



Corporate Asset Sub (Finance) Committee

Date: THURSDAY, 5 OCTOBER 2017
Time: 10.00 am
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

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

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N.B. Part of this meeting may be subject to audio-visual 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 18 July 2017.
For Decision
(Pages 1 - 4)
4. **WORK PROGRAMME FOR THE SUB COMMITTEE**
Joint report of The Town Clerk and The City Surveyor.
For Information
(Pages 5 - 8)
5. **ENERGY REPORTS OF THE CITY SURVEYOR**
 - a) Annual Energy and Performance Update Report
For Information
(Pages 9 - 16)
 - b) Future Energy Performance Targets
For Information
(Pages 17 - 26)
6. **SUBSOIL LAND TRANSFER - BANK UNDERGROUND STATION - PROGRESS UPDATE**
Report of The City Surveyor.
For Information
(Pages 27 - 30)
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 OF PREVIOUS MEETINGS**
To agree the non-public minutes of the previous meeting held on 18 July 2017.
For Information
(Pages 31 - 38)
11. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER**
Report of The City Surveyor.
For Information
(Pages 39 - 50)
12. **CITY SURVEYOR'S BUSINESS PLAN 2017-18 QUARTER 1**
Report of The City Surveyor.
For Information
(Pages 51 - 60)
13. **ADDITIONAL WORKS PROGRAMME PROGRESS REPORT**
Report of The City Surveyor.
For Decision
(Pages 61 - 68)
14. **BARBICAN CENTRE CAPITAL CAP PROGRESS REPORT**
Report of the Director of Operations of the Barbican Centre.
For Information
(Pages 69 - 78)
15. **CYCLICAL WORK PROGRAMME (CWP) BID FOR 2018/19**
Report of the City Surveyor.
For Decision
(Pages 79 - 148)
16. **GUILDHALL COMPLEX AND WALBROOK WHARF FUTURE MAJOR CAPITAL PROJECTS REPORT**
Report of The City Surveyor.
For Decision
(Pages 149 - 154)

17. **ANNUAL REPORT ON OPERATIONAL PROPERTY PORTFOLIO**
Report of The City Surveyor.
- For Information**
(Pages 155 - 162)
18. **OPERATIONAL PROPERTY PORTFOLIO - THIRD PARTY AGREEMENTS**
Report of The City Surveyor.
- For Information**
(Pages 163 - 170)
19. **WALBROOK WHARF - MEDIUM TERM STRATEGY**
Report of The City Surveyor.
- For Decision**
(Pages 171 - 176)
20. **OPERATIONAL PROPERTY REVIEW/INCENTIVISATION REVIEW UPDATE
(SAVINGS AND IMPUTED RENT)**
Report of The City Surveyor. **To Follow.**
- For Decision**
21. **OLD FREEMEN'S ASSOCIATION MEMORIAL CLUBHOUSE, ASHTEAD PARK
(CITY'S ESTATE) - SURPLUS DECLARATION**
Report of The City Surveyor.
- For Decision**
(Pages 177 - 178)
22. **LICENCE FOR FRIENDS OF GUILDHALL ART GALLERY TO SITE DONATION
BOXES ON GUILDHALL ART GALLERY PREMISES**
Report of The Assistant Town Clerk and The Cultural Hub Director.
- For Decision**
(Pages 179 - 182)
23. **GLA ROADS - LAND DISPUTE WITH TRANSPORT FOR LONDON**
Joint Report of the Comptroller and The City Solicitor and The City Surveyor.
- For Information**
(Pages 183 - 204)
24. **LONDON WALL CAR PARK - ALLOCATION OF SURPLUS SPACE**
Report of The City Surveyor.
- For Decision**
(Pages 205 - 208)

25. **NON PUBLIC DECISIONS TAKEN UNDER URGENCY PROCEDURES SINCE THE LAST MEETING OF THE COMMITTEE**
Report of the Town Clerk.

For Information
(Pages 209 - 210)

26. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
27. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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CORPORATE ASSET SUB (FINANCE) COMMITTEE
Tuesday, 18 July 2017

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at
 Committee Rooms, 2nd Floor, West Wing, Guildhall on Tuesday, 18 July 2017 at
 11.30 am

Present

Members:

Nicholas Bensted-Smith (Chairman)
 Randall Anderson
 Mark Bostock
 John Chapman
 Karina Dostalova
 Henry Colthurst
 Deputy Jamie Ingham Clark
 Deputy Edward Lord
 Jeremy Mayhew
 Deputy Philip Woodhouse

Officers:

Natasha Dogra	- Town Clerk's Department
Paul Wilkinson	- City Surveyor
Caroline Al-Beyerty	- Deputy Chamberlain
Dorian Price	- Town Clerk's Department
Alex Nell	- City Surveyor's Department
Richard O Callaghan	- Barbican Centre
Roger Adams	- City Surveyor's Department
Mansi Sehgal	- City Surveyor's Department
Nigel Lefton	- Remembrancer's Department

1. APOLOGIES

Apologies were received from Deputy John Tomlinson, Alderman Alison Gowman, Michael Hudson and Dominic Christian .

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 05 July 2017 are approved as an accurate record.

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

There were no questions.

5. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

6. **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.

7. **NON-PUBLIC MINUTES**

The non-public minutes of the previous meeting held on 05 May 2017 were approved as an accurate record.

