



Corporate Asset Sub (Finance) Committee

Date: MONDAY, 22 MAY 2017
Time: 1.45 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Nicholas Bensted-Smith (Chairman)
Dominic Christian (Deputy Chairman)
Randall Anderson
Mark Bostock
Henry Colthurst
Karina Dostalova
Michael Hudson
Deputy Edward Lord
Deputy Jamie Ingham Clark
Jeremy Mayhew
Deputy John Tomlinson
Deputy Philip Woodhouse

Together with three Members of the Property Investment Board, to be appointed on 24 May 2016

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Lunch will be served in Guildhall Club at 1PM
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **DECLARATIONS BY MEMBERS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**
To agree the public minutes and summary of the meeting held on 10 February 2017.

For Decision
(Pages 1 - 8)
4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**
Report of the Town Clerk.

For Information
(Pages 9 - 10)
5. **WORK PROGRAMME FOR FUTURE MEETINGS**
Joint report of the Town Clerk and City Surveyor.

For Information
(Pages 11 - 12)
6. **ANNUAL ENERGY PERFORMANCE UPDATE (2016/17)**
Report of the City Surveyor.

For Information
(Pages 13 - 16)
7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
9. **EXCLUSION OF THE PUBLIC**
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Part 2 - Non-Public Agenda

10. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 10 February 2017.

For Decision
(Pages 17 - 24)

11. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
Report of the Town Clerk.
For Information
(Pages 25 - 26)
12. **CITY SURVEYOR'S DEPARTMENT BUSINESS PLAN 2017-2020**
Report of the City Surveyor.
For Decision
(Pages 27 - 54)
13. **CORPORATE PROPERTY ASSET MANAGEMENT STRATEGY - PROPOSAL FOR AN INTERIM STRATEGY 2017-18**
Report of the City Surveyor.
For Decision
(Pages 55 - 64)
14. **OPERATIONAL PROPERTY REVIEW - INCENTIVISATION REVIEW**
Report of the Chamberlain and City Surveyor.
For Decision
(Pages 65 - 82)
15. **OPERATIONAL PROPERTY REVIEW - PROGRESS REPORT**
Report of the City Surveyor.
For Decision
(Pages 83 - 92)
16. **SERVICE BASED REVIEW - STRATEGIC ASSET MANAGEMENT FACILITIES MANAGEMENT REVIEW UPDATE**
Joint report of the Town Clerk, City Surveyor and Chamberlain.
For Information
(Pages 93 - 98)
17. **SECURITY ENHANCEMENTS/SECURITY CROSS CUTTING - GUILDHALL COMPLEX - GATEWAY 3/4 OPTIONS APPRAISAL (COMPLEX)**
Report of the City Surveyor.
For Information
(Pages 99 - 106)
18. **POLICE ACCOMMODATION STRATEGY: GENERAL UPDATE REPORT**
Joint report of the City Surveyor, Chamberlain and Commissioner of the City of London Police
For Information
(Pages 107 - 114)
19. **BEECH STREET - PROPERTY USAGE**
Joint report of the Town Clerk, City Surveyor and Managing Director, Barbican Centre.
For Information
(Pages 115 - 120)

20. **CITIGEN PERFORMANCE MANAGEMENT BOARD - PROPOSED ELECTED MEMBER REPRESENTATIVE**
Joint report of the Chamberlain and City Surveyor.
For Decision
(Pages 121 - 124)
21. **SECOND FLOOR WALBROOK WHARF UTILISATION REPORT**
Report of the City Surveyor.
For Decision
(Pages 125 - 128)
22. **DISPOSAL - RABBITS ROAD BRIDGE PLOT, RABBITS ROAD, NEWHAM, LONDON, E12 5DQ (CITY FUND)**
Report of the City Surveyor.
For Decision
(Pages 129 - 132)
23. **ST LAWRENCE JEWRY CHURCH - GATEWAY 3/4 OPTIONS APPRAISAL (REGULAR)**
Report of the City Surveyor.
For Decision
(Pages 133 - 148)
24. **GUILDHALL GREAT HALL STONEMWORK DEFECT - GATEWAY 3/4/5 - OPTIONS APPRAISAL (REGULAR)**
Report of the City Surveyor.
For Decision
(Pages 149 - 154)
25. **ADDITIONAL REPAIRS AND MAINTENANCE PROGRAMMES - PROGRESS REPORT**
Report of the City Surveyor.
For Decision
(Pages 155 - 160)
26. **BARBICAN CENTRE - UPDATE ON CAPITAL WORKS**
Report of the Managing Director, Barbican Centre.
For Information
(Pages 161 - 166)
27. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
28. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

