov.uk)

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# Agenda Item 8

<b>Committee(s)</b>	<b>Dated:</b>
Operational Property and Projects Sub Committee	14 <sup>th</sup> December 2022
<b>Subject: 22/23 Energy &amp; Decarbonisation Performance Q2 Update for the Operational Portfolio</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>5,11,12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>no</b>
<b>If so, how much?</b>	<b>n/a</b>
<b>What is the source of Funding?</b>	<b>n/a</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>No</b>
<b>Report of: The City Surveyor</b>	<b>For Information</b>
<b>Report author: Graeme Low</b>	

## Summary

This report presents the 2022/23 Quarter 2 energy performance for CoL operational sites. Progress remains on track to reach the operational property targets for our Net Zero Carbon targets for 2027 with an 18% reduction in energy usage since the 2018/19 baseline year. Progress has been made in completing surveys for the next phase of capital interventions, detailed Investment proposals are now being drafted. Energy prices remain a concern, alongside reported delays in the expected start date for the Power Purchase Agreement.

## Recommendation(s)

- Based on rolling year, Q2 22/23 energy consumption has reduced by 18% compared to the baseline year 2018/19.
- Note the 21/22 CO<sub>2e</sub> emissions are in line with our targets with a 31% or 11,061 tonnes/CO<sub>2e</sub> drop since 2018/19.
- Note the recent acquisition of Local Energy Accelerator funds totalling £30k to support an investigative project for Guildhall battery storage.
- Note the large majority of the Public Sector Decarbonisation Scheme (PSDS) funded work is complete and in the final commissioning phase.

## Main Report

### Background

1. At OPPSC on 26<sup>th</sup> September 2022 the 21/22 Q1 Energy performance report was presented. This identified the rolling 12-month energy performance to Q4 as a 18% improvement on the weather corrected values for the Climate Action Baseline year of 2018/19.
2. This saving was due to site disposals, active management of the BEMS by the Energy Team and ongoing success of the PSDS project.
3. The Public Sector Decarbonisation Scheme (PSDS) projects have supported this goal and all projects on the PSDS programme have reached GW5 or beyond. The RA-W contract,

covering the majority of PSDS works commenced in September 2021. Full completion of the projects is expected by November 2022.

### CAS target alignment

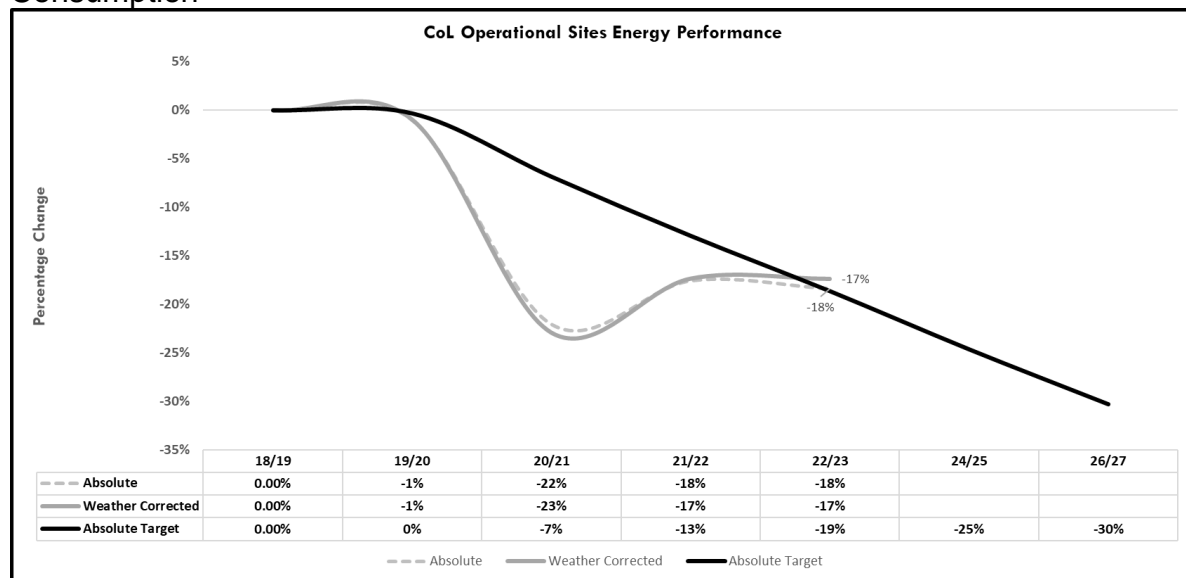
4. The Energy Team continue to collaborate with CAS on best practise methodologies for reporting KPIs and achieving overall CAS targets. The CAS buildings baseline includes Operational property portfolio, landlord supplies to housing estates and investment properties.
5. To achieve CAS Net Zero CO2 target by 2027, residual emissions are planned to be mitigated via land-based carbon sequestration from our green spaces. These targets are translated into energy and CO2e, see chart 1 and chart 2 below.

### Current position

There has been a gradual increase in consumption compared to the previous quarter due to the return to normal operations. The impact of PSDS Energy saving projects will not be fully realised until Q2 23/24, though some related savings are being accounted for in these figures. The City must continue supporting carbon reduction projects in order to remain on track to reach 2027 CAS targets. Currently, milder than average weather over the current period supports the position.