8. **BUSINESS PLAN PROGRESS 2016-19 QUARTER 3 2016/17**

The Committee received a report of the City Surveyor.

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

The Committee received a report of the City Surveyor.

10. **LONDON WALL CAR PARK**

The Committee received a report of the City Surveyor.

11. **POTENTIAL ACQUISITION OF CII BUILDING - TO FOLLOW**

The Committee received a report of the City Surveyor.

12. **OPERATIONAL PROPERTY CAPITAL PROJECTS OVERVIEW**

The Committee received a report of the City Surveyor.

13. **FIRE ALARM REFURBISHMENT**

The Committee received a report of the City Surveyor.

14. **BARBICAN CENTRE CAPITAL CAP PROGRAMME - ANNUAL REPORT**

The Committee received a report of the City Surveyor.

15. **GUILDHALL WEST WING - PROVISION OF UPGRADED LAVATORIES AND CLOAKROOM FACILITIES FOR MEMBERS AND GUILDHALL GUESTS**

The Committee received a report of the City Surveyor.

16. **ENERGY EFFICIENCY LOAN SCHEME UPDATE**

The Committee received a report of the City Surveyor.

17. **CITY FUND HIGHWAY LAND DISPOSAL**

The Committee received a report of the City Surveyor.

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

There were no questions.

19. **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 ended at 12:20pm

Chairman

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Corporate Asset Sub-Committee - Work Programme 2017 and 2018

Meeting:	22/5/2017	13/7/17	5/10/17	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 2017/18 - Q1	Additional Capital Funds for City Fund Properties	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 Departmental Risk Register	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	Annual Report on Operational Property Portfolio	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	Operational Property Portfolio – third Party agreements		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	Operational Property – Incentivisation and imputed rent		
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	5/10/17	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	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 Old Freeman's Association Memorial Clubhouse, Ashted Country Park Subsoil Land Transfer (Bank Underground Station) London Wall Car Park	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	Gateway Zero Capital Project-implementation plan Guildhall Walbrook Wharf Asset Management Plan		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		Annual Energy and Performance Update Report/Future Energy Performance Targets	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

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Committee:	Dated:
Corporate Asset Sub-Committee (CASC)	5 th October 2017
Subject: 2017/18 Q1 Energy Performance Update	Public
Report of: The City Surveyor	For Information
Report author: Mansi Sehgal, Corporate Energy Manager	

SUMMARY

This report provides the results of the Q1 2017/18 energy consumption for CoL operational sites, an update on the annual trend to meet the energy reduction targets set out in the Corporation's Carbon Descent Plan 2015 (CDP-15), and an update on the energy projects for sub-metering, benchmarking and Temperature Policy.

The Q1 results show an overall decrease of 2.7% (absolute energy consumption) compared to the same period in 2016/17. Most departments reduced their consumption below the annual target level, especially the Guildhall Complex which saw a 13.8% reduction.

The 12 months performance up to 2017/18 Q1 compared to the 2008/09 baseline indicates a reduction of 17.7% in absolute consumption and 15.8% reduction when weather corrected. This indicates the CDP-15 target of 25% by the end of 2017/18 is very unlikely to be met.

MAIN REPORT

1. Performance update

- 1.1 The absolute energy consumption for April 2017 to June 2017 was 2.7% lower than the consumption over April 2016 to June 2016, as presented in Table 1 below.
- 1.2 The weather over 2017/18 Q1 was milder than 2016/17. This has lowered heating consumption for many sites, but increased cooling consumption for a few. The overall net impact is a lower consumption than would be expected under typical weather conditions¹ (based on published degree days).
- 1.3 Most departments reduced their energy consumption. A 13.8% reduction at the Guildhall Complex provided the majority of the reduction, mainly due to improved operational management of the steam generators which has been on-going since July 2016. It should be noted the reduction seen in Q1 will not continue at the same level into the rest of the year as the year-on-year reduction diminishes over time. Further savings were provided through the management of ventilation time schedules within the North Wing and decanting of computer equipment (UPS) from the Justice Rooms.

¹ "a typical weather year is considered against the 20-year average based on degree days, a measure of the severity and duration of external temperatures"

