



## Corporate Asset Sub (Finance) Committee

**Date:** WEDNESDAY, 11 JULY 2018  
**Time:** 1.45 pm  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:** Nicholas Bensted-Smith (Chairman)  
Dominic Christian (Deputy Chairman)  
Randall Anderson  
Marianne Fredericks  
Alderman Alison Gowman  
Michael Hudson  
Deputy Wendy Hyde  
Deputy Jamie Ingham Clark  
Jeremy Mayhew  
Deputy Joyce Nash  
Jeremy Simons  
Deputy Philip Woodhouse

**Enquiries:** John Cater  
[john.cater@cityoflondon.gov.uk](mailto:john.cater@cityoflondon.gov.uk)

Lunch will be served for Members in the Guildhall Club at 1pm  
N.B. Part of this meeting could be the subject of audio 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 of the meeting held on 21<sup>st</sup> May 2018.  
**For Decision**  
(Pages 1 - 4)
4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**  
Report of the Town Clerk.  
**For Information**  
(Pages 5 - 6)
5. **WORK PROGRAMME FOR FUTURE MEETINGS**  
Joint report of the Town Clerk and City Surveyor.  
**For Information**  
(Pages 7 - 8)
6. **RISK REGISTER Q4 2017/18**  
Report of the City Surveyor.  
**For Information**  
(Pages 9 - 22)
7. **CDP 2018 - UPDATE REPORT**  
Report of the City Surveyor  
*To Follow*  
**For Information**
8. **MANSION HOUSE EXTERIOR WORKS**  
Report of the City Surveyor  
**For Decision**  
(Pages 23 - 26)
9. **WOODREDON ESTATE PROPERTIES PROGRESS UPDATE**  
Report of the City Surveyor  
**For Decision**  
(Pages 27 - 32)

10. **GUILDHALL WEST WING - MEZZANINE LEVEL OFFICES IMPROVEMENT**

Report of the City Surveyor.

**For Decision**  
(Pages 33 - 34)

11. **ASSET MANAGEMENT - SERVICE BASED REVIEW - INTERIM REPORT**

Report of the City Surveyor.

**For Information**  
(Pages 35 - 38)

12. **ADDITIONAL REPAIRS & MAINTENANCE PROGRAMME (AWP) - QUARTERLY PROGRESS REPORT**

Report of the City Surveyor

**For Information**  
(Pages 39 - 42)

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

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

15. **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**

16. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 21<sup>st</sup> May 2018.

**For Decision**  
(Pages 43 - 48)

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

Report of the Town Clerk.

**For Information**  
(Pages 49 - 50)

18. **65/65 A BASINGHALL STREET - UPDATE**

Report of the City Surveyor

*To Follow*

**For Decision**

19. **ENERGY PERFORMANCE - 2017/18 Q4 AND UPDATE ON ENERGY PROCUREMENT**  
Report of the City Surveyor  
*To Follow*  
**For Information**
20. **COMBINED HEAT AND POWER SYSTEM - FUTURE OPTIONS**  
Report of the City Surveyor  
**For Decision**  
(Pages 51 - 58)
21. **FACILITIES MANAGEMENT - SERVICE BASED REVIEW SAVINGS**  
Report of the City Surveyor.  
**For Information**  
(Pages 59 - 64)
22. **BRM ASSET VERIFICATION - ADDITIONAL RESOURCES**  
Report of the City Surveyor.  
**For Decision**  
(Pages 65 - 70)
23. **GLA ROADS - PROGRESS UPDATE WITH TRANSPORT FOR LONDON**  
Report of the City Surveyor.  
**For Information**  
(Pages 71 - 74)
24. **BUSINESS PLAN 2017/18 Q4 OUTCOME REPORT**  
Report of the City Surveyors.  
**For Information**  
(Pages 75 - 88)
25. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
26. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

## **CORPORATE ASSET SUB (FINANCE) COMMITTEE** **Monday, 21 May 2018**

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 21 May 2018 at 1.45 pm

### **Present**

#### **Members:**

Nicholas Bensted-Smith (Chairman)  
Dominic Christian (Deputy Chairman)  
Randall Anderson  
Marianne Fredericks  
Michael Hudson  
Deputy Wendy Hyde  
Jeremy Mayhew  
Jeremy Simons

#### **Officers:**

John Cater	- Committee Clerk
Paul Wilkinson	- City Surveyor
Peter Young	- City Surveyor's Department
Dianne Merrifield	- Chamberlain's Department
Andrew Crafter	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
Chris Hartwell	- City Surveyor's Department
Alison Hurley	- City Surveyor's Department
Mark Lowman	- City Surveyor's Department
Dorian Price	- City Surveyor's Department
Richard Litherland	- City Surveyor's Department
Andrew Little	- Chamberlain's Department
Jonathon Poynor	- Barbican Centre

### **1. APOLOGIES**

Apologies were received from Alderman Gowman, Deputy Jamie Ingham Clark, Deputy Joyce Nash and Deputy Philip Woodhouse.

The Chairman thanked Mark Bostock, John Chapman, Henry Colthurst, Karina Dostalova, Deputy Edward Lord, Deputy Alastair Moss and Deputy John Tomlinson for their support for the Sub-Committee over the previous year, and welcomed Marianne Fredericks, Deputy Wendy Hyde, Deputy Joyce Nash and Jeremy Simons to the Sub-Committee for the ensuing year.

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

No declarations of interest were made.

3. **MINUTES**

The Chairman asked officers to return to the Sub-Committee in July, with a Report that included a bottom up analysis of costs to achieve the target in the Carbon Descent Plan.

**RESOLVED** – That the public minutes of the previous meeting held on 19<sup>th</sup> March 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.

**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. **2017/18 ENERGY PERFORMANCE Q3 REPORT - REPORTING ADJUSTMENTS TO ACCOUNT FOR CHANGES IN THE PORTFOLIO'S FOOTPRINT**

The Sub-Committee received a Report of the City Surveyor concerning adjustments to the kWh/m<sup>2</sup> figure to account for changes in the operational property portfolio's footprint.