### Performance update

**Chart 1.** Performance Against CAS Target: Absolute and Weather Corrected kWh Consumption

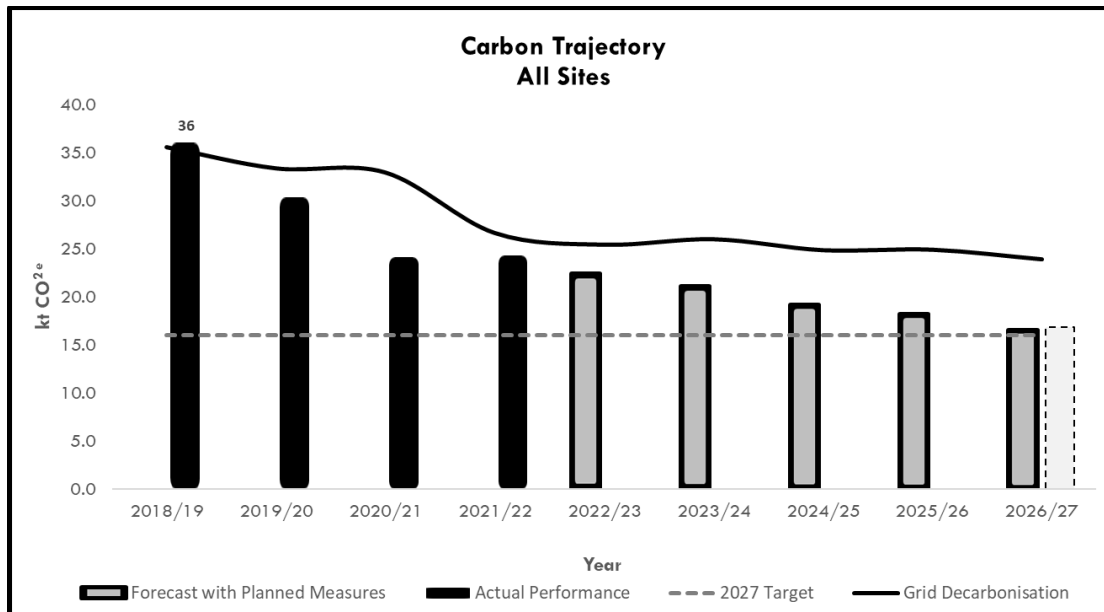


6. **Long term:** Chart 1 presents updated operational building targets to reflect 2018/2019 baseline data in conjunction with the Climate Action Strategy (CAS). It shows continued progress towards the interim target. Compared to the 2018/2019 baseline, the performance up to Q2 2022/2023 indicates:
  - a. A 18% reduction in absolute energy consumption.
  - b. A 17% reduction when corrected for the weather

A comparison of rolling year energy performance for the Operational properties Q2 2022/23 and Q2 2021/22 shows an increase in weather corrected values by 5%. This was expected as we have returned to a normal mode of operations. Further details can be found in table 1 of the appendix.

**Chart 2. Carbon Trajectory** presents progress towards the 2027 carbon target for the Corporation’s portfolio and shows:

- a. A saving of 11,061 tonnes of CO<sub>2e</sub> or a 31% reduction from 2018/2019, based on financial year



The following provides a synopsis of Chart 2:

- The savings since 2018/19 demonstrate a positive trajectory for the Climate Action Strategy 2027 Net Zero Carbon target. Finalisation on the delivery of PSDS projects (table 4 of Appendix) will support continued reduction of emissions as we return to more sustained use of our buildings. The Energy Team recommends that sites continue to take active control of their energy consumption by ensuring proper maintenance of BEMS and staying on top of general operating/maintenance issues and preparing for colder weather to ensure continued reduction of carbon emissions.
- Building stock changes and improved control of our energy usage through Building Energy Management System (BEMS) control improvement within buildings has played a key role in capturing these savings, alongside the success of the PSDS project. Specifically, the Building Analytics Platform at the Guildhall has supported the improvement of site energy performance.
- Item 8 of the appendix provides an overview of the Operational property carbon performance, without landlord emissions for Housing and IPG portfolios. This currently shows 15.6 KtCO<sub>2e</sub> of emissions, a reduction of 6.6 KtCO<sub>2e</sub> or 30% since 2018/19. This keeps the Operational property portfolio on track to support the City Corporation’s net zero carbon targets for 2026/27.

**Table 1.** Overall performance Q4 Top 5 and bottom five sites – weather corrected

Top 5 Best Performing Sites	Sep-19	Sep-21	Sep-22	Difference kWh 21 vs 22	Difference % 21 vs 22
Guildhall Complex	17,575,251	14,427,588	13,319,212	- 1,108,375	-8%
City of London Crematorium	3,071,720	2,981,801	2,115,635	- 866,166	-29%
Open Spaces Epping Forest London	751,816	1,543,647	735,860	- 807,787	-52%
Metropolitan	1,297,017	1,598,249	1,203,726	- 394,524	-25%
City of London School For Girls	2,271,961	1,842,297	1,592,163	- 250,134	-14%

Bottom 5 Performing Sites Weather Corrected	Sep-19	Sep-21	Sep-22	Difference kWh 21 vs 22	Difference % 21 vs 22
Barbican Arts Centre	17,643,695	13,009,509	15,679,147	2,669,638	21%
GSMD - Milton Court	3,481,745	3,006,343	4,608,607	1,602,264	53%
City of London Freemen's School	4,725,165	3,904,391	4,976,234	1,071,842	27%
London Central Market (Smithfield)	15,380,518	9,975,333	10,716,873	741,540	7%
New Street (21)	1,662,171	1,550,393	2,260,912	710,519	46%

10. Table 1 above provides a snapshot of the highest energy reductions and the greatest increases within the top thirty buildings over the past 12 months to September, when compared to the previous 12 months. The full list of the top thirty site performance and performance overview for bottom five increases can be found within table 1 of the Appendix.
11. The top sites have continued to show a reduction due to improved controls and implementation of energy saving measures. Descriptions can be found in the Appendix.
12. The bottom sites can be attributed to increases in heating and refurbishment activities, as well as possible maintenance issues and Increased levels of occupation The energy team continue to collaborate with the sites to support reduction projects. Further information can be found in the Appendix.

### **Energy Team and other activity Progress on energy projects**

13. **The PSDS Project:** the scope of works included lighting upgrades, ventilation upgrades, building control upgrades and improvements, sub-metering, new energy management and building analytics software. These works are now complete. Verification of the savings is expected at gateway 6 in Q4.

14. **Energy Supply contract procurement:** Gas and electricity contracts have been procured using a “purchase in advance” approach for the period November 2021 -2025, this strategy is designed to return a market reflective price. We continue to procure the remaining electricity volume for October 22 – September 23 via our Brokers (Laser Energy), with most of this volume procured. The Energy Team have provided a recent budget update to Chamberlains and supported a review of the MTFP in relation to future energy costs.
15. **PPA:** The PPA contract with Voltalia UK Ltd. is in place and construction work on site at the South Farm Solar site near Blandford Forum is close to completion with commercial operations expected by January 2023. Once operational, the PPA will provide over 60% of our electricity at ~ £41 MWh in 22/23 compared to the current market rates for electricity of ~£300 MWh at current rates.