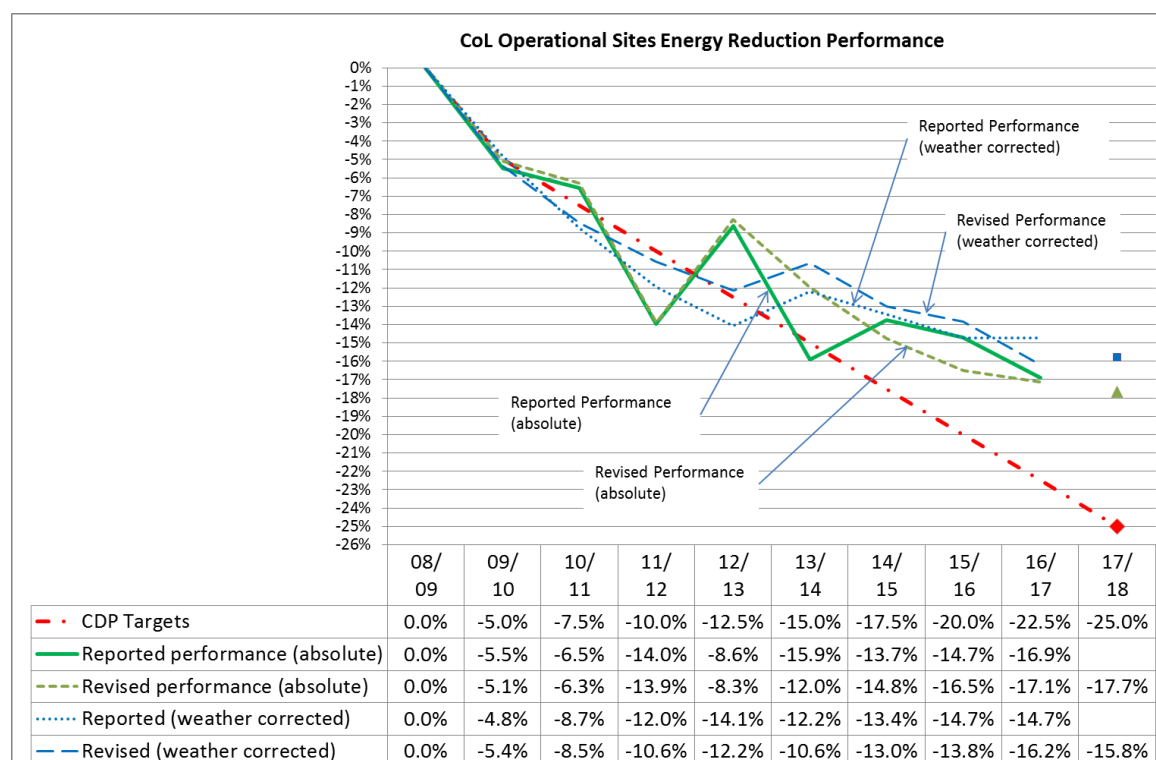
- 1.4 The reductions at Guildhall Complex were partly offset by a 5.6% increase at the Courts, mainly due to a significant increase in the oil consumption at the Central Criminal Court for the old boilers. More detailed departmental commentary is provided in Appendix A.
- 1.5 Consumption was also higher at Smithfields and New Spitalfields markets due to the warmer weather increasing cooling demand. Appendix B presents the breakdown between tenant and landlord electricity for the markets and shows although landlord services reduced consumption by 6.8% there was a 4.5% increase in tenant consumption.
- 1.6 Chart 1 below represents the overall performance from the 2008/09 baseline. Annual results are presented for both absolute and weather corrected energy consumption. The chart also presents two set of performance figures, 'Reported' and 'Revised'. The reported figures were presented in past committee reports, and these have been revised due to ongoing improvements in data quality (meter reads etc.) to improve the accuracy of the results.
- 1.7 The 12 months performance to Q1 of 2017/18 indicates a 17.7% reduction in absolute consumption from the baseline, and a 15.8% reduction when corrected for the weather (based on degree days and in accordance with the previously agreed methodology).

Table 1. Performance comparison: 2017/18 Q1 with 2016/17 Q1

Dept.	16/17 Q1 (kWh)	17/18 Q1(kWh)	Diff. kWh	Diff. %	
Guildhall Complex	5,393,524	4,651,379	-742,145	-13.8%	Achieved above annual target
Culture, Heritage & Libraries	755,767	673,084	-82,683	-10.9%	
Walbrook Wharf	395,486	354,221	-41,265	-10.4%	
Open Spaces	1,384,612	1,243,335	-141,277	-10.2%	
CoL Boys'	725,541	652,699	-72,842	-10.0%	
CoL Freeman's	691,741	641,704	-50,037	-7.2%	
CoL Police	1,431,319	1,356,117	-75,202	-5.3%	
GSMD	1,759,828	1,696,000	-63,828	-3.6%	
Mansion House	407,685	397,650	-10,035	-2.5%	
Built Environment	1,515,339	1,504,241	-11,098	-0.7%	Achieved below target
CoL Girls'	448,290	447,054	-1,236	-0.3%	
Barbican Arts Centre	4,047,859	4,190,864	143,005	3.5%	
Markets & C.P.*	6,925,033	7,222,336	297,303	4.3%	
Courts	1,754,897	1,852,704	97,807	5.6%	
Total	27,636,921	26,883,388	-753,533	-2.7%	
GHC & Walbrook Wharf	5,789,010	5,005,600	-783,410	-13.5%	

*includes tenants consumption, see Appendix B for Tenant/Landlord breakdown.

Chart 1. Overall performance change from the 2008/09 base year



2 Benchmarking

2.1 The Energy Team have carried out an assessment of the energy consumption for the office areas of the Guildhall Complex and Walbrook Wharf. Tables 2 and 3 below presents the initial results. It should be noted that due to insufficient sub-metering a significant proportion of the results are based on estimations, rather than actual data. The tables are annotated to provide an indication of the confidence which should be given to the results at this stage. The sub-metering study (currently underway) described in section 3, will provide guidance on how the data can be improved going forward.

2.2 The results for table 2 are benchmarked against CIBSE Guide F good and typical practice. It should be noted that CIBSE benchmarks were developed in the 1990's and may not reflect modern office standards and operation, but are however the best source of such benchmarks currently available.