**RESOLVED** – that the Sub-Committee noted the Report.

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

There were no questions.

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

There was one item of urgent business.

Members reminded officers that the presumption should be that Reports are marked as Public, unless there were clear commercial confidentiality reasons or named individuals were being discussed.

9. **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.

10. **NON-PUBLIC MINUTES**  
The non-public minutes of the previous meeting held on 19<sup>th</sup> March 2018 were approved as an accurate record.
11. **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.
12. **ST LAWRENCE JEWRY GATEWAY 3-4 ISSUES REPORT**  
The Sub-Committee received a Report of the City Surveyor.
13. **FM CENTRAL CRIMINAL COURT UPDATE REPORT**  
The Sub-Committee received a Report of the City Surveyor.
14. **GATEWAY 5: SECURITY ENHANCEMENTS/SECURITY CROSS CUTTING - GUILDHALL COMPLEX, BARBICAN CENTRE, CENTRAL CRIMINAL COURT & MANSION HOUSE - BBM**  
The Sub-Committee received a Report of the City Surveyor.
15. **UPDATE ON COMBINED HEAT AND POWER SYSTEM (CITIGEN)**  
The Sub-Committee received a Report of the City Surveyor.
16. **AWP PROGRESS REPORT - Q4 2017/18**  
The Sub-Committee received a Report of the City Surveyor.
17. **CWP PROGRESS REPORT Q4 2017/18**  
The Sub-Committee received a Report of the City Surveyor.
18. **MEMBERS WORKING GROUP - FINSBURY CIRCUS GARDEN REINSTATEMENT**  
The Sub-Committee received a Report of the City Surveyor.
19. **THIRD PARTY LEASES - SECURITY OF TENURE**  
The Sub-Committee received a Report of the City Surveyor.
20. **65/65A BASINGHALL STREET UPDATE REPORT**  
The Sub-Committee received a Report of the City Surveyor.
21. **ASSET MANAGEMENT PLANS - PHASE 1 PROGRESS REPORT**  
The Sub-Committee received a Report of the City Surveyor.
22. **CITY FUND & CITY ESTATE HIGHWAY LAND: AIRSPACE LEASE EXTENSION - 21 LOMBARD STREET**  
The Sub-Committee received a Report of the City Surveyor.
23. **GUILDHALL SWITCH ROOM ASBESTOS AND LIVE ELECTRICAL EQUIPMENT REMOVAL, AND WATER INGRESS SOLUTION - GUILDHALL GATEWAY 1 /2**  
The Sub-Committee received a Report of the City Surveyor.

24. **WALBROOK WHARF REPLACEMENT ROOF - GATEWAY 1 /2**  
The Sub-Committee received a Report of the City Surveyor.
25. **DOOR ACCESS CONTROL SYSTEM AT GUILDHALL AND WALBROOK WHARF**  
The Sub-Committee received a Report of the City Surveyor.
26. **BRM LOT 2 (BUILDING FABRIC REPAIRS AND MAINTENANCE) INCREASE IN CONTRACT VALUE**  
Please see ITEM 14.
27. **GUILDHALL ART GALLERY CLOAKROOM AND LAVATORIES REFURBISHMENT - GATEWAY 1 /2**  
The Sub-Committee received a Report of the City Surveyor.
28. **GUILDHALL WEST WING PROVISION OF UPGRADED LAVATORIES AND CLOAKROOM FACILITIES FOR MEMBERS AND GUILDHALL GUESTS**  
The Sub-Committee received a Report of the City Surveyor.
29. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**  
There were no questions.
30. **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 15:00**

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Chairman

**Contact Officer: John Cater**  
**[john.cater@cityoflondon.gov.uk](mailto:john.cater@cityoflondon.gov.uk)**



## Corporate Asset Sub-Committee - Carry Forward Public Actions

Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress update
19 March 2018	<u>Carbon Descent Plan 2018</u> Members were concerned about the robustness of the new Carbon Descent Plan targets and requested that officers return with a bottom-up analysis of the estimated costs associated with achieving these.	James Rooke	July 2018	Updated Report at July CASC meeting

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**tCorporate Asset Sub-Committee –Work Programme 2018**

Committee Date	13/02/2018	19/03/2018	21/05/2018	11/07/2018	14/09/2018	1/11/2018
<b>Sustainable Management of the Corporation’s Operational Property Portfolio</b>						
Corporate Property Asset Management Strategy	Asset Management SBR update report		Asset Management Plans – Phase 1 progress report.	Asset Management SBR - update report	Asset Management SBR - report	New strategy for 2018-23 report
City Surveyor's Business Plan	HL Business Plan for 2018/2023 report - draft  Business Plan 2017/18 Q3 outcome report	High Level Business Plan 2018/2023 - Final		Business Plan 2017/18 Q4 outcome report	Business Plan 2018/19 Q1 outcome report	
City Surveyor’s Risk Register	Risk Register 2017/18 Q3 report			Risk Register 2017/18 Q4 report	Risk Register 2018/19 Q1 report	
Facilities Management	FM SBR update report		FM SBR update report	FM SBR Savings report BRM2 Asset Verification report	Corporate FM General update report	
Portfolio management information		New Housing and Planning Act – update report			Annual report on changes to portfolio  Annual report on third parties and income from portfolio	
Operational Property Review ( note individual assets will be reported as declared surplus by service committees) and other disposals		OPR overall programme update report	Potential disposal report	Woodredon House and the Coach House progress report  TfL and GLA Red Routes – update report	Potential disposal report	OPR overall programme update report
<b>Upkeep, maintenance and furnishing of operational properties not within the remit of another Service Committee.</b>						
	AWP Progress Report Q3 17/18  Heritage at Risk Register Annual Report	GSMD Capital Cap Progress Report	AWP / CWP Progress Report Q4 2017/18	AWP/ CWP Progress Report Q1 2018/19	GSMD Capital Cap completion report  Barbican Centre Capital Cap completion report	AWP / CWP Progress Report Q2 2018/19
<b>To monitor major capital projects relating to operational assets</b>						