### **Corporate and strategic implications**

16. **Strategic implications:** Energy performance is linked to resilience and helps ensure business continuity through reduced pressure on the energy infrastructure within the square mile. We support a thriving economy through ensuring environmental responsibility in this way. Our energy performance helps to shape outstanding environments through the reduction of CO<sub>2e</sub> emissions and our commitment to procuring clean renewable energy. In this way our energy performance helps shape outcomes 5, 11 and 12 of the Corporate Plan.
17. **Financial implications:** The savings in this report detail reductions in energy consumption and not against agreed budgets. For longer sustainable gains the focus needs to be on improving efficient use of energy, through targeted investment in energy saving measures. Note that future savings as a result of lower energy spend related to the PSDS project will be transferred to the Build Back Better fund for re-investment with further projects, any capital underspend will be returned to Government.

### **Conclusion**

18. The Energy performance within Q2 remains on track with the long-term trajectory needed to meet our CAS targets for 2027. We continue to mobilise workstream (NZ1) related to operational buildings within the Climate Action Strategy and ensure delivery of the projects that form part of the PSDS project by Q2 2022/23. We have absorbed the impact of the reoccupation of our building stock. Our new targets are challenging but achievable, requiring action in all areas of the Corporation to ensure we meet our planned objectives.

### **Report author**

**Graeme Low**

Head of Energy and Sustainability, City Surveyor’s Department  
E: [graeme.low@cityoflondon.gov.uk](mailto:graeme.low@cityoflondon.gov.uk)

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## Appendix

### 1. Top 30 site energy performance and bottom 5 performance overview

Weather Corrected Data: Performance comparison by top 30 sites: Q2 2022/23 with Q2 2021/22 and 2019/2020

Row Labels	Sum of Sep-19	Sum of Sep-20	Sum of Sep-21	Sum of Sep-22
Animal Reception Centre	753,064	790,647	730,373	725,880
Barbican Arts Centre	17,643,695	17,882,745	13,009,509	15,679,147
Baynard House Car Park	165,691	168,669	169,216	164,448
Billingsgate Market	3,729,305	3,614,165	3,384,626	3,355,744
Bishopsgate Police Station	3,237,801	3,537,908	3,303,153	3,170,568
Central Criminal Court	7,044,390	6,040,558	6,373,024	6,338,929
City of London Crematorium	3,071,720	3,669,385	2,981,801	2,115,635
City of London Freemen's School	4,725,165	4,122,824	3,904,391	4,976,234
City of London School	3,317,852	2,916,539	3,137,425	3,324,176
City of London School For Girls	2,271,961	2,198,419	1,842,297	1,592,163
GSMD	2,138,839	1,267,610	1,863,112	2,027,217
GSMD - Milton Court	3,481,745	2,638,283	3,006,343	4,608,607
GSMD - Sundial Court	1,834,285	1,462,352	1,614,073	1,572,020
Guildhall Complex	17,575,251	16,068,127	14,427,588	13,319,212
London Central Market (Smithfield)	15,380,518	11,738,325	9,975,333	10,716,873
London Metropolitan Archives	1,297,017	1,360,602	1,598,249	1,203,726
London Wall Car Park	220,442	221,542	215,080	207,609
Mansion House	2,172,318	2,107,401	1,985,616	2,322,501
Mayor's Court	233,554	244,595	287,635	256,514
New Spitalfields Market (Landlords)	6,806,493	6,454,378	5,783,149	5,828,812
New Street (21)	1,662,171	1,274,043	1,550,393	2,260,912
Open Spaces East Heath & Kenwood	206,558	192,348	195,720	167,353
Open Spaces Epping Forest	751,816	1,566,930	1,543,647	735,860
Open Spaces Golders Hill & Extension	376,604	399,906	344,473	408,963
Open Spaces Hampstead Heath Leisure	672,703	594,168	597,984	656,222
Open Spaces Parliament Hill	280,139	287,234	252,382	270,285
Streetlighting	3,530,204	2,666,328	2,090,006	1,943,943
Tower Bridge	2,248,615	2,220,735	1,822,349	2,265,241
Tower Hill Coach & Car Park	547,524	521,933	356,043	587,220
Walbrook Wharf Cleansing Depot	1,568,005	1,906,243	1,865,230	2,147,750
<b>Grand Total</b>	<b>108,945,446</b>	<b>100,134,940</b>	<b>90,210,222</b>	<b>94,949,762</b>

## 2. Bottom 5 performing sites

Weather Corrected data

Bottom 5 Performing Sites Weather Corrected	Sep-19	Sep-21	Sep-22	Difference kWh 21 vs 22	Difference % 21 vs 22	Potential Rationale
Barbican Arts Centre	17,643,695	13,009,509	15,679,147	2,669,638	21%	Increased occupancy suspected. Still lower than Baseline year
GSMD - Milton Court	3,481,745	3,006,343	4,608,607	1,602,264	53%	Increased occupancy suspected, still lower than baseline year
City of London Freeman's School	4,725,165	3,904,391	4,976,234	1,071,842	27%	Philip House was unoccupied during B/L year. Emphasis on increased ventilation
London Central Market (Smithfield)	15,380,518	9,975,333	10,716,873	741,540	7%	Increased occupancy suspected. Still significantly less than Baseline year
New Street (21)	1,662,171	1,550,393	2,260,912	710,519	46%	Refurbishment from 2017 to 2019 would account for the lower consumption. Late 2021 has seen an increase in occupancy from approximately 30% to 70% due to recruitment drive