Table 2. Benchmarking results for Guildhall Complex and Walbrook Wharf office areas based on floor area

Building energy services	Benchmark practice (kWh/m ² TFA/year)		Energy consumption by floor area (kWh/m ² TFA/year)			
	Best	Typical	North Wing	West Wing	East Wing	Walbrook Wharf
Heating and hot water	97	178	67 ^[M]	108 ^[L]	204 ^[L]	98 ^[H]
Cooling	14	31	24 ^[L]	27 ^[L]	82 ^[L]	168 ^[H]
Fans, pumps, controls	30	60	26 ^[M]	93 ^[L]	117 ^[L]	
Lighting, small power, computer rooms, catering, other	79-85	115-122	97 ^[H]	127 ^[L]	182 ^[M]	
Total	220-226	384-391	214	355	585	266

Table 3. Benchmarking results for Guildhall Complex and Walbrook Wharf office areas based on workstations

Building energy services	Workstation (kWh/workstation/year)			
	North Wing	West Wing	East Wing	Walbrook Wharf
Heating and hot water	593 ^[M]	1,310 ^[L]	1,704 ^[L]	1,461 ^[H]
Cooling	209 ^[L]	326 ^[L]	685 ^[L]	2,495 ^[H]
Fans, pumps, controls	227 ^[M]	1,123 ^[L]	978 ^[L]	
Lighting, small power, computer rooms, catering, other	863 ^[H]	1,779 ^[L]	1,789 ^[M]	
Total	1,893	4,538	5,157	3,956

Annotation:

- [H] High confidence: data is mostly based on working sub-meters which relate to the service
[M] Medium confidence: some sub-metering, but also some level of estimation/apportionment
[L] Low confidence: no sub-metering, figures based on significant rough estimation

- 2.3 Currently there is insufficient good quality data to draw definitive conclusions on the performance, however there is an indication that: North Wing is the more efficient office, space heating and cooling may be particularly high in the East Wing, ventilation and distribution pump efficiency could be an issue for the West and East Wings, and lighting and small power could be a concern within the East Wing.
- 2.4 The Energy Team are working to produce a similar assessment for the other non-office areas of the Guildhall Complex.
- 2.5 For other non-office sites, other indicators will be more appropriate for monitoring energy performance and table 4 presents an initial assessment of the Barbican Arts Centre (BAC) gross expenditure (informed by Chamberlains) by the total energy consumption and carbon emissions.

Table 4. Benchmarking results for BAC based on annual income generated

Year	CRC emissions (tCO ₂)	BAC gross income (£k)	Energy consumption per income (kWh/£k income)
2014-15	4825	22,693	411
2015-16	4519	25,798	363
2016-17	3853	25,451	346

3. Sub-metering study

- 3.1 A contractor has been commissioned to deliver a sub-metering study for the Guildhall Complex and Walbrook Wharf.
- 3.2 The study will provide a condition assessment with costed recommendations for repairing, or installing new, sub-metering. The study will also review and opportunities for enhanced monitoring of plant equipment, and improving the communication and analysis of data.
- 3.3 The outcomes will facilitate an appraisal of the options for enhancing the sub-metering to enable monitoring and reporting on energy consumption by functional building areas, and by different building services and systems. This will enable the development of more accurate performance benchmarking and ongoing monitoring of energy end-uses to identify efficiency opportunities.

3.4 An update with the draft findings will be provided at the next CASC meeting.

4 Temperature policy consultation

4.1 Over August 2017 all CoL staff were consulted on a new draft corporate wide policy on 'Temperatures'. This policy aims to maintain thermal comfort in an energy efficient approach. The policy, if adopted, will apply to all properties or demises occupied and managed by City of London. A draft of the policy can be accessed via the Colnet web page:

<http://colnet/Pages/News/Temperature-Policy-Consultation.aspx>

4.2 Over 100 individual responses have been received, including from departmental Energy Representatives, Unions and health and wellbeing representatives.

4.3 The original timeline was for the final policy to be drafted in September 2017 for approval at in October CASC. However, due to the quantity of responses the Energy Team plans to come back in November CASC for a final approval with a formal launch in January 2018.

5. Conclusion

5.1 The Q1 results show an overall decrease of 2.7% (absolute energy consumption) compared to the same period in 2016/17.

5.2 The 12 months performance up to 2017/18 Q1 indicates a reduction of 17.7% in absolute consumption and 15.8% reduction when weather corrected. This indicates the CDP-15 target of 25% by the end of 2017/18 is very unlikely to be met.

5.3 Initial results on assessing energy intensity indicators for the Guildhall Complex, Walbrook Wharf and Barbican Arts Centre have been presented. However additional sub-metering information will be required to provide a more accurate and in-depth assessment. A sub-metering study currently underway is due to conclude in October 2017 which will inform on the works and costs for providing this additional data.

5.4 The Temperature Policy consultation has concluded and received a significant response. A revised timeline for adopting and launching the policy is proposed.

6. Recommendation(s)

6.1 It is recommended Members note the contents of this report.

Mansi Sehgal

Corporate Energy Manager

City Surveyor's Department

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Appendix A. Departmental commentary