Part 3 - Members Only Agenda

29. **MEMBERS ONLY MINUTES**
To approve the Members' Only minutes of the meeting held on 10 February 2017.
For Decision

CORPORATE ASSET SUB (FINANCE) COMMITTEE

Friday, 10 February 2017

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at the Guildhall EC2 at 11.30 am

Present

Members:

Nicholas Bensted-Smith (Chairman)	Edward Lord
Deputy Brian Harris (Deputy Chairman)	Jeremy Mayhew
Randall Anderson	Deputy John Tomlinson
Chris Boden	

Officers:

Christopher Braithwaite	-	Town Clerk's Department
Neil Davies	-	Town Clerk's Department
John Galvin	-	Town Clerk's Department
Richard Horner	-	Town Clerk's Department
Kate Smith	-	Town Clerk's Department
Andrew Little	-	Chamberlain's Department
Dianne Merrifield	-	Chamberlain's Department
Paul Nagle	-	Chamberlain's Department
Paul Wilkinson	-	City Surveyor
Peter Collinson	-	City Surveyor's Department
Paul Friend	-	City Surveyor's Department
Richard Litherland	-	City Surveyor's Department
Dorian Price	-	City Surveyor's Department
Mansi Sehgal	-	City Surveyor's Department
Will Wright	-	City Surveyor's Department
Peter Young	-	City Surveyor's Department
Alan Bennetts	-	Comptroller and City Solicitor's Department
Sue Ireland	-	Director of Open Spaces
Jonathan Poyner	-	Barbican Centre
Jim Turner	-	Barbican Centre

1. APOLOGIES

Apologies were received from Alderman Alison Gowman.

2. DECLARATIONS BY MEMBERS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

No declarations of interest were made.

3. **MINUTES**

RESOLVED – That the public minutes and non-public summary of the previous meeting held on 18 November 2016 are approved as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

The Sub-Committee considered a report of the Town Clerk which provided information of outstanding actions from previous meetings.

In relation to item 1 within the list of outstanding actions, the City Surveyor confirmed that the lift contractor was unable to provide a live link to the Corporation's Website. However, he explained that the Corporation was working with Thames Valley Controls (TVC), who monitored the City's lifts, to determine whether it would be possible to provide live information of lift outages on the Corporation's website. The City Surveyor explained that such information was provided by the Department of the Built Environment for road closures, so it may be possible for that page of the website to also include information about lift outages. He explained that the feasibility of this was still being explored, and he hoped that a further update could be given at the Sub-Committee's May 2017 meeting.

RESOLVED – That the Sub-Committee notes the report.

5. **WORK PROGRAMME FOR FUTURE MEETINGS**

The Sub-Committee considered a joint report of the Town Clerk and City Surveyor which provided information of the Work Programme for future meetings.

RESOLVED – That the Sub-Committee notes the report.

6. **STANDING ORDER 55 (EFFICIENT AND EFFECTIVE USE OF OPERATIONAL PROPERTY ASSETS)**

The Sub-Committee considered a report of the Town Clerk which provided information of Standing Order 55 (which requires Committees to consider the efficient and effective use of operational property assets) and how effective the integration of a mandatory element within business plans had been in identifying assets that were surplus to requirements.

The Sub-Committee noted that this process had not been entirely successful, although it had been seriously explored by some of the Departments. Members were extremely concerned that no operational property assets were identified as surplus through this process. Members agreed that they would expect to see operational property assets being released through the embedding of this process within the business planning process for this and future years.

The City Surveyor explained that Standing Order 55 had been effective in ending some poor facilities management practices, but was yet to deliver the assets which had been hoped for. He explained that Departments did not always possess the skills to understand and assess their space and asset use, but the City Surveyor's Department was able to assist in this.