## 3.CO<sub>2e</sub> targets for City of London Corporation

City of London (own operations)	Units	Scope	2018	2019	2020	2021	2022	2023	2024	2025	2026	2030	2035	2040
Corporate Properties and Landlord Area	ktCO <sub>2e</sub>	Scope 1 & 2	36.4	33.9	30.4	24.4	22.8	19.4	18.1	17.0	14.85	7.2	4.5	3.1
Carbon Removals and Land Management (Scope 1)	ktCO <sub>2e</sub>	Scope 1	-16.2	-16.2	-16.2	-16.2	-16.2	-16.2	-16.2	-16.2	-17.64	-17.6	-17.6	-17.6
<b>Total net zero emissions</b>	<b>ktCO<sub>2e</sub></b>	<b>Scope 1 &amp; 2</b>	<b>20.2</b>	<b>17.7</b>	<b>14.2</b>	<b>8.19</b>	<b>6.54</b>	<b>3.18</b>	<b>1.83</b>	<b>0.76</b>	<b>-2.79</b>	<b>-10.5</b>	<b>-13.1</b>	<b>-14.6</b>
Net (negative removed)	ktCO <sub>2e</sub>	Scope 1 & 2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	17.6			
% reduction against baseline year	%	Scope 1 & 2	0%	-7%	-16%	-33%	-37%	-47%	-50%	-53%	-59%			
Target amount to reduce in period	ktCO <sub>2e</sub>	Scope 1 & 2					13.6		4.7		3.2			
% of target to deliver in that period	%	Scope 1 & 2					63%		22%		15%			
Total target amount to reduce	ktCO <sub>2e</sub>	Scope 1 & 2									21.5	To be reduced by 2026/7		

## 4. PSDS Project update

The Guildhall ventilation project is mostly complete with final installations taking place in November to reduce the risk to maintaining internal space conditions to protect the artwork and manuscripts.

## 5. List of key sites in an energy performance partnership with Vital Energi

Guildhall Complex	City of London School	London Metropolitan Archives
Barbican Arts Centre	City of London School for Girls	Tower Hill Car Park
London Central Market (Smithfield)	Walbrook Wharf Cleansing Depot	GSMD – Sundial Ct
Central Criminal Court	Tower Bridge	
New Spitalfields Market	GSMD - Milton Court	
City of London Freeman's School	Mansion House	



High Level Assessments of all the above sites have been completed, with further surveying in progress for the remainder. Projects are now being selected for investment grade proposals with initial work on this well underway. These projects will be presented for gateway approval and are not affected by the review of the capital programme. Projects under consideration will include (but not be limited to):

- Energy efficient lighting and controls
- Improvements to HVAC systems
- Optimisation and improvement of BMS controls
- Hydraulic and pumping optimisation
- Low carbon heating
- Renewables
- Fabric measures and draught proofing

## 6. Cumulative Forecast Carbon Savings

		Carbon Savings - Cumulative (tCO <sub>2</sub> e/yr)								
		Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
PSDS	Gas	0	0	0	0	358	357	355	354	353
	Elec	0	0	0	0	595	622	579	585	548
	Citigen Heat	0	0	0	0	93	88	83	78	73
	Citigen Coolth	0	0	0	0	88	92	85	86	81
Phase 1 & 2	Gas	0	0	0	0	7	7	7	7	7
	Elec	0	0	0	0	93	97	91	91	86
	Citigen Heat	0	0	0	0	18	17	17	16	15
	Citigen Coolth	0	0	0	0	4	5	4	4	4
Energy Saving Loan scheme	Elec	23	21	19	15	14	14	13	13	12
GHC Chillers	Elec	0	0	0	0	0	179	166	168	157
Operational management	Gas	0	348	347	349	365	387	409	431	453
	Elec	14	355	351	277	290	348	367	413	427
	Citigen Heat	0	0	120	71	86	104	119	132	143
	Citigen Coolth	0	14	362	278	271	301	297	316	312
CAS	Gas				0	153	598	885	1,170	1,451
	Elec				0	356	1,192	1,527	1,963	2,233
	Citigen Heat				0	50	188	266	334	392
	Citigen Coolth				0	38	145	196	259	300
<b>Total</b>		<b>37</b>	<b>738</b>	<b>1,200</b>	<b>991</b>	<b>2,879</b>	<b>4,740</b>	<b>5,467</b>	<b>6,421</b>	<b>7,045</b>