Committee Date	13/02/2018	19/03/2018	21/05/2018	11/07/2018	14/09/2018	1/11/2018
	20/21 Aldermanbury (CII Building) - Building Refurbishment  Members Cloakroom Upgrade Gateway 3/4  St Lawrence Jewry Church Refurbishment Gateway 3/4 Issues Report  COTAG Access Control Gateway 3  Guildhall – Great Hall - Events Chair Replacement Gateway 1/2 Report  Guildhall West Wing Mezzanine Level Improvement Gateway 1/2	Guildhall - Justices Switch - Damp proofing and relocation of essential electrical services Gateway 1/2 Report  Walbrook Wharf – main depot roof. Gateway 1/2 Report  Guildhall Yard refurbishment - Gateway 1/2 Report  Guildhall Art Gallery Carpet Replacement and Wooden Floor Overhaul Gateway 1/2 Report	St Lawrence Jewry Gateway 3-4 Issues Report  65/65a Basinghall Street update report  COTAG Access Control Gateway 5	Summary of new Capital projects across the operational portfolio  65/65 a Basinghall Street – update report  Guildhall West Wing – Mezzanine level offices improvement – update report  Mansion House exterior works – progress report	Guildhall - Justice rooms switch room damp proofing and relocation of electrical services Gateway 3-4 report  Walbrook Wharf – main depot roof Gateway 3-4 report  Guildhall- Great Hall Event Chairs Gateway 3-4 report  Guildhall sub metering Gateway 3-4 report  20/21 Aldermanbury options - Gateway 3 report	
<b>Recommending the annual programme of repair and maintenance works</b>						
					CWP for 2019/20 bid report	
<b>Responsibility for strategies, performance and monitoring initiatives in relation to energy</b>						
	2017/18 Energy performance Q2 report  Guildhall sub metering gateway 2 report  Carbon Descent Plan proposed targets and Energy procurement update report		2017/18 Energy performance Q3 report and update on Energy Procurement  Citigen contract renewal report	Energy Performance – 2017/18 Q4 and update on Energy procurement  CDP 2018 – update report  CHP System – Future Options	Energy Performance 2018/19 Q1 report  Guildhall – Sub metering Gateway 5 report	Energy Performance 2018/19 Q2 report
<b>Monitoring and advising on bids for Heritage Lottery Funding</b>						
	National Lottery Funding Monitoring report					

<b>Committee(s):</b>	<b>Date:</b>
Property Investment Board	13 June 2018
Corporate Asset Sub (Finance) Committee	11 July 2018
<b>Subject:</b> City Surveyor's Departmental Quarterly Risk Register Update	<b>Public</b>
<b>Report of:</b> The City Surveyor (CS 149/18)	<b>For Information</b>
<b>Report author:</b> Faith Bowman / John Galvin City Surveyors Department	

## Summary

This report has been produced to provide your committee with a quarterly update on the management of risks within the City Surveyor's Department.

The City Surveyor's Department currently has three red risks, and four amber risks. The most significant risks, those categorised as red, are;

- City Bridges: Wanton Damage / Terrorism 16 (Red) (SUR SMT 006)
- City Bridges: Tunnelling for the Thames Tideway Tunnel 16 (Red) (SUR SMT 007)
- City Bridges: Substantial vessel strikes 16 (Red) (SUR SMT 008)

The City Bridges risks are owned by the City Surveyor whilst many actions are undertaken by the Department of the Built Environment (DBE) who provide engineering expertise.

A copy of the City Surveyor's Departmental Risk Register has been included as Appendix A.

## Recommendation(s)

Members are asked to note the report and the actions taken within the City Surveyor's Department to effectively monitor and manage risks arising from our operations.

## Main Report

### Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department. The Property Investment Board and Corporate Asset Sub Committee have determined that they will receive the City Surveyor's Departmental Risk Register on a quarterly basis.

## **Current Position**

2. The City Surveyor's risks are managed through a hierarchy of three levels, these are group risks, departmental risks and corporate risks. A process exists to ensure that group risks are considered, reviewed and recorded, and significant risks are escalated systematically to the Senior Management Team (SMT) for consideration and inclusion in the Departmental Risk Register.
3. Risk and control owners are consulted regarding the progress of mitigation actions and update the risks that they are responsible for, on at least a quarterly basis.
4. An update is provided to the City Surveyor on red risks for intervening committee meetings.
5. Departmental risks are reviewed at a quarterly SMT Risk Review Meeting. At this meeting the SMT receives the Risk Register and a briefing is provided by officers responsible for the register's maintenance. They highlight any changes since the previous review. The current risks are reviewed, and consideration is given to emerging risks as part of updates on key issues reported by each group. This ensures that adequate consideration is given to all operational risks.
6. This report provides an update on the current risks that exist in relation to the operations of the City Surveyor's Department.
7. The City Surveyor's Department Risk Register currently contains three Red risks and four amber risks. The details of each of these are included in Appendix A and a summary of the red risks is provided below.

## **Summary of Red Risks**

8. SUR SMT 006 City Bridges: Wanton Damage / Terrorism  
Current risk score 16 (Red)

The City Surveyor is working with internal partners, particularly DBE to improve ongoing management and communication of actions associated with this risk. This will include inspections, maintenance reports and areas of concern.

9. SUR SMT 007 City Bridges: Tunnelling for the Thames Tideway Tunnel  
Current risk score 16 (Red)

All tunnelling on the Thames Tideway should conclude by 2021. The City Surveyor's Department is working with DBE on the associated actions related to this risk.

10. SUR SMT 008 City Bridges: Substantial vessel strikes  
Current risk score 16 (Red)

The City Surveyor's Department is working with internal partners, particularly DBE to improve ongoing management, communication, and actions associated with this risk.