Members commented that, at their previous meeting, they had discussed options to incentivise Departments to declare assets as surplus when they were no longer required for the Department's operations. The Chairman explained that officers were preparing a report regarding the possible incentives which could be put in place to encourage the efficient use of operational property assets throughout the organisation, and to ensure that Departments were more proactive in declaring operational assets as surplus.

The Chairman explained that this issue was due to be discussed by the Summit Group in February 2017, and a report would be submitted to the Corporate Asset Sub-Committee in May 2017. Members commented that charging imputed rent to Departments for the use of operational property should be one of the options which was explored within this report. The Chairman confirmed that imputed rent would be one of the options.

RESOLVED – That the Sub-Committee notes the report and the proposals to improve departmental interaction through a revised business planning process.

7. **THIRD PARTY AGREEMENTS - OPERATIONAL PROPERTY PORTFOLIO**
The Sub-Committee considered a report of the City Surveyor which provided an overview of third party agreements across the operational property portfolio, to give Members a broad understanding of the type and nature of such agreements.

The City Surveyor explained that further detail on this matter would be provided to the Sub-Committee at its May 2017 meeting.

RESOLVED – That the Sub-Committee notes the report.

8. **ACCOMMODATION AND WAYS OF WORKING - ISSUE REPORT (GATEWAY 2)**
The Sub-Committee considered a report of the Comptroller and City Solicitor which provided information of a re-focusing of the Accommodation and Ways of Working Project.

The City Surveyor explained that the key reason for the delay to the project was to ensure that the IT Infrastructure was able to support the project. He explained that the preparatory work thus far in the project had been useful and work provide ongoing value to the organisation.

RESOLVED – That the Sub-Committee notes the report.

9. **HERITAGE AT RISK REGISTER REPORT 2016**
The Committee considered a report of the City Surveyor which explains the circumstances and issues for each of the City Corporation's heritage assets which were listed within the Heritage At Risk Register and set out the plans of action implemented to eventually remove those that the City wholly or partly owns from the HARR.

RESOLVED – That the Committee notes the report.

10. **GUILDHALL GREAT HALL STONERWORK DEFECT - GATEWAY 2 PROJECT PROPOSAL**

The Sub-Committee considered a report of the City Surveyor which proposed a Project to access the west gable pinnacle of the Guildhall, by specialist scaffolding, and undertake any necessary repairs to prevent falling masonry.

RESOLVED – That the Sub-Committee notes the report.

11. **QUARTER 3 ENERGY PERFORMANCE REPORT (2016/17)**

The Sub-Committee considered a report of the City Surveyor which provided a performance update on energy reduction targets set out in the Carbon Descent Plan 2015 (CDP-15), covering the nine-month period from April to December 2016. The report indicated that there had been an overall energy consumption increase of 0.8% (absolute performance) compared to the same period in 2015/16.

A Member commented that it would be beneficial for future targets to be focused around energy consumption efficiency, rather than solely consumption. The City Surveyor agreed that this should be a KPI.

A Member asked that the Sub-Committee be provided with an update regarding progress in implementing the recommendations of the AECOM review, which were set out within the report., The City Surveyor agreed that an update on progress with these recommendations could be provided to the Committee at its May 2017 meeting.

RESOLVED – That the Sub-Committee notes the report.

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

There were no questions.

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

There were no urgent items.

14. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

Item No.	Paragraphs in Schedule 12A
15-34	3

15. **NON-PUBLIC MINUTES**

The non-public minutes of the previous meeting held on 18 November 2016 were approved as an accurate record.

16. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**

The Sub-Committee noted a report of the Town Clerk which provided information of outstanding actions from previous meetings.

17. **CITY SURVEYOR'S DEPARTMENT BUSINESS PLAN 2016-19 - PROGRESS - QUARTER 3 2016/17**

The Sub-Committee noted a report of the City Surveyor which provided details of progress in Quarter 3 2016/17 against the 2016-19 City Surveyor's Departmental Business Plan.