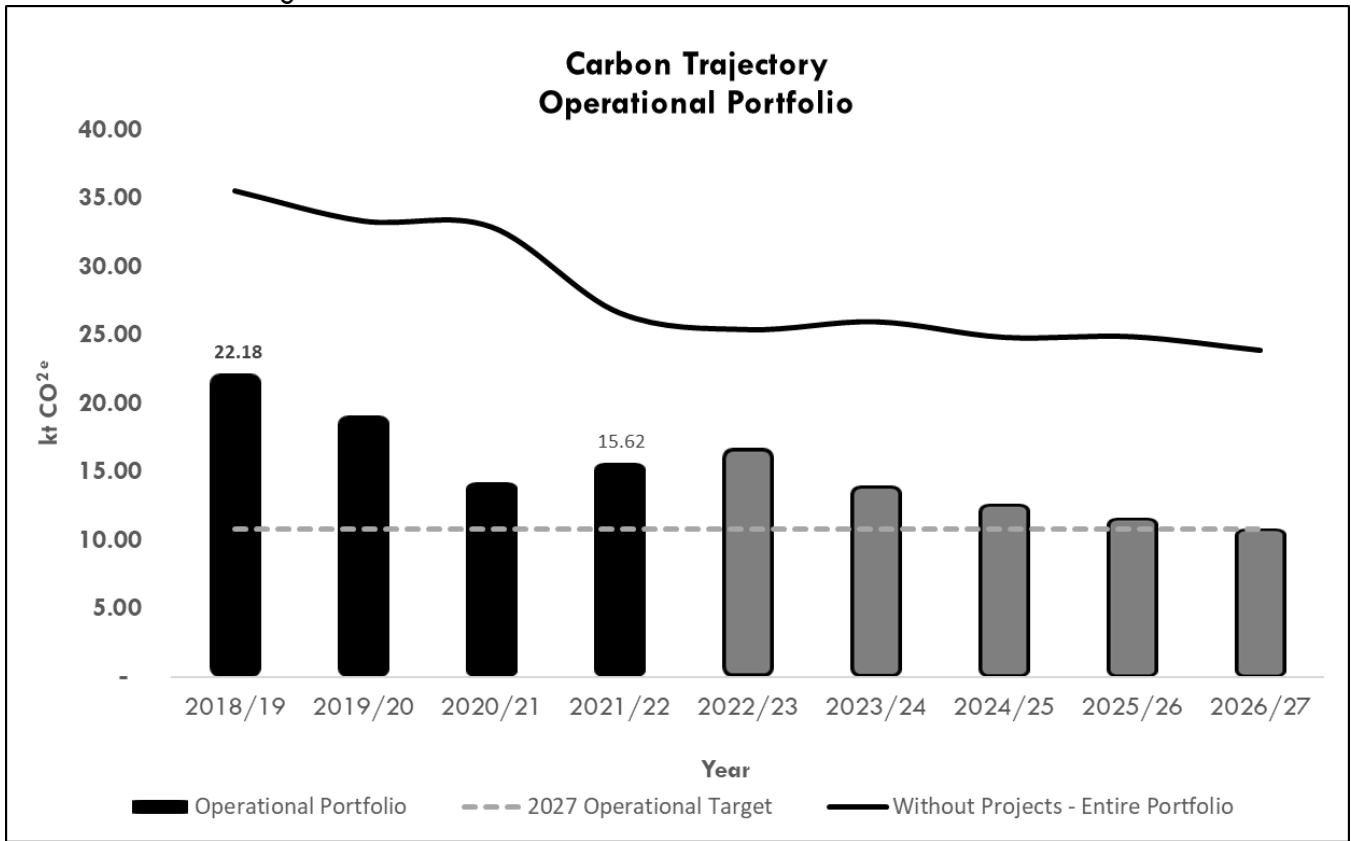
## 7. Tenant consumption

Note: This table has been newly created due to feedback from stakeholders requesting information about tenant and landlord consumption.

		April - June 2021	July - Sept 2021	Oct - Dec 2021	Jan - March 2022	Total 21/22	April - June 2022	July - Sept 2022
Tenant Consumption figures (kWh)		Q1	Q2	Q3			Q1	Q2
Electricity	Billingsgate Market	31,845	373,310	303,367	768,811	1,477,333	362,744	374,611
Gas	Billingsgate Market	202,690	50,789	190,709	65,883	510,071	129,255	29,220
Electricity	London Central Market (Smithfield)	1,193,433	1,777,086	1,340,800	1,288,375	5,599,694	1,732,696	878,211
Electricity	New Spitalfields Market (Landlords)	1,262,768	1,507,878	1,177,265	1,031,986	4,979,897	1,234,481	1,779,709
Electricity	Walbrook Wharf	20,110	28,023	29,760	23,641	101,534	23,912	23,869

## 8. Operational properties only

The black bars represent operational portfolio carbon. The grey bars represent projected carbon. The black line shows actual carbon and projected carbon for the City's entire portfolio, including operational, investment and housing.



<b>Committees:</b> Streets and Walkways <i>[for decision]</i> Operational Property and Project Sub <i>[for information]</i>	<b>Dates:</b> 8 November 2022 14 December 2022
<b>Subject:</b> Beech Street Transportation and Public Realm project <i>(Phase 1 – Zero Emission Scheme)</i>	<b>Gateway 5</b> Complex  <b>Issue Report</b>
<b>Unique Project Identifier: 10847</b>	<b>For Decision</b>
<b>Report of:</b> Executive Director Environment  <b>Report Author:</b> Kristian Turner – Policy and Projects, City Operations	
<h1 style="margin: 0;">PUBLIC</h1>	