## **Changes since the last review**

11. Since the last report to your committee two risks have been merged together as indicated below:

SMT 003 - Failure to maintain the Guildhall complex to the required standards - has been merged with SUR SMT 002 - Not maximising operational property / building performance and availability.

This reflects the fact that the risks affecting the Guildhall Complex and the Operational Estate are similar in nature, and the actions being progressed are common. Therefore, it was not considered useful to continue to separate out these two items.

## **Conclusion**

12. Members are asked to note the recent changes to the Departmental Risk Register and that the risk management processes within the City Surveyor's Department adhere to the requirements of the City Corporation's Risk Management Framework.

## **Appendices**

Appendix A - City Surveyor's Departmental Risk Register

### **Background Papers**

The City Surveyor (CS 359/17)

The City Surveyor (CS 472/17)

The City Surveyor (CS 037/18)

**John Galvin/ Faith Bowman**

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# SUR Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Faith Bowman



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>SUR SMT 006</b> <b>City Bridges -</b> <b>Wanton Damage / Terrorism</b>  19-Jun-2017 Paul Wilkinson	<b>Cause:</b> Wanton Damage / Terrorism <b>Event:</b> Structural damage to bridge/s <b>Impact:</b> Instability in bridge structure leading to possible collapse, reputational damage, disruption to traffic, additional costs to repair / replace	Likelihood  Impact	16	CSD is working with internal partners, particularly DBE, to improve ongoing management and communication of actions associated with this risk. This will include: - Inspections - Maintenance reports - Areas of concern  <b>26 Mar 2018</b>	Likelihood  Impact	12	31-Mar-2019	  Constant

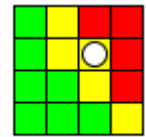
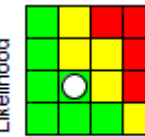
Action no	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 006a	Counter Terrorism	There is Police presence, but the bridges are located outside the security cordon. Tower Bridge has cameras and security requirements for visitors  Temporary mitigation by the Metropolitan Police is in place, but this is not full Hostile Vehicle	Nicholas Gill; Ian Hughes; Paul Monaghan	14-Mar-2018	31-Mar-2019

		Mitigation -discussions are on-going with various authorities to identify next steps			
SUR SMT 006b	Traffic Management	Paul Monaghan has spoken to TFL in connection with traffic management contingency plans. TFL have a sequence of plans in place depending on the situation which arises. Paul is an on-going member of the River Crossings Liaison Group and can update CSD at the quarterly meetings as appropriate.	Nicholas Gill; Paul Monaghan; Peter Young	01-Mar-2018	31-Mar-2019


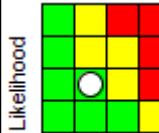

Paul Wilkinson  
Jun-2017

Paul Wilkinson  
Jun-2017

Item no	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 008a	Navigation controls	<p>Navigation is controlled by the Port of London Authority and navigation lights fixed to bridges.</p> <p>Department of Built Environment to investigate further defences and report back to the City Surveyor. Paul Monaghan is an on-going member of the River Crossings Liaison Group and can update CSD at the quarterly meetings as appropriate as to any appropriate actions, activities, or change in the risk status of this item.</p>	Nicholas Gill; Paul Monaghan; Peter Young	14-Mar-2018	31-Mar-2019

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>SUR SMT 001</b> <b>A fall in property performance</b>  <div style="position: absolute; bottom: 0; left: 0; width: 100%; text-align: right;">           09-Mar-2015            Nicholas Gill         </div>	<p><b>Cause:</b> Unexpected change or unknown impact of macro-economic policy (decision to terminate membership of E.U., change in interest rate, exchange rate, taxation, government policy etc.)</p> <p><b>Event:</b> Business sentiment changes and U.K. / London becomes less attractive to investors / tenants.</p> <p><b>Impact:</b> Business Plan objectives are not achieved with resultant negative impact on income, yields, voids and arrears.</p>		12	<p>The strategy is to maintain a diverse portfolio that reduces the impact of this risk. This includes:</p> <ol style="list-style-type: none"> <li>1. Use (office, retail, industrial)</li> <li>2. Location (City, Southwark, West End etc.)</li> <li>3. Tenancies (Long term Headlease geared, FRI, directly managed)</li> <li>4. Covenants (multinationals, SME)</li> <li>5. Asset management (lease renewals, voids, arrears, etc)</li> </ol> <p><b>21 Mar 2018</b></p>		4	31-Mar-2019	<div style="width: 10px; height: 10px; background-color: blue; margin-bottom: 5px;"></div> Constant

Action no	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 001c	Impact of decision to terminate membership of E.U. the General Election and other political and economic decisions	SMT continues to closely monitor the position quarterly, including analysis of market reaction.	Nicholas Gill	21-Mar-2018	31-Mar-2019
SUR SMT 001d	Maintain a diverse mix of space, locations, and tenants to ensure the business has wide market appeal and is not reliant on a particular business sector	IPG Management Team monitors development of property portfolio and tenant mix.	Nicholas Gill	21-Mar-2018	31-Mar-2019

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 002 Not maximising operational property/building performance and availability  Page 18 Feb-2015 Peter Young	Cause Insufficient budget, lack of expertise in management, or poor allocation of resources Event: Poor asset management Impact: Inability to maximise operational property / building performance (reduced rental income, reduced capital value, increased breakdown of M&E services, reduced customer satisfaction, poor building use and efficiency)	Likelihood  Impact	12	The principal mitigation actions are related to forecasting and monitoring the allocation of financial and human resources;  £2m was added for 2017/18 and then £4m for the three years after. Court in February approved to add a further £4m for 2021/22  The Asset Management SBR programme is in progress, and this may result in a different structure.  21 Mar 2018	Likelihood  Impact	4	31-Mar-2019	  Constant