18. **THE CITY SURVEYOR'S DEPARTMENT - DRAFT HIGH LEVEL BUSINESS PLAN 2017/18**

The Sub-Committee noted a report of the City Surveyor which provided a draft high-level City Surveyor's Departmental Business plan for review and feedback, before the Common Council elections in March 2017. The report explained that the final version of both the high-level Business plan and detailed Business plan would be presented to the Sub-Committee for approval after the elections.

19. **CITY SURVEYOR'S DEPARTMENTAL QUARTERLY RISK REGISTER UPDATE**

The Sub-Committee noted a report of the City Surveyor which provided a quarterly update on the management of high level risks within the City Surveyor's Department.

20. **GUILDHALL COMPLEX FUNDING**

The Sub-Committee noted a report of the City Surveyor which highlighted the 2015/16 Guildhall complex budgetary overspend of £707k, with anticipated projected overspend of £372k for 2016/17.

21. **SURPLUS LODGES IN THE NORTH LONDON OPEN SPACES TO BE DECLARED SURPLUS TO THE CITY CORPORATION REQUIREMENTS**

The Sub-Committee considered and approved a report of the City Surveyor which identified City's Cash properties within the North London Open Spaces which had been identified as surplus to the operational requirements of the Open Spaces Department.

22. **OPERATIONAL PROPERTY PORTFOLIO: CAPITAL PROJECTS 2016/17**

The Sub-Committee noted a report of the City Surveyor which provided information of the live and planned capital projects across the operational property portfolio.

23. **NATIONAL LOTTERY FUNDING MONITORING REPORT 2017**

The Sub-Committee considered and approved a report of the City Surveyor which presented the monitoring update on City of London Corporation (the City) bids for National Lottery Funding (NLF) grant-aid, to provide visibility and coordination of future bid submissions in order to prevent City applications failing by directly competing with each other.

24. **FIRST REGISTRATION OF THE CITY CORPORATION'S FREEHOLD TITLES - PROGRESS SINCE JANUARY 2016**

The Sub-Committee noted a report of the City Surveyor which provided an update on the City Corporation's title registration project, which was integral to the City Corporation fulfilling its property asset management responsibilities.

25. **SERVICE BASED REVIEW - STRATEGIC ASSET MANAGEMENT - FACILITIES MANAGEMENT REVIEW - UPDATE**

The Sub-Committee noted a joint report of the Town Clerk, Comptroller and City Solicitor, City Surveyor and Chamberlain which provided an update on the Strategic Asset Management (SAM) Programme. The report informed Members that the SAM Programme was making steady progress towards rationalising and consolidating service resource and contracts across the City Corporation to achieve greater collaboration, savings and better service outcomes.

26. **BUILDING, REPAIRS AND MAINTENANCE CONTRACT RE-TENDER**

The Sub-Committee noted a report of the City Surveyor which provided an update regarding progress in the procurement of the Buildings Repairs and Maintenance Contract. The report was supplemented by a presentation at the meeting.

27. **ADDITIONAL REPAIRS AND MAINTENANCE PROGRAMMES - PROGRESS REPORT**

The Sub-Committee considered and approved a report of the City Surveyor which provided an overview of the progress and expenditure of the three current Additional Works Programmes (AWP) as at 31 December 2016; the end of the third quarter.

28. **GUILDHALL WEST WING NORTH STAIRCASE WINDOW REPAIRS - ISSUE REPORT (GATEWAY 5)**

The Sub-Committee noted a report of the City Surveyor which advised of a delay to the Guildhall West Wing North Staircase Repairs Project.

29. **GUILDHALL GREAT HALL LEVEL ACCESS - GATEWAY 7 OUTCOME REPORT**

The Sub-Committee considered a report of the City Surveyor which provided information of the outcomes from the Project to create level access into the Great Hall for disabled access.

A Member commented, and the Sub-Committee agreed, that this report could be considered in public session.

RESOLVED – That the lessons learnt be noted and the project be closed.

30. **GUILDHALL IMPROVEMENT PROJECT - NORTH WING & OLD LIBRARY - GATEWAY 7 OUTCOME REPORT**

The Sub-Committee noted a report of the City Surveyor which provided information of the outcomes from the Project for extensive modernisation of the North Wing of the Guildhall.