Dept.	16/17 Q1	17/18 Q1	Diff. kWh	Diff. %	Summary
Barbican Arts Centre	4,047,859	4,190,864	143,005	3.5%	Significant increase in Citigen cooling was probably related to the warmer weather and an exhibition in the art gallery. This was partly offset by reduced heating demands. Reductions in electricity were observed across a number of supplies, which may be related to efficiency activities.
Built Environment	1,515,339	1,504,241	-11,098	-0.7%	Small overall reduction. Only significant change is the continued reduction of electricity at Upper Thames Street Tunnel due to lighting upgrades and reduced ventilation requirements.
CoL Boys'	725,541	652,699	-72,842	-10.0%	Reduction mainly related to the gas consumption and likely related to reduced heating demands due to the milder weather compared to the previous year.
CoL Freeman's	691,741	641,704	-50,037	-7.2%	Gas consumption was lower, likely related to lower Easter holiday occupancy and milder weather.
CoL Girls'	448,290	447,054	-1,236	-0.3%	No significant changes.
Courts	1,754,897	1,852,704	97,807	5.6%	Central Criminal Court oil boilers are being replaced by gas boilers. However over the quarter the oil boilers increased, rather than reduced their consumption. This is being investigated with the site.
Culture, Heritage & Libraries	755,767	673,084	-82,683	-10.9%	A significant reduction in gas and electricity at LMA due to resolution of HVAC control issues and milder weather. However, possibly due to warmer than average weather, the consumption has increase significantly in July and therefore Q2 results may not be as good. Tower Bridge gas consumption was lower, reason TBC. Shoe Lane Library gas consumption was significantly higher due to a large "catch-up" invoice following a period of no meter readings.
GSMD	1,759,828	1,696,000	-63,828	-3.6%	Citigen heat and electricity consumption for the main school is significantly reduced, believed to be related to heating control improvements. This was partly offset by increased electricity at Milton Court, believed to be related to comfort cooling and the site are currently investigating.
Guildhall Complex	5,393,524	4,651,379	-742,145	-13.8%	The majority of the reduction in overall energy was related to the improved operation of the steam generators. It should be noted this was implemented in July-16, and therefore after this quarter the year-on-year comparative impact will be reduced. Electricity continues to reduce for the Justice Rooms as equipment is decanted. Due to the milder weather there was a reduction in heat demand, which was partly offset by an increase in cooling demand (electric chillers and pumps). There was a 12% reduction in electricity for the North Wing ventilation plant due to efficiency adjustments to the time schedule.
Mansion House	407,685	397,650	-10,035	-2.5%	Reduced gas for catering, assumed to be related to reduced functions/occupancy. Reductions also in electricity and gas for heating/hot water, assumed to be related to occupancy and milder weather.
Markets & C.P.	6,925,033	7,222,336	297,303	4.3%	Small reductions in energy due to milder weather were offset by increased energy for cooling.
Open Spaces	395,486	354,221	-41,265	-10.4%	A reduction in gas consumption at the Crematorium (assumed to be due to lower demands), and a reduction at West Ham Park Nursery (due to its closure).
CoL Police	1,431,319	1,356,117	-75,202	-5.3%	Reductions in energy at Bishopsgate Police Station. Electricity is lower due to an unusually high consumption over the same period the previous year. Gas is lower, possibly due to milder weather.
Walbrook Wharf	395,486	381,495	-13,991	-3.5%	Gas and electricity within the Amy areas reduced. This may be related to the milder weather.

Appendix B. Markets energy consumption breakdown

Over 75% of the total energy consumption for the Markets and Consumer Protection department relates to electricity consumption within the three markets. Of this about 70% relates to tenant supplies and 30% to landlord services. Table B1 below compares the Q1 consumption and shows the landlord consumption reduced by 6.8% but the tenant consumption increased by 4.5%, resulting in a total increase of 1.3%.

Table B1. Electricity split between tenants/landlord

	16/17 Q1 kWh	17/18 Q1 kWh	Diff. kWh	Diff. %
M&CP Landlord	1,551,087	1,446,153	-104,934	-6.8%
M&CP Tenants	3,922,702	4,100,740	178,038	4.5%
Total	5,473,789	5,546,893	73,104	1.3%

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Committee:	Dated:
Corporate Asset Sub-Committee (CASC)	5 th October 2017
Subject: CDP Targets post March 2018 & Energy Procurement	Public
Report of: The City Surveyor	For Information
Report author: Mansi Sehgal, Corporate Energy Manager	

SUMMARY

This report recommends an approach to adopting long term Carbon Descent Plan (CDP) targets post March 2018. It also provides a quick overview on Energy Procurement (a separate exercise currently underway).

The CDP-15 plan expires in March 2018 and it is recommended to consider adopting between 25% to 40% energy reduction targets by 2025 from 2008 levels. To support a successful implementation of the new target, between Oct'17 - Dec' 2017, the Energy Team proposes to engage with service departments to assess the viability and scope of targets within their areas and thereafter reporting back to CASC with a firm target and an implementation plan.

With regards to procurement, an Energy Working Group was set up in August 2017, chaired by the Corporate Energy Manager, to review existing arrangements and discuss options available to review the energy purchasing contract post Sept 2018. The working group has agreed to progress on the option of 'going for a full OJEU Compliant tender'. This proposal will be further discussed and agreed in the Facility Services Category Board scheduled for 18th September 2017.

RECOMMENDATION (S)

It is recommended Members:

- Note the contents of this report.
- Support the recommendations of this report.