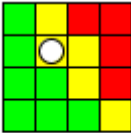
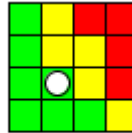

Action no	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 002a	Senior Management Team regularly review budgets.	This includes monies allocated under the Cyclical Works Programme and those from business rates. These items will help address a portion of the ‘bow wave’. Meetings are held regularly to review programmes and bring forward works where required. The team also identifies any shortfalls with the view of making recommendations to Members on a case-by-case basis.	Peter Collinson; Peter Young	21-Mar-2018	31-Mar-2019
SUR SMT 002d	Operational Property Review	Deliver the Operational Property Review in order to ensure efficient and effective property management. Progress releasing assets has been slower than desired. Next steps include challenge sessions between the City Surveyor and Chief Officers as agreed by CASC. These will be undertaken between November and October 2018 as part of the business planning cycle.	Peter Young	14-Dec-2017	31-Mar-2019

SUR SMT 002e	Asset management plan	Continue the development of new Asset Management Plans for key properties / sites.	Peter Young	21-Mar-2018	31-Mar-2019
SUR SMT 002f	Guildhall Events Financial Statement	Guildhall Events Financial Statement is now in place. This will be presented to Remembrancer's Management Team, Cross-cutting Officer Events Group and then onto Members - Hospitality Working Party twice a year (Jun and Oct/Nov). This report will include a consideration of running costs and deferred work	John James	21-Mar-2018	31-Mar-2019
SUR SMT 002h	Guildhall Reviews	Three reviews are currently on-going and are at different stages. These include Security Review (including 67 recommendations), Cleaning Review (implementation) and the Energy Reduction Action Plan (implementation of the AECOM recommendations).	Peter Young	21-Mar-2018	31-Mar-2019
SUR SMT002g	Guildhall Programme Delivery	The Guildhall programme of future major capital projects was presented to CASC in October. This outlined the next wave of major works proposed to be taken through the Gateway process over the next three years. This will now be programmed in further detail for delivery and will be subject to the availability of funding. A further report will be taken to Committee in Q1. (2018/19)	Dorian Price	21-Mar-2018	31-Mar-2019

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>SUR SMT 005 Recruitment and retention of property professionals</b>          17-Mar-2015 Paul Wilkinson	<p><b>Cause:</b> Uncompetitive pay structures within some professional grades</p> <p><b>Event:</b> Increasingly attractive remuneration and reward packages offered elsewhere externally, particularly in the private sector</p> <p><b>Impact:</b> Increased vacancies, objectives unachieved or delivered late, reduced customer satisfaction, less real estate activity, reduced employee wellbeing, demotivation of staff.</p>	<div> <div>Likelihood</div> <div>Impact</div> </div>	12	<p>Within the CSD, it is proving challenging to recruit Chartered Surveyors, Chartered Engineers as the reward ‘offer’ (including pay) is lower than those being offered in the private sector at this moment in time.</p> <p>Recently approved flexibility in market forces supplement will be applied where appropriate.</p> <p><b>21 Mar 2018</b></p>	<div> <div>Likelihood</div> <div>Impact</div> </div>	4	30-Apr-2018	<div> <div>Constant</div> </div>

Action no	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 005a	Assessment of CoL Reward and Earnings Package	The Independent report has been presented to the City Surveyor and to HR. Key outcomes are being shared with SMT only - with a view that where gaps have been identified, recommendations are to be developed by SMT on how to close this.	Paul Wilkinson	21-Mar-2018	30-Apr-2018



Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>SUR SMT 004</b> <b>Inability to deliver savings required by Service Based Review</b>  03-Mar-2015 Paul Wilkinson	<b>Cause:</b> Departments do not deliver the agreed Facilities Management and Asset Management actions to time and to the appropriate success criteria.  <b>Event:</b> Recommendations arising from the Asset Management and Facilities Management reviews are not implemented in full.  <b>Impact:</b> Saving targets not achieved and objective not met – including transformation service improvements.	 Likelihood Impact	6	2017/18 savings are on target which will be supplemented by savings from the next generation building repairs and maintenance contract (BRM2). Facilities Management review (Strategic Asset Management Programme) SBR savings will be delivered by using BRM2 efficiencies  <b>22 Mar 2018</b>	 Likelihood Impact	4	31-Mar-2019	  Constant

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Location no	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 004b	Asset Management Service Based Review	Review commenced. Scope of review agreed by SAM Programme Board. Recruitment of replacement Asset Management Project Manager is now complete. GVA appointed and commenced workshops.	Peter Young	22-Mar-2018	30-Jun-2018
SUR SMT 004c	Reduce staffing budget	Guildhall FM Team transfer to Operations Group was completed in October 2017. Continue to progress reviews of FM services and staffing requirements. Recruitment to posts where gaps in capacity are identified.	Peter Collinson	14-Dec-2017	31-Mar-2019

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<b>Committee</b>	<b>Date:</b>
Corporate Asset Sub (Finance) Committee	11/07/2018
<b>Subject:</b> Mansion House: External Cleaning & Lighting – update Report of: City Surveyor	<b>Public</b>
Ref: CS 247/18	<b>For Information</b>
<b>Report author:</b> Sunil Singh, City Surveyors Department.	

## Summary

The Gateway 1/4 report on the external cleaning and lighting of the Mansion House has been delayed by difficulty in undertaking surveys and will now be submitted to the November meeting of the Corporate Asset Sub Committee.

## Recommendation

Members are asked to note the report.

## Main Report

## Background

1. The City Surveyors Department (CSD) report to February CASC noted that, in relation to Member's concerns, plans to undertake external cleaning of the Mansion House will be reviewed together with proposals for external lighting. It stated that a cost estimate will be formulated and a plan for undertaking the works will be drawn up, a Gateway 1/4 report will be presented to this Committee at the latest on the 14th September 2018 for consideration.
2. At the meeting officers confirmed that a report would be presented to the July 2018 meeting with detailed options.