31. **BARBICAN CENTRE - UPDATE ON CAPITAL WORKS**

The Sub-Committee noted a report of the Managing Director, Barbican Centre which provided an update on the Centre's projects, both Capital Cap and non-Capital Cap

32. **REVIEW OF PUBLIC CAR PARK PROVISION IN THE CITY**

The Sub-Committee noted a report of the Director of the Built Environment which provided information of proposals, agreed by the Markets Committee and Planning and Transportation Committee in November 2016, regarding the Corporation's public car parks.

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

There were no questions.

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

There was one item of urgent business.

The meeting closed at 1.20 pm

Chairman

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Corporate Asset Sub-Committee – Outstanding Actions

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
1.	10 Feb 2016, Agenda Item 6	<u>Standing Order 55 (Efficient and Effective Use of Operational Property Assets)</u> A report to be submitted to the Sub-Committee in May 2017 regarding incentivisation for Departments to release surplus property, which includes charging imputed rent as an option.	City Surveyor and Chamberlain	May 2017	This report is included within the agenda.
2.	10 Feb 2016, Agenda Item 7	<u>Third Party Agreements – Operational Property Portfolio</u> The City Surveyor explained that a report providing further detail on this issue will be submitted to the Sub-Committee in May 2017	City Surveyor	July 2017	This report will now be submitted to the Sub-Committee's July 2017 meeting
3.	10 Feb 2016, Agenda Item 11	<u>Energy Performance - AECOM Review</u> The City Surveyor agreed that an update on progress in implementing the AECOM recommendations could be provided to the Committee at its May 2017 meeting.	City Surveyor	July 2017	Information regarding the implementation of the recommendations is still being collated. A report will be provided to the Committee's next meeting.

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
4.	23 Sept 2016, Agenda Item 9	<u>Public Lift Outages</u> A Member requested information as to whether it would be possible to provide real time information on the Corporation's Website regarding outages of public lifts.	City Surveyor	Awaiting update from lift contractor.	The City Surveyor has discussed this with the lift contractor. The contractor does not currently have the technology to provide this at present, but they are developing a system to provide this in the future. As yet there is no defined timescale. Once further information is available the Sub-Committee will be updated accordingly.
5.	19 July 2016, Agenda Item 5	<u>Housing and Planning Act</u> The Sub-Committee to be provided with details of the annual reports which it will receive to fulfil the duties of the Housing and Planning Act.	City Surveyor	July 2017	It is expected that an update report on this may be able to be provided in July 2017.

Corporate Asset Sub-Committee - Work Programme 2017 and 2018

Meeting:	22/5/2017	13/7/17	3/10/17	22/11/17	13/2/18
Sustainable Management of the Corporation's Operational Property Portfolio					
Agreeing the Corporate Asset Management Strategy	New strategy for 2017-2020				CS Business Plan Progress and risk register - Q3
Reviewing and overseeing Asset Management Practices	New CS Business Plan for 2017/18 - Final	Strategic Asset Management Progress Report	CS Business Plan Progress and risk register - Q1	CS Business Plan and risk register Progress - Q2	
Reviewing and overseeing Facilities Management practices	Review of Facilities Management - Service Based Review progress report	Review of Facilities Management - Service Based Review progress report	Review of Facilities Management - Service Based Review progress report	Review of Facilities Management and Asset Management - Service Based Review progress report	Review of Facilities Management - Service Based Review progress report First Registration of the City Corporation's Freehold Titles - Update
Maintaining Property Database and Asset Register		Operational Property Portfolio Report 2017			Business Planning Process for 2017/18 and Standing Order 55
Monitoring effective use of property	Operational Property Review – progress report Operational Property Review – Incentivisation Beech Street – Property Uses Rabbits Road Bridge Plot – Disposal	Update on implications of new Housing and Planning Act and efficiency of the operational portfolio			
Oversight of management of operational leases		Update on operational leases (leases in and leases out) and third party occupation			Update on operational leases (leases in and leases out) and third party occupation