MAIN REPORT

Carbon Descent Plan (CDP)

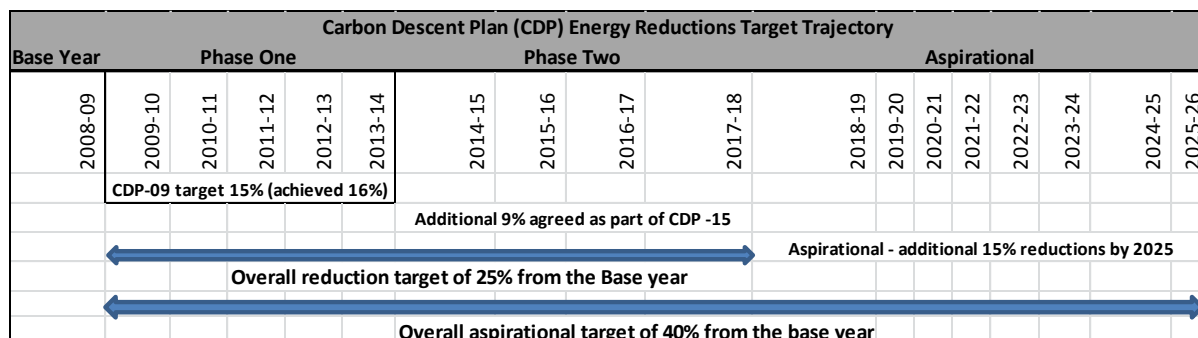
1.0 CDP 2009

A corporate wide target of 15% kWh reduction was set for 2013/14 from 2008 levels. At the end of 2013/14 the City had already surpassed the phase 1 target of 15% with a reduction of 16%. In July 2014 a report to the Efficiency & Performance Sub (and Summit Group in June 2014) "Carbon Descent Plan 2009 - year 5 - End Year Energy Target Review 2013/14 (CS/233/14)" stated that the Corporation had achieved its CDP-09 target.

1.1 CDP 2015

Following the success of the CDP-09, an additional 9% reduction target was agreed and approved by Chief Officers Group (COG) in July 2014 by the end of 2017/18. Please see below for the current target trajectory.

Figure 1: Carbon Descent Plan Target Trajectory



Benchmarking Results

- 2.0 As presented in figure 1, the current CDP targets are expiring in March 2018. This presents the Corporation with a perfect opportunity to review its current long term ambitions and improving upon from its current reporting practices.
- 2.1 To facilitate, an extensive benchmarking (mainly through primary research) was carried out with a view to ascertain best practices and current trends existing in both the private and public sector. Companies like British Land, Land Securities, British Properties Federation, Aviva were contacted. To cover public sector, various London Boroughs such as Islington, Camden, H&F, Enfield, Haringey, Westminster and Royal Borough of Kensington and Chelsea were contacted. Discussions also took place with London School of Economics and University of London.
- 2.2 Discussion topics included setting targets and reasons behind, future aspirations, popularity of solutions like RE: FIT, adoption of ISO 50001 and projects and actions that were taken in reducing their consumption and emissions.
- 2.3 Some of the key messages that came out from this exercise were as follows:
- No consistent target setting approach; some want to lead by examples/ some are doing bare minimum.
 - Drivers are different- a few driven by compliance and regulations and some want to be seen as leaders.
 - Local authorities (LAs) are looking at a bigger picture and not just focussing on operational consumption. For example delivering on topics such as fuel poverty and local economy were popular choices.
 - Within private sector, Health and Wellbeing is one of the emerging topics currently being explored as part of overall sustainability agenda.
 - Lighting, Solar PVs and Asset Rationalisation are some of popular project choices.

Please refer to appendix 1 to find out more on benchmarking results.

Recommendations post CDP-15

Targets

- 3.0 Based on the benchmarking results, it is proposed that CoL consider adopting an energy reduction target between 25% - 40% by 2025 from 2008 levels. This approach would allow the Corporation to be at par with its peers as most of the organisations who were contacted during benchmarking had set ~40-50% reduction target between 2025 and 2030.
- 3.1 However for a successful implementation, the Energy team proposes to engage with service departments between October – November 2017 to assess the viability of targets within their areas and thereafter reporting back to CASC with a firm target and an implementation plan.

Scope

- 3.2 During the first six months of 2017, a piece of work was conducted to benchmark City of London's performance on responsible issues, sponsored by the Chamberlain and facilitated by the Economic Development Office. This survey benchmarked City's performance against indicators such as community engagement, governance, and environmental impact.
- 3.3 Energy was one of the survey topics looked at and extending the scope of the CDP targets was discussed. At present, only consumption relating to operational portfolio is measured and suggestions were made to consider Housing and indirect consumption from the Investment property portfolio.
- 3.4 As part of the target review exercise (3.2), the team further proposes to engage with departments like Markets and IPG to explore options to extend it further to cover indirect emissions. It is further recommended to engage with Housing to gather information on their current practices and future aspirations. These discussions will allow the Corporation to make an informed decision of reviewing and extending its current CDP scope (please see appendix 2).

Revised baseline year – 2016/17

- 3.5 The Energy Team recommend introducing an interim baseline of 2016/17. In past two years, a lot of work has been done in improving the overall quality of energy data and there is greater confidence in accurately monitoring the performance changes from this more recent year. The weather in 2016/17 was fairly typical, which also makes it a good baseline from which to measure future performance against.

Weather corrected reporting

- 3.6 Until now the Corporation have been reporting its performance in absolute terms. It is recommended the reporting of performance against all targets is corrected for the weather to reduce the impact of year-to-year weather fluctuations which may mask the actual performance achieved.

Energy intensity indicators

- 3.7 To provide improved monitoring of the underlying performance efficiency of energy consumption it is recommended that intensity of energy used per a relative variable is established. The most appropriate variable will depend on the use of the buildings. For example, for office buildings it is proposed their performance is measures in terms of energy consumption per meter squared floor area, number of workstations and number of occupants.