## Current Position

3. Surveys of the external façade of the Mansion House have been commissioned from a specialist architect, Carden & Godfrey. This company specialises in the conservation of historic buildings.
4. Undertaking the surveys has been delayed. Initial proposals utilising mobile high-level access plant required the need for partial road closures and presented loadings issues at Mansion House Place. Consultation with CoL Highways Dept also informed CSD of a 12-week lead time for closures and it being unlikely a closure to Mansion House Street would be granted due to current gas leaks in the area.
5. To overcome the delay alternative means of access to allow close inspection of the façade has been considered. The preferred option, abseiling from the roof of the building, will require a Freedom of Movement licence; CoL Highways have

indicated a lead-time of 4-6 weeks for this to be granted. Obtaining road closures or pavement closures to meet the shortened reporting date has been difficult.

6. The application for the Highway licence has been submitted and we are expecting a response end of June 2018
7. The surveys are planned to take place between 25th and 30th of June 2018, with the architect's final report due by 13th of September 2018. During this time CSD will be issued with a draft report and engage with stakeholders to develop a suitable programme for phasing works to minimise operational impact. A Quantity Surveyor will provide project costs following stakeholder consultations and developed options.
8. The technical and financial aspects of the findings will need to be considered, together with implications for stakeholders, before options can be presented to Committee.
9. As well as surveying the stonework and external façade we are also looking at proposals for lighting the Mansion House. An image of the proposal with indicative costs is included in the appendix to this report. We will be reassessing this proposal and updating the costs for the next report.
10. The next report will be a combined Gateway 1-4 Options Appraisal report which will be considered at the 01/11/2018 meeting of your committee and then submitted for approval to the next Project Sub Committee on 07/11/2018.

## **Appendices**

Appendix1: Image of the Mansion House with portico lighting proposal.

## **Background Papers**

City Surveyors Department Report ref CS019/18 (CASC 13/02/2018 agenda item 9)

## **Author**

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Appendix1: Image of the Mansion House with portico lighting proposal.



Image by **dpa** lighting design

Total Budget Estimate for Luminaires & Installation : £45,000.00  
Estimate of Electrical Running Costs: £607.00 per year  
(Estimated Costs February 2014)

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<b>Committee(s)</b>		<b>Dated:</b>
Corporate Asset Sub	For decision	11 July 2018
Epping Forest & Commons	For information	9 July 2018
<b>Subject:</b> Woodredon Estate properties – Update on Woodredon House and The Coach House and Request for Delegated Authority to dispose of The Lodge and Laundry Cottage		<b>Public</b>
<b>Report of:</b> City Surveyor (CS.288/18)		<b>For Decision/ Information</b>
<b>Report author:</b> Fiona Pearson		

## Summary

Following Corporate Asset Sub Committee approval in February 2018 to market for disposal Woodredon House, The Coach House and The Lodge, these properties have now been marketed by the City's appointed property consultants Savills plc (Savills) since May 2018. Best offers are due to be received on 3 July 2018. Vacant possession of Laundry Cottage, which obtained Committee approval separately in September 2016 to dispose, has only recently been obtained. This property will now be marketed by Savills with best offers to be received by end of July 2018.

Interest to date in relation to Woodredon House and The Coach House has been from various parties either looking to convert both properties into residential apartments, retain as a single dwelling, or continued use as a care home. Interest to date for The Lodge is from the owner/occupier market proposing to refurbish the premises for use as a single dwelling as per the existing residential status. It is assumed that Laundry Cottage is likely to attract interest from this same market.

This report seeks approval;

- i) To a bid evaluation criteria as detailed within this report to enable the City Surveyor and Savills to assess received offers for the disposal of Woodredon House (former nursing home) and The Coach House over the summer recess. The evaluation criteria will enable an appropriate balance between the City's fiduciary duties and role in the preservation and management of Epping Forest, and then to develop a shortlist of preferred bidders for further discussion/negotiation in order to make a final recommendation to the September Corporate Asset Sub Committee.
- ii) For Delegated Authority to be granted to the Town Clerk in consultation with the Chairman and Deputy Chairman of Corporate Asset Sub Committee to approve the terms for disposals of The Lodge and Laundry Cottage should this be necessary over the summer recess. It is anticipated if there are suitable bids received, potential purchasers from the owner/occupier market will wish to proceed without delay.

### **Recommendation(s)**

Members of Corporate Asset sub Committee are asked to:

- Approve the proposed bid evaluation criteria for the disposal of Woodredon House and The Coach House to enable the City Surveyor and Savills to assess and determine the best offers over the summer recess and finalise a proposal for future recommendation.
- Delegate Authority to the Town Clerk in consultation with the Chairman and Deputy Chairman of Corporate Asset Sub Committee to approve the terms for the disposals of The Lodge and Laundry Cottage over the summer recess.
- Note the City Surveyor will be seeking delegated authority to deal with minor issues of a non - financial nature and where necessary in consultation with the Comptroller and City Solicitor. The Comptroller and the City Solicitor being instructed accordingly.

Members of both committees are asked to:

- Note the disposals will be subject to appropriate covenants and contractual provisions as a result of the City Corporation's retention of adjoining property and Epping Forest, and these will be specified when the final disposal terms are reported for future approval.
- Note that where access rights will be required over the City's retained property, appropriate use of any access will be granted with the ability for the City Corporation to recover relevant costs.

### **Main Report**

#### **Woodredon House and The Coach House, Woodredon Farm Lane**

1. Following Corporate Asset Sub Committee approval on 13 February 2018 to market the disposal of Woodredon House (former nursing home) and The Coach House, all associated building, utility, asbestos, topographical surveys were prepared, Savills, the City Corporation's appointed property consultants. The properties went on the open market during May 2018.
2. Marketing has included circulating the sale brochure to over 200 recipients on Savills marketing list, launch of exclusive website pages and use of the Estates Gazette Interactive website. Further advertising was placed in local newspapers the Epping Forest Guardian and the Essex Chronicle for 28 days to comply with the requirements of the disposals and provisions of the Green Belt (London and Home Counties) Act 1938.