Meeting:	22/5/2017	13/7/17	3/10/17	22/11/17	13/2/18
Upkeep, maintenance and furnishing of operational properties not within the remit of another Service Committee.					
	AWP Progress Report Barbican Centre Capital Cap Progress Report St Lawrence Jewry – GW3/4 Guildhall Pinnacle Repairs – Gateway 5 Walbrook Wharf Utilisation report	AWP Progress Report CWP Progress Report Guildhall Utilisation Report Provision of lavatories and cloakroom facilities for Members and Guildhall Guests – GW3 report	AWP Progress Report. Barbican Centre Capital Cap Progress Report GSMD Capital Cap Progress Report	AWP Progress Report Barbican Centre Capital Cap Progress Report	AWP Progress Report Barbican Centre Capital Cap Progress Report Heritage at Risk Register Annual Report
To monitor major capital projects relating to operational assets					
	Police Accommodation Plan Update Security Projects Update	Operational Property Capital Projects – update report	Police Accommodation Plan Update		Operational Property Capital Projects – update report
Recommending the annual programme of repair and maintenance works					
			Cyclical Works Programme Bid for 2018/19		
Responsibility for strategies, performance and monitoring initiatives in relation to energy.					
	Annual Energy Performance Update for 2016/17 Citigen Management Board	Energy Efficiency Fund update report	Draft City Energy Strategy proposal	Energy Performance Update for 2017/18 – Q1 and Q2 Citigen 2016/17 Annual Report Citigen Contract Renewal – Progress Update	Energy Performance Update for 2017/18 – Q3
Monitoring and advising on bids for Heritage Lottery Funding					
					Summary of Lottery Fund Bids annual report

Committee:	Date:
Corporate Asset Sub-Committee	22 May 2017
Subject:	Public
Annual Energy Performance Update (2016/17)	
Report of:	For Information
The City Surveyor	
Report author:	
Mansi Sehgal, Corporate Energy Manager	

Summary

This report provides a performance outcome on energy reduction targets set out in the Corporation's Carbon Descent Plan 2015 (CDP-15) and covers the twelve month period from April 2016 to March 2017.

The results show an overall decrease of ~0.6% (absolute energy consumption) compared to the same period in 2015/16 and against the annual target of 2.25%. However when the results are weather corrected, there is no reduction in consumption over the year.

This performance trend indicates the reduction target of 25% by 2017/18, as set out in the CDP-15, is unlikely to be met. However, revised targets, post 2017/18, are currently being assessed and will be supported by the implementation of the revised short term Energy strategy.

Recommendation

It is recommended Members note the contents of this report.