The Q1 performance report for 2017/18 will include results in kWh/m² and kWh/workstation for Guildhall Complex office areas.

- 3.8 The ability to monitoring energy intensity is dependent on the available quality of data on the energy consumption and selected variable (i.e. number of workstations). This can be facilitated through investment in additional sub-metering and data communication systems where viable and the Energy Team are in the process of conducting a study on such improvements for the Guildhall Complex.
- 3.9 It is recommended that alongside the energy performance, the consumption is reported in terms of carbon emissions to provide an indication of the environmental impact, supporting the Corporation's Climate Change Mitigation Strategy.

ENERGY PROCUREMENT

- 4.0 The City of London has been procuring its energy through Kent County Council (LASER) for the past 10-15 years. However in recent years the market has evolved and has experienced an increased amount of innovation happening in this particular area. Therefore it is recommended to look beyond the existing Central Purchasing Bodies (CPBs), similar to the current supply, to secure a more favourable contract for the Corporation.
- 4.1 To address this challenge a Working Group was set up and included representations from the key stakeholders from across the organisation i.e. Housing, DBE (Street lighting), Markets, Guildhall, Barbican, Open Spaces, Investment Portfolio, Comptrollers, Finance, Accounts Payable and City Procurement.
- 4.2 Various options were presented and discussed by this group, of which the recommended option has been to 'go out for an open tender' to secure the next energy purchasing contract for the Corporation. Further discussions are to take place at the Facility Services Category Board scheduled for 18th September 2017.

Conclusion

- 5.0 The current CDP-15 plan is expiring and it is recommended to consider adopting between 25% -40% energy reduction targets by 2025. To support a successful implementation of the new target, between Oct'17 - Dec' 2017, the Energy Team proposes to engage with service departments to assess the viability and scope

of targets within their areas and thereafter reporting back to CASC with a firm target and an implementation plan.

- 5.1 With respect to Energy Procurement, a decision with regards to the Working Group's recommended option, will be made by the Facility Services Category Board scheduled for 18th September 2017.

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Corporate Energy Manager

City Surveyor's Department

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Appendix 1– Presentation summarising Benchmarking Results

Benchmarking exercise



- A benchmarking exercise was conducted to find out current trends/ practices amongst both private and public sector.
- The following organisations were contacted to understand their motives behind setting targets, initiatives taken to achieve any reductions and key themes they were looking to implement in the near future:
 - British Land
 - Broadgate Estates
 - London School of Economics
 - Land Securities
 - Better Building Partnership
 - Broadgate Estates
 - Aviva
 - University of London
 - LB Islington
 - LB Camden
 - LB Hounslow
 - LB Enfield
 - LB Haringey
 - RBKC
 - City of Westminster
 - LB Tower Hamlets
 - LBH&F
 - Major Energy Users Council

Benchmarking Results (Scope)



Benchmarking exercise

- Land Securities- Operational Estate
- British Land –Scope 1 &2
- Aviva – includes wider issues on sustainability
- University of London – Scope 1 &2
- London School of Economics- Scope 1&2
- LB of Camden – includes domestic, transport
- RBKC –includes transport, waste, water and wider third party contracts
- LB of Haringey –includes housing, transport etc.
- LB Enfield- operational portfolio and vehicle fuel
- LB H&F – includes wider issues such as SRI/ responsible procurement

Recommendation for CoL

- Focus on Operational portfolio for next 2-3 years;
- In the meantime gather information on domestic, transport, IPG etc. to build a picture;
- Propose a plan thereafter as part of the review in 2021.

Benchmarking Results (Targets)



Benchmarking exercise

- Land Sec- 40% by 2030
- British Land – 55% by 2020 (5% year on year)
- Aviva – 50% by 2030
- University of London – 40% by 2023
- London School of Economics- 54% by 2020
- LB of Camden – 40% by 2020
- LB of Croydon – 34% by 2025
- RBKC – 40% by 2020
- LB of Haringey – 40% by 2020
- LB Enfield- 60% by 2025
- LB H&F – no set targets

Recommendation for CoL

- Recommend 40% until the end of 2025
 - With a review planned at the end of 2021
- Why
- ~2.25% year on year target – realistic and not too ambitious!
 - Set out in the AECOM's report – aspirational target 40% by 2025.
 - Informed by the benchmarking exercise.

Benchmarking Results (What to measure)



Benchmarking exercise

- Land Sec- kWh reduction
- British Land – carbon (scope 1 & 2)
- Aviva – carbon/ tCO2
- University of London – carbon
- London School of Economics- carbon
- LB of Camden – carbon
- RBKC – carbon
- LB of Haringey – carbon/ tCO2
- LB Enfield- carbon
- LB H&F – NA

Recommendation for CoL

- Introduce more than one indicator and relative measurement:
 - kWh/m2 or kWh/FTE
 - tCO2
- Why
- These two indicators will provide information on cost and carbon and satisfy different customer type.
 - Informed by the benchmarking exercise