<b>1. Status update</b>	<p><b>Background:</b></p> <ol style="list-style-type: none"> <li>1. In September 2022, Members considered a report for proceeding with the public consultation for the Beech Street zero emission scheme (see previous report in background information) and provided an update on the negotiations with the London Borough of (LB) Islington on these proposals.</li> <li>2. The report recommended consulting on Option 1 which contained 3 sub-options:                         <ul style="list-style-type: none"> <li>• 1a would close the Golden Lane/Beech Street junction to all motorised traffic</li> <li>• 1b would close the Golden Lane/Beech Street junction to all motorised traffic except zero emission vehicles</li> <li>• 1c allowed the Golden Lane/Beech Street junction to remain open to all south bound vehicles.</li> </ul> </li> <li>3. Officers provided a verbal update at the Streets and Walkways sub-committee meeting that the LB Islington had indicated that they did not support consultation on sub-options 1a and 1b proceeding.</li> <li>4. Streets and Walkways Sub Committee approved Option 1 overall, as recommended, with a four-week timetable for finalising the position on 1a and 1b with the LB Islington.</li> <li>5. If no support from LB of Islington was forthcoming for sub-option 1a or 1b, then a decision would be taken outside the normal committee cycle around sub-option 1c.</li> </ol>
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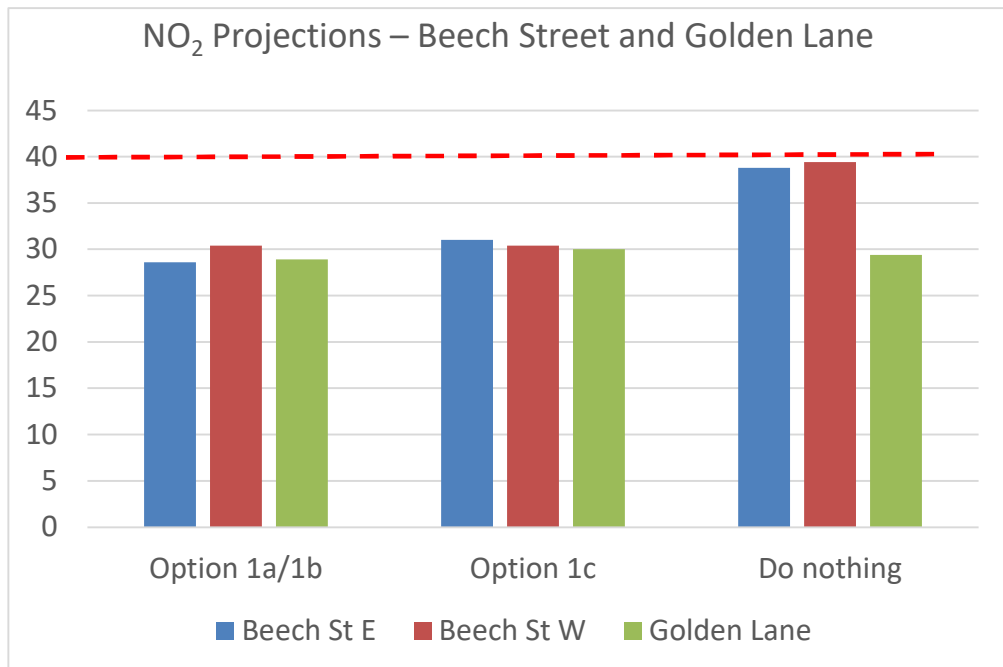
	<p>6. The response from the LB Islington confirmed their previous stance on options 1a and 1b. The report is to be considered by committee rather than follow a delegated route as there was not a significant time difference in preparing the report for consideration in public or by delegation. This way the decision making remains in the public arena.</p> <p><b>This report:</b></p> <p>7. The purpose of this report is to:</p> <ul style="list-style-type: none"> <li>• Update Members on the LB Islington’s finalised position</li> <li>• Seek Member approval to consult on Option 1c as the amended (permanent) zero emission scheme</li> </ul> <p><b>RAG Status: AMBER</b> (Amber at last report to Committee)</p> <p><b>Risk Status: Medium</b> (Medium at last report to Committee)</p> <p><b>Total Estimated Cost of Project (excluding risk):</b> ~ £12M-15M (<i>for Phase 1 and 2, see main report</i>)</p> <p><b>Spend to Date:</b> £1,907,951 (of a total project budget of £2,285,062 for Phase 1)</p> <p><b>Slippage:</b> ~ 12-18 months</p> <p><b>Funding Source:</b> Community Infrastructure Levy (CIL)/OSPR</p> <p><b>Costed Risk Provision Utilised:</b> none to date</p>
<p>2. .</p>	<p><b>Requested Decisions:</b></p> <p>Members of the <b>Streets and Walkways sub-committee</b> - are asked to choose from the following two options to progress the project:</p> <ol style="list-style-type: none"> <li>1) <b>That Option 1c</b> proceeds to public consultation for a zero emission scheme on Beech Street that keeps the Golden Lane / Beech Street junction open to <u>all southbound</u> vehicles. (Note that the left turn from Beech Street into Golden Lane would only be available to zero emission vehicles). <b>Recommended</b></li> <li>2) <b>Option 2</b> would be to close the interim project and only progress with a longer-term area wide approach to managing traffic, improving the public realm and addressing air quality across the Barbican, Golden Lane and Bunhill areas in partnership with LB of Islington.</li> </ol> <p>Members of <b>Operational Property and Projects Sub-committee</b> are asked to note the contents of this report.</p>

<p><b>3. Budget</b></p>	<p><b>Option Costs</b></p> <p><b>Option 1c</b></p> <p>8. The overall budget allocation is estimated to be sufficient to develop and deliver the next steps of consultation, engagement and analysis to reach the next project milestone. At this stage it is estimated that a decision report setting out the public consultation findings would be submitted in March 2023. This would include whether to proceed with making Option 1C permanent or not. The budget, along with a costed risk register, will be re-assessed in advance of the March report.</p> <p><b>Option 2</b></p> <p>9. The current budget is sufficient to close the project. A Gateway 6 Report would identify any project underspend, currently in the region of £300k.</p> <p>10. The development of the Healthy Streets Plan for the Barbican and Golden Lane area is funded separately. The delivery of any projects emerging from this plan are currently unfunded and would be subject to availability of capital funding through a future annual capital bid.</p>
<p><b>4. Issue description</b></p>	<p><b>Update on consultation options</b></p> <p>11. The LB Islington have responded in writing about the consultation options for Beech Street and surrounding streets. In summary LB Islington have stated that they:</p> <ul style="list-style-type: none"> <li>• Support consulting the public on Option 1c ONLY, which keeps Golden Lane open at the junction with Beech Street to all southbound vehicles.</li> <li>• Do not support consulting on Option 1a and 1b (which would require installing a right-hand turn ban at the Fortune Street / Whitecross Street junction, which is LB Islington’s highway).</li> <li>• Are fully committed to working with the City on a joint, area wide approach, where both authorities share many strategic objectives, such as improving air quality, reducing road danger and alleviating traffic congestion, and wish to progress this as soon as possible.</li> </ul> <p>12. Since the September Committee, officers have continued to meet with LB Islington and formed an officer working group. This group is progressing the approach and content for the Beech Street project and the wider area project public consultation and engagement exercise.</p>
<p><b>5. Options</b></p>	<p><b>Option 1c – Zero emission scheme with Golden Lane / Beech Street junction open to all traffic</b></p> <p>12. Under this Option, the design of the zero-emission street would prevent Beech Street being used by non-zero emission “through</p>

traffic” but allow all vehicles to use the Beech Street eastbound carriageway between Golden Lane and Silk Street. Any vehicle travelling south on Golden Lane would be able to turn left onto Beech Street.