3. Savills have informed officers that the interest to date is from various parties either looking to convert both properties into residential apartments, retain as a single dwelling, or continuing use as a care home for assisted living. Savills expect bids for these uses will be subject to obtaining planning consent.
4. There is a best bids submission date of 3 July 2018. As part of the marketing process, Savills have indicated to each interested party there is to be a requirement from the City Corporation for overage regarding both properties.
5. In addition, applicants are being advised that the future uses of the properties need to be compatible with requirements for the Woodredon Estate to protect Epping Forest, as agreed when the Estate was transferred by special arrangement to the City of London by the Secretary of State for the Environment. Epping Forest land, including land designated as a Special Area of Conservation (SAC), adjoins the boundary of the Woodredon Estate and is 1km from the property boundaries and vehicular access to them lies through Epping Forest land. Thus disposals will be subject to appropriate covenants and conditions to address the following principle aspects;
  - a. Controlling future use/s to avoid damage or disturbance to the amenity and character of the surrounding Epping Forest land and the Woodredon & Warlies Estate buffer lands, as well as promoting good stewardship;
  - b. Changes of use to cause minimal impact on the surroundings compared to the existing use and the City's wider requirements, and which is supported by the local planning authority;
  - c. Not to undertake any illegal or immoral uses ( a standard condition)
6. It is proposed that offers received are reviewed and scored against a set of evaluation criteria with a view to shortlisting 2- 3 bids for each property. The preferred bidders will then be asked to refine their bids and present them in more detail to enable officers and Savills to better understand and fully evaluate these offers for further consideration by Corporate Asset Sub Committee in September 2018. The proposed bid evaluation criteria is as shown below:

	<b>Evaluation Criteria</b>	<b>Weighting</b>
1.	Price / overage	45%
2.	Compatibility with locality / support Epping Forest values	25%
3.	Financial viability / strength / strategy of proposal	10%
4.	Planning certainty / level of risk	10%
5.	Bidder's track record / proven experience / funding strategy	10%

7. Bidders will be required to present overage proposals. The proposed evaluation process and subsequent negotiations will identify the preferred bid and bidder with whom suitable covenants and contractual conditions details can be negotiated, including separate easement terms for access rights, in order to present for future approval.

8. Once this part of the process has been concluded and a final preferred offer agreed, a recommendation to accept this offer and finalised heads of terms for the disposal will be presented to Corporate Asset Sub Committee for approval.

### **The Lodge, Woodredon Farm Lane and Laundry Cottage, Green Lane**

9. Following Corporate Asset Sub Committee approval on 13 February 2018 to market the disposal of The Lodge, Savills placed the property on the open market during May 2018. It was launched via their website as well as the Estates Gazette Interactive website. Again, advertising was placed in local newspapers the Epping Forest Guardian and the Essex Chronicle for 28 days to comply with the requirements of the disposals and provisions of the Green Belt (London and Home Counties) Act 1938.
10. All interested parties to date are potential owner occupiers who have expressed an intention to refurbish the premises as a single dwelling as per the existing residential status. A best bids submission date has been set for 3 July 2018.
11. Vacant possession of Laundry Cottage has recently been obtained. Savills are in the process of preparing marketing particulars and anticipate this property will be launched to the market shortly with best bids being sought by end of July 2018.
12. Laundry Cottage, being of similar size, construction and condition as The Lodge is expected to draw interest from the same owner/occupier market.
13. Delegated Authority is now being sought to enable the Town Clerk in consultation with the Chairman and Deputy Chairman of Corporate Asset Sub Committee to consider best bids, approve a preferred bidder and terms for disposal of The Lodge and Laundry Cottage over the summer recess.

### **Legal Implications for Woodredon House, The Coach House, The Lodge and Laundry Cottage**

14. The properties form part of the Woodredon Estate which was acquired by the former Greater London Council pursuant to the Green Belt (London and Home Counties) Act 1938 (Act).
15. Disposal is authorised by Section 5 of the Act which does not stipulate the need to obtain best consideration. There is no prohibition on imposing restrictions, the power to do so being implicit in Section 5 and Section 24 of the Act.
16. The properties are being advertised in two local newspapers for 28 days. After this period expires, the City can apply for the necessary ministerial consent to sell with the sale proceeds applied according to Section 25 of the Act.

## **Conclusion**

17. Although the Woodredon Estate is held by City Fund, this does not impose a universal requirement to obtain best consideration. The evaluation criteria for Woodredon House and The Coach House will help ensure that these properties are sold on optimum terms, reflecting both the City's financial and the future operational responsibilities in respect of both the management and protection of Epping Forest and its buffer lands.
18. Delegated Authority sought to enable the Town Clerk in consultation with the Chairman and Deputy Chairman of Corporate Asset Sub Committee to consider best bids, approve a preferred bidder and terms for disposal of The Lodge and Laundry Cottage expediently and in line with normal market expectations over the summer recess.