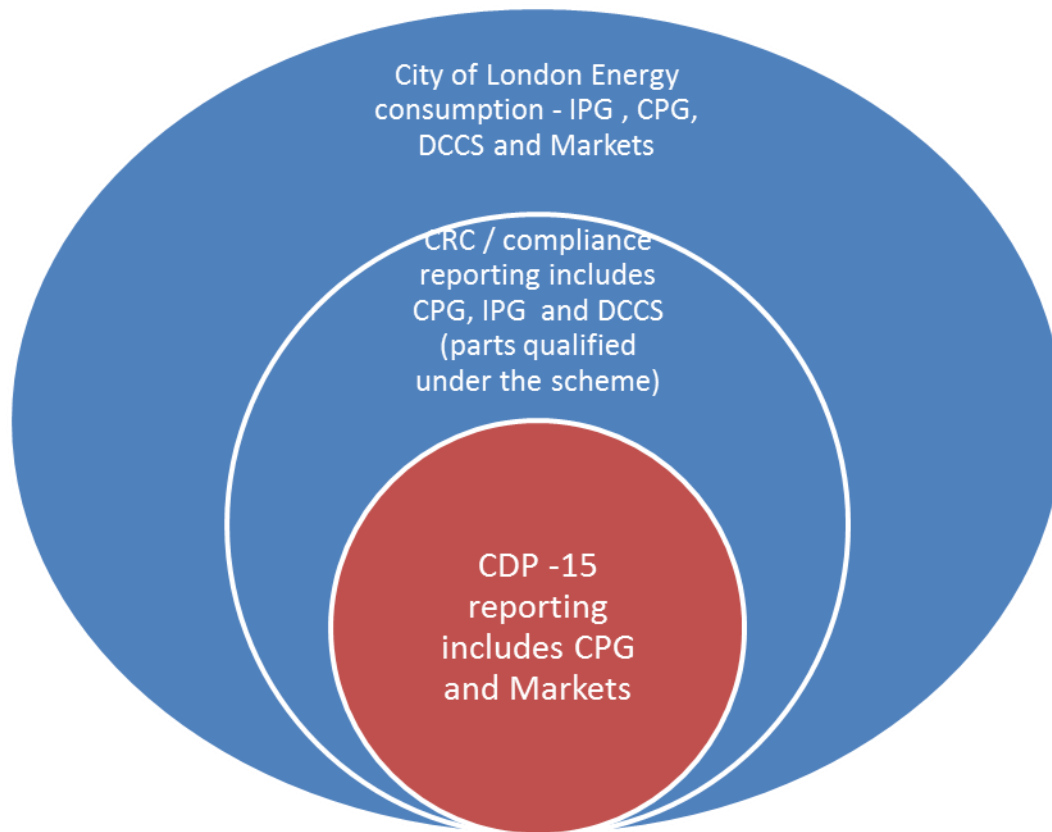
Key messages from Benchmarking



Key messages that came out from this exercise were as follows:

- Targets not set by all.
- Not a very consistent approach in the industry – some want to lead by examples/ some are doing minimum.
- Drivers are different- a few by compliance and regulations and some want to be seen as leaders.
- The local authorities (LAs) are looking at a bigger picture and not just focussing on the operational bills. Looking to deliver on fuel poverty and local economy.
- Metering strategy was key to success for a few in delivering savings.
- Recommend to address the non-commodity costs of the energy bill

Appendix 2: Scope of the current CDP targets



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Committee(s)	Dated:
Corporate Asset Sub Planning & Transportation	5 October 2017 24 October 2017
Subject: Progress Update – Subsoil Land Transfer, Bank Underground Station.	Public
Report of: City Surveyor (CS.382/17)	For Information
Report author: Roger Adams	

Summary

There are a number of parcels of City Corporation land mainly situated in the highway which have been affected by an Order made by the Secretary of State for Transport on the 22 December 2015 under the '*Transport and Works Act 1992*'. The Order is '*The London Underground (Bank Station Capacity Upgrade) Order 2015*' which came into force on the 12 January 2016.

The Order authorises the compulsory acquisition of certain subsoil property 9 metres beneath ground level. The City Corporation property affected by subsoil acquisition is the Mansion House and Candlewick House, Cannon Street and otherwise highway land and all as shown on the map at Appendix 1.

Ownership of the subsoil property automatically vests in London Underground Limited (LUL) following statutory procedures and due Notice which it served on the 12 August 2016. The Comptroller & City Solicitor has responded to the Notices on behalf of the City Corporation.

The subsoil acquisition is required to enable LUL to build a new tunnel for the Northern line at the Bank underground railway station. Its scheme also includes provision of an additional entrance at Cannon Street underground station. LUL acquired ownership of the subsoil with effect from the 31 March 2017 following the completion of its General Vesting Declaration.

The City Corporation has since received Land Registry notification (17 July 2017) that it has completed registration of the subsoil parcels in the name of LUL who is now the registered proprietor (owner) although the index mapping information that it provided is incomplete and there may be more registrations to come. The index mapping is being checked against the City Corporation title data to ensure the registration is accurate and the Land Registry omissions are being followed up.

As part of the compulsory acquisition process, the City Corporation will be entitled to claim compensation for its property for which a specialist external consultant will need to be engaged to advise, and whose costs are recoverable under the claim. Details of the appointment and the financial implications, which will be pending receipt of compensation advice and recommendations, will be reported for your further information and approval in due course.

The City Corporation has until the 30 March 2023 to resolve its claim for compensation.

Recommendation(s)

Members are asked to note this report and the actions being taken. Further reports are to be submitted in due course.

Appendices

- Appendix 1 - Subsoil Parcels Map.

Background Papers

- The London Underground (Bank Station Capacity Upgrade) Order 2015.

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APPENDIX 1 - City Corporation Subsoil Property



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