13. Air quality modelling for Option 1c has been undertaken. Compared to the “do nothing” option, the modelling indicates that Option 1c would:

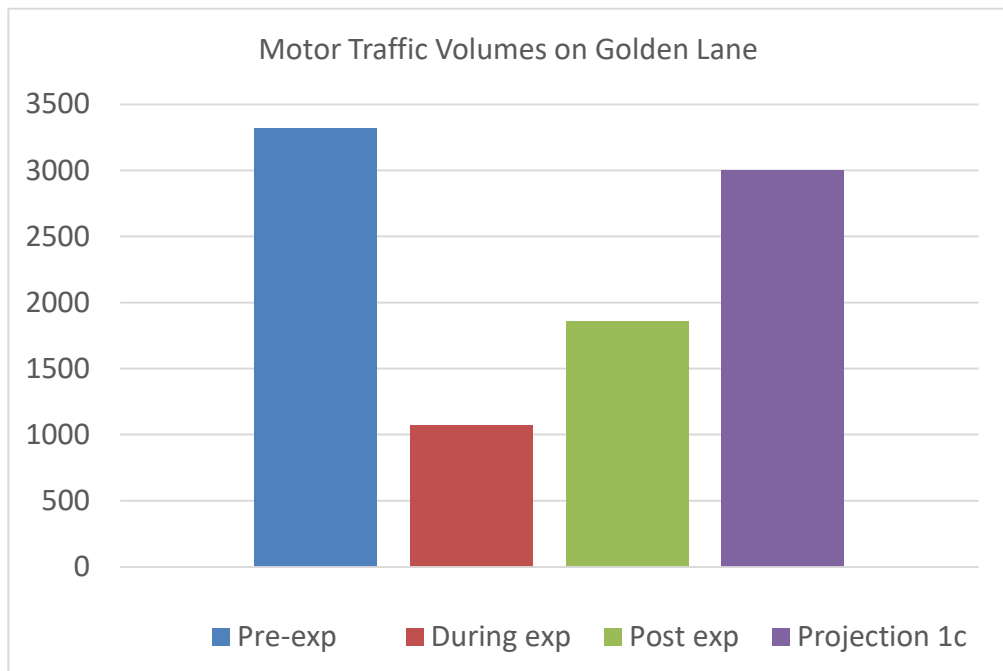
- reduce NO<sub>2</sub> on Beech Street (at the AQ monitor western end) from 39.4 µg /m<sup>3</sup> to 30.4 µg/m<sup>3</sup>
- reduce NO<sub>2</sub> on Beech Street between Golden Lane and the eastern entrance to Beech Street from 38.8 µg /m<sup>3</sup> to 31 µg/m<sup>3</sup>
- marginally increase in NO<sub>2</sub> on Golden Lane from 29.4 µg /m<sup>3</sup> to 30 µg /m<sup>3</sup>



14. As can be seen from the above diagram, whilst Option 1a/1b offers the best air quality results, Option 1c is only marginally worse and still much improved on the “do nothing” option. The additional traffic that would be able to use the eastern end of Beech Street, coming from Golden Lane would have a minimal effect on air quality in Beech Street.

15. Based on the data we have and adjusting pre-scheme traffic counts to account for general lower traffic trends post pandemic, it is broadly estimated that traffic on Golden Lane would increase from current traffic volumes (~1,800 veh/day) to be in the region of ~3,000 veh/day. This is less than pre-scheme levels of ~3,300 veh/day.

16. This estimate is based on general traffic in the City remaining at 80% of pre-pandemic levels and assumes that most of the traffic that turns left from Aldersgate Street into Beech Street will reassign to Old Street→Golden Lane→Beech Street.



17. The levels of traffic on Golden Lane projected under the option 1c scenario is acceptable in traffic management terms, noting the various school entrances on Golden Lane and Whitecross Street.

18. It is recommended that we proceed with consulting on Option 1C only, it would make an overall improvement to air quality compared to the do-nothing option. The public consultation exercise will give the opportunity for comments to be received and a thorough understanding of the view of the local area impacted, both within the City and within LB Islington.

19. Engagement to seek views on the longer-term area wide approach to managing traffic, improving the public realm and addressing air quality across the Barbican, Golden Lane and Bunhill areas, in partnership with LB Islington will be carried out in parallel with the Beech Street consultation.

**Option 2 – Close the interim project, focus on area wide initiative**

20. Under this option, the interim project (phase 1) to address air quality would be closed and instead proceed with only the longer-term area wide approach to managing traffic, improving the public realm and addressing air quality across the Barbican, Golden Lane and Bunhill areas, in partnership with LB Islington (subject to funding).

	<p>21. In the interim and as previously reported, NO<sub>2</sub> levels on Beech Street would, in all probability, remain high. If traffic volumes increased further, NO<sub>2</sub> may go above the legal limits of 40 µg /m<sup>3</sup></p> <p><b>Next steps</b></p> <p>22. An online consultation portal featuring details of the proposals and consultation questions has been prepared both for Beech Street and a parallel one set up for the area wide engagement. It is the intention that both the consultation and the engagement will launch at the same time. The Beech Street consultation will run for six weeks, the consultation period will be extended by two weeks if it overlaps with the Christmas period. The engagement on the area wide scheme will run for three months.</p> <p>23. The engagement on the area wide scheme, the Bunhill, Barbican and Golden Lane Healthy Neighbourhood, is an on-line platform featuring an interactive map which allows people to select any location to highlight any issues or opportunities they wish to make known. This information will be used to develop a plan for the area with individual projects to emerge from this exercise.</p> <p>24. Consultation materials such as letters, flyers and on-street posters have been designed and are going through LB Islington's approval's process. Dates for public drop-in sessions staffed by officers from both authorities are being arranged.</p> <p>25. If Option 1 of the recommendations is approved, the next steps are to:</p> <ul style="list-style-type: none"> <li>• Amend the consultation portal for Beech Street to remove Options 1a/1b and clearly set out the reasoning why the option being consulted on differs from the previous experiment.</li> <li>• Finalise the public consultation documents with LB Islington</li> <li>• Undertake the public consultation exercise</li> <li>• Review and update the Equalities Assessment</li> <li>• Analyse the public consultation results</li> <li>• Prepare a decision report for March 2023 to report the public consultation findings and to decide whether to proceed with the scheme to implementation</li> </ul>
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**Background paper**

[G5 Issues Report September 2022](#)

**Appendices**

<b>Appendix 1</b>	Project Coversheet
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## **Contact**

<b>Report Author</b>	Kristian Turner
<b>Email Address</b>	<a href="mailto:kristian.turner@cityoflondon.gov.uk">kristian.turner@cityoflondon.gov.uk</a>