Main Report

Performance Monitoring 2016-17

Current Performance

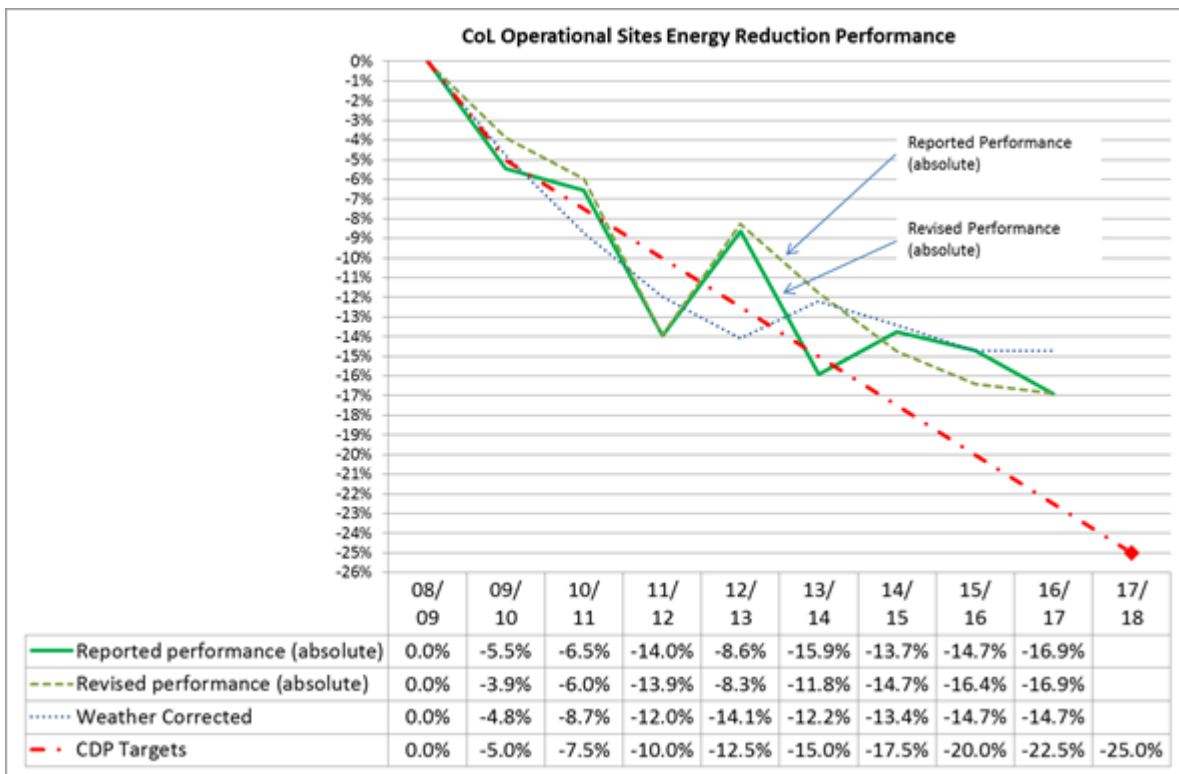
1. The absolute energy consumption for April 2016 to March 2017 was 0.6% lower than the same period in 2015/16 as presented in Table 1. The 2016/17 was slightly milder than 2015/16 and when corrected for the weather there was no change in typical energy consumption between these two periods.

Table 1 Performance comparison (2016/17 with 2015/16)

Dept.	15/16 (kWhs)	16/17(kWhs)	Diff. kWhs	Diff. %	
Markets & Consumer Protection	29,788,731	29,401,277	-387,454	-1.3%	↓
Guildhall	21,867,379	20,865,169	-1,002,210	-4.6%	↓
Barbican Arts Centre	16,022,453	16,239,046	216,593	1.4%	↑
Courts	7,399,748	6,994,694	-405,054	-5.5%	↓
Built Environment	7,338,806	7,249,686	-89,120	-1.2%	↓
GSMD	7,199,507	7,357,929	158,422	2.2%	↑
CoL Police	5,686,423	5,905,057	218,634	3.8%	↑
Open Spaces	5,583,742	5,515,508	-68,234	-1.2%	↓
CoL Freeman's	3,810,306	3,663,284	-147,022	-3.9%	↓
Culture, Heritage & Libraries	3,298,849	3,576,681	277,832	8.4%	↑
CoL Boys	2,813,357	3,152,575	339,218	12.1%	↑

Dept.	15/16 (kWhs)	16/17 (kWhs)	Diff. kWhs	Diff. %	
CoL Girls	2,017,955	2,039,855	21,900	1.1%	↑
Mansion House	1,928,525	2,028,439	99,914	5.2%	↑
Walbrook Wharf	1,745,730	1,839,445	93,715	5.4%	↑
	116,501,511	115,828,645	-672,866	-0.6%	↓

- The aggregated performance difference between the two years is negligible; the reason behind the increased consumption at various sites (such as CoL School for Boys', Culture Heritage and Libraries, CoL Police, Barbican Arts Centre, and Guildhall School of Music and Drama) is due to a variety of reasons including plant maintenance issues, inefficient HVAC controls and increased demand on facilities.
- The below chart represents the overall performance since the base year 2008/09. End of year performance for 2016/17 shows a 16.9% reduction on 2008/09, which is short of the 22.5% target. Based on the current trend it is highly unlikely the CoL will meet the 2017/18 target for a 25% reduction. The weather corrected results are also presented below and indicate 14.7% reduction.
- Please note the graph below presents two set of performance figures - 'Reported' and 'Revised'. The reported figures were presented in past committee reports, however these have been revised due to ongoing improvements in data quality (meter reads etc.) to improve the accuracy of the results. Furthermore, please note due rounding, there might be minor inconsistencies in the table below compared to figures stated within the report.