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# Project Coversheet

<b>[1] Ownership &amp; Status</b>
<p><b>Unique Project Identifier:</b> 10847  <b>Core Project Name:</b> Beech Street Transport and Public Realm Improvements  <b>Programme Affiliation</b> (if applicable): Beech Street Transformation  <b>Project Manager:</b> Kristian Turner  <b>Definition of need:</b> Public Health.</p> <p><b>Key measures of success:</b></p> <ol style="list-style-type: none"> <li>1) Reduction in through traffic along Beech Street</li> <li>2) Air quality improvements (reduction in NO<sub>2</sub>)</li> <li>3) Vast improvement to quality of the public realm</li> </ol> <p><b>Expected timeframe for the project delivery:</b>  Original timelines:  Gateway 5 – Authority to Start Work – December 2019  Completion – spring 2023</p> <p><b>Key Milestones:</b>  G345 – December 2019  Experiment start – March 2020  Experiment end – Sept 2021  Public consultation – Oct 2022  Decision report – Jan 2023</p> <p><b>Are we on track for completing the project against the expected timeframe for project delivery?</b> N – The project timelines have slipped and the decision has been taken to consult with the public on the project.</p> <p><b>Has this project generated public or media impact and response which the City of London has needed to manage or is managing?</b>  Y – the project has been in the media and has a profile for the Corporation.</p>

<b>[2] Finance and Costed Risk</b>		
<p><b>Headline Financial, Scope and Design Changes:</b></p> <table border="1" style="width: 100%;"> <tr> <td> <p><b>Since G1/2 report:</b></p> <ul style="list-style-type: none"> <li>• Total Estimated Cost (excluding risk): £120,525</li> <li>• Costed Risk Against the Project: 0</li> </ul> <p><i>Scope/Design Change and Impact: Additional scope, including extensive traffic modelling</i></p> </td> </tr> <tr> <td> <p><b>Since G3 issues report (PSC Approval 22/03/19):</b></p> <ul style="list-style-type: none"> <li>• Total Estimated Cost (excluding risk): £12M–£15M</li> <li>• Resources to reach next Gateway (excluding risk)</li> <li>• Spend to date: £585, 217</li> </ul> </td> </tr> </table>	<p><b>Since G1/2 report:</b></p> <ul style="list-style-type: none"> <li>• Total Estimated Cost (excluding risk): £120,525</li> <li>• Costed Risk Against the Project: 0</li> </ul> <p><i>Scope/Design Change and Impact: Additional scope, including extensive traffic modelling</i></p>	<p><b>Since G3 issues report (PSC Approval 22/03/19):</b></p> <ul style="list-style-type: none"> <li>• Total Estimated Cost (excluding risk): £12M–£15M</li> <li>• Resources to reach next Gateway (excluding risk)</li> <li>• Spend to date: £585, 217</li> </ul>
<p><b>Since G1/2 report:</b></p> <ul style="list-style-type: none"> <li>• Total Estimated Cost (excluding risk): £120,525</li> <li>• Costed Risk Against the Project: 0</li> </ul> <p><i>Scope/Design Change and Impact: Additional scope, including extensive traffic modelling</i></p>		
<p><b>Since G3 issues report (PSC Approval 22/03/19):</b></p> <ul style="list-style-type: none"> <li>• Total Estimated Cost (excluding risk): £12M–£15M</li> <li>• Resources to reach next Gateway (excluding risk)</li> <li>• Spend to date: £585, 217</li> </ul>		

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<ul style="list-style-type: none"> <li>• Costed Risk Against the Project: 0</li> <li>• CRP Requested: £125,000</li> <li>• CRP Drawn Down: 0</li> </ul> <p><i>Scope/Design Change and Impact: Request to increase project scope to investigate feasibility of a two-way closure.</i></p>
<p><b>‘Options Appraisal and Design and Authority to Start work’ G3-4-5 report (as approved by PSC 16/01/2020):</b></p> <ul style="list-style-type: none"> <li>• Total Estimated Cost (excluding risk): Phase 1 £1,745,362, overall £12-15m</li> <li>• Resources to reach next Gateway (excluding risk) £1,160,145</li> <li>• Spend to date: £585,217</li> <li>• Costed Risk Against the Project: £125,000</li> <li>• CRP Drawn Down: None</li> <li>• Estimated Programme Dates: March 2020 – end of 2022 (for Phase 1)</li> </ul> <p><i>Scope/Design Change and Impact: Authority to proceed with ZES implemented in March 2020</i></p>
<p><b>‘G5 issues report (as approved by PSC 21/10/2020):</b></p> <ul style="list-style-type: none"> <li>• Total Estimated Cost (excluding risk): £12-15m, increase in project budget of £380K</li> <li>• Resources to reach next Gateway (excluding risk) N/A</li> <li>• Spend to date: £1,425,333</li> <li>• Costed Risk Against the Project: £260,000</li> <li>• CRP Drawn Down: None</li> <li>• Estimated Programme Dates: March 2020 – end of 2022 (for Phase 1)</li> </ul> <p><i>Scope/Design Change and Impact: Approve increase in budget for staff costs and an increased CRP provision, note impact of judicial review, approve minor changes to design</i></p>
<p><b>‘G5 issues report (as approved by PSC 18/02/2021):</b></p> <ul style="list-style-type: none"> <li>• Total Estimated Cost (excluding risk): £12-15m,</li> <li>• Spend to date: £1,494,855</li> <li>• Costed Risk Against the Project: £260,000</li> <li>• CRP Drawn Down: None</li> <li>• Estimated Programme Dates: March 2020 – end of 2022 (for Phase 1)</li> </ul> <p><i>Scope/Design Change and Impact: Approve continuation of traffic experiment (with consideration given to impact of the pandemic)</i></p>
<p><b>G5 issues report (as approved by PSC 15/12/2021):</b></p> <ul style="list-style-type: none"> <li>• Total Estimated Cost (excluding risk): £12-15m,</li> <li>• Spend to date: £1,806,366</li> <li>• Costed Risk Against the Project: £260,000</li> </ul>

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- *CRP Drawn Down: None*
- *Estimated Programme Dates: March 2020 – end of 2022 (for Phase 1)*

*Scope/Design Change and Impact: Approval to move towards public consultation after conclusion of the experiment*

**Total anticipated on-going commitment post-delivery [£]:N/A**  
**Programme Affiliation [£]:N/A**

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