Benchmarking

kWh/m²

5. At the 18 November 2016 CASC meeting, it was raised that while reducing energy consumption was important, it may be that consumption was not the most appropriate measure for energy usage, given it may not factor in a more intensive use of assets. Therefore, it will be beneficial to track its efficiency of energy usage, rather than just consumption.
6. As a consequence, the Energy Team commenced a Benchmarking Review and concluded the current government approved method of using Display Energy Certificates (DECs) for energy benchmarks based on kWh/m² provides only a very approximate indication of energy performance. This is mainly because DECs compare buildings against the typical performance of a very broad category for buildings of a similar type (e.g. a single category for all office types whether air conditioned or natural ventilated). It is therefore recommended for the Corporation not to use DECs for monitoring energy performance and an alternative method (locally devised) is pursued.
7. The local method (devised internally) will compare the overall kWh/m² for each building against the more specific benchmark categories set out in CIBSE Guide F (a guide published by the Chartered Institute of Buildings Service Engineers on Energy Efficiency in Buildings) rather than based on very broad categories used in the DEC method. Where a building/site has more than one function (e.g. part office, part workshop), a composite benchmark will be developed, weighted by the floor area for each functional use.
8. To demonstrate, below is an example comparing the Guildhall Complex performance against the DEC method and the CIBSE Guide F method:

Guildhall Complex	Electricity (kWh/m²)	Heating (kWh/m²)
Actual (15/16)	187	185
DEC benchmark	92	144
Result	103% worse	28% worse
CIBSE Guide F	226	250
Result	17% better	26% better

9. It can be seen from the above, the Guildhall Complex performs better when compared to the CIBSE Guide F method. This is because one of the main functions of the site is the provision of office space; however the DEC method compares all types of office under a single broad category called 'general office'. All forms of office are included in this category, whether they are naturally ventilated (and hence lower energy intensity) or fully air conditioned (and hence higher energy intensity). As the Guildhall Complex is fully air conditioned, comparing its performance with the DEC benchmark does not represent a true comparison.
10. To establish the current practices, the Energy Team have consulted with other London Boroughs. This initial review indicated that the public sector bodies are only using benchmarking practices for a limited use and such practices differ from one organisation to another to accommodate individual circumstances. The

AECOM report also highlighted that 'benchmark applicability is often a problem as it is rare for the building under scrutiny to be identical to the sample buildings in all respects and so there is an inherent error in the benchmark'. The Energy Team maintains a watching brief on best practice in energy performance benchmarking and will continue to review with similar organisations.

Other performance Indicators

11. It is recommended a method is developed to establish other energy performance indicators which can account for these variables in order to monitor the underlying energy efficiency, which may otherwise be masked by these fluctuations. The variables could include: number of workstation in an office, occupancy levels, occupancy hours, visitor numbers or attendee numbers at functions, number of cremations, or proxy indicators such as revenue.
12. Due to the complexity and diversity of CoL buildings and services it will take time to develop such performance indicators. Where sites have shared services and multiple functions, such as the Guildhall Complex, the production of accurate indicators will require additional energy sub-metering. The Energy Team are developing a corporate metering strategy in parallel to facilitate this task. Once appropriate indicators have been identified for each building/site, systems will need to be established to collect data on the variables that will be used for measuring performance and efficiency.
13. We seek to develop kWh/m² and kwh/workstation benchmarks and performance results for Guildhall Complex and Walbrook Wharf, by Q1 2017/18 and by the end of 17/18 we shall be able to benchmark the Barbican Arts Centre (the combined consumption of both the Guildhall and Barbican is more than 30% of the overall consumption). We look to prioritise other key sites post 17/18.

Conclusion

14. A decrease of ~0.6% means the Corporation has failed to meet its annual reduction target of 2.25% for 2016/17 and will fall behind its planned target of reducing 25% by the end of 2017/18.

Next Steps

15. The Corporation needs to set new targets for energy consumption post the expiration of original targets in 2017-18. Revised energy reduction targets will be supported by the short term Energy Strategy that was approved in principle by this committee and the Energy Board in Feb 2017.
16. The Energy Team will come back with recommendations in the autumn meeting.

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