## **Background Papers**

- Woodredon & Warlies Park Estate – Disposal Options for Woodredon House, The Coach House, The Lodge and update on No.2 Green Lane Bungalow and Park View Bungalow – CASC – 13 February 2018
- Declaration of built estate as surplus to operational requirements – Woodredon House and Laundry Cottage – EFCC – 20 November 2017
- Operations Property Review – Progress Report – CASC 22 May 2017
- Surplus Properties on the Woodredon and Warlies Estate to be declared surplus to City Corporation Requirements – CASC 18 November 2016
- Operational Property Review – Progress Report – CASC 19 July 2016
- Woodredon Estate – Declaration of built estate as surplus to operational requirements (SEF 32/16) – EFCC– 4 July 2016
- Woodredon House – Urgency Item in response to Court Action for forfeiture of lease –EFCC – 4 July 2016

## **Fiona Pearson**

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<b>Committee(s)</b>	<b>Dated:</b>
Corporate Asset Sub Committee – For Information Projects Sub Committee – For Information	11/07/2018 18/07/2018
<b>Subject:</b> Guildhall West Wing Mezzanine Level Improvement – Update Report	<b>Public</b>
<b>Report of:</b> City Surveyor (CS.284/18)	<b>For Information</b>
<b>Report author:</b> David Rawlings, City Surveyor's Department	

## Summary

1. At the February 2018 Corporate Asset Sub Committee the City Surveyor reported opportunities to refurbishment office space on the Guildhall West Wing Mezzanine Level. Members approved the City Surveyor to undertake the following:

- Consult with service departments to assess space needs
- Conduct a full survey of the existing building services
- Consult with relevant bodies to ensure statutory compliance
- Provide proposed design options with estimated costings

2. The Town Clerk as the current occupier has been consulted with regard to their proposed future use and requirements for the space and a potential layout has been drafted. This assumes it will continue to be used as office / administration accommodation for the Town Clerk's Cultural and Library teams.

3. There are however several Guildhall accommodation projects running simultaneously that introduce uncertainties as to the longer-term use of the space within the Guildhall Complex.

These include;

- The proposed future use of 20 – 21 Aldermanbury and the potential for staff and/or members to relocate there from the West Wing.
- London Metropolitan Archives – The potential for a front of house function to exist at Guildhall.
- The future location of post and print services, both currently located in Guildhall West Wing.
- Potential decant proposals and timescales for other key staff accommodation, including Walbrook Wharf, Irish Chambers and 65/65a Basinghall Street.
- Eighteen current projects at Guildhall Complex – ranging from essential damp proofing and relocation of electrical supplies, to installation of new steam generators.

4. Additionally consultation with the District Surveyor has highlighted that currently Guildhall West Wing is at capacity in terms of the number of staff that can be

accommodated with the configuration of the existing means of escape. This limits any significant increase in staff numbers in this building.

5. In consultation with stakeholders it is proposed that this project is temporarily put on hold to allow other current key accommodation projects to be developed to a stage whereby refurbishment works could take place as part of a coordinated central strategy across the entire complex. In the meantime the accommodation can continue to be used by Town Clerk's in it's existing condition and the situation will be reviewed and reported back to members Autumn 2018.

### **Recommendation(s)**

Members are asked to:

- Note the report.

### **Appendices**

- None

### **Background Papers**

<b>Report Title</b>	<b>Committee &amp; Date</b>
Guildhall West Wing Mezzanine Level Improvement	Projects Sub Committee – 17/01/2018 Corporate Asset Sub Committee - 13/02/2018

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<b>Committee(s)</b>	<b>Dated:</b>
Corporate Asset Sub-Committee Efficiency & Performance Sub-Committee	<b>11<sup>th</sup> July 2018</b> <b>13<sup>th</sup> July 2018</b>
<b>Subject:</b> Asset Management – Service Based Review – Interim Report	<b>Public</b>
<b>Report of:</b> City Surveyor (CS.283/18)	<b>For Information</b>
<b>Report author:</b> Paul Friend, City Surveyor's Department	

## Summary

An update report on the City's cross cutting Asset Management Service Based Review was submitted to the Corporate Asset Sub-committee in February and the Efficiency and Performance Sub-Committee in March. That report confirmed that an 'Asset Management Review' was being undertaken using external advisors GVA and would report back its findings to this committee in July.

GVA have completed their review and reported a number of recommendations. Whilst officers consider these recommendations and implications for the city, this report provides an interim update. The core areas identified for improvement relate to committee Governance, Corporate Policies and Controls, Data Management, Strategic Asset Planning, Property Management processes, Compliance responsibilities and Delivery of major asset related projects.

The full recommendations with a cost/benefit analysis and a roadmap for implementation is now being developed and will follow once the officer review process has been completed for this cross-cutting review, namely reports to Strategic Resources Group and Summit Group.

## Recommendation(s)

Members are asked to note the progress of the review.

## Main Report

### Background

1. The Asset Management component of the Service Based review (SBR) was last reported in February 2018. Significant progress has been made to improve the operational effectiveness and management of the operational estate; for example, ongoing asset specific reviews (e.g. Police Accommodation Project, Guildhall/Walbrook Wharf Workplace Strategy, New Combined Courts Facility and Strategic Markets Review), implementation of the Asset Management Plans Programme (AMP), the better management of third parties to increase

income/reduce arrears and improved corporate oversight to mitigate risk. However, undertaking an 'Asset Management Diagnostic Review' provided the opportunity to comprehensively review how asset management is undertaken by the City and ability under this structure to meet the objectives of the maturing approach to asset management across all the operational property portfolio required by this committee.

2. Following the appointment of external advisors in February, the review (which included data collection/collation exercise, over 20 interviews with senior managers and two integrated workshops) has now been completed. The final report has been delayed slightly due to the work taking longer than expected due to issues with data collection and the scheduling of interviews and workshops.

### Current Position

3. The City currently operates within a largely decentralised model of asset management with departments i.e. not the corporate centre, responsible for the strategic direction, estate management, income collection and space utilisation of operational assets. It is important to clarify that this relates to asset management activities, not facilities management which is a separate though related discipline; the picture for facilities management is increasingly more centralisation following the roll out of BRM2 and the work of the Strategic Asset Management Board.
4. The Asset Management Review confirms current cross cutting arrangements are not in line with leading commercial practices and other public bodies, and there is low confidence that the efficiency of assets is being maximised, in terms of community, service, utilisation, organisation effectiveness and financial benefits. This echoes the concerns of this committee for officers to provide a more 'mature' approach to asset management across the operational estate, specifically in terms of Corporate oversight and asset performance measurement, greater transparency and risk mitigation, maximising income/utilisation and alignment of both corporate and business objectives.
5. The specific areas where change is recommended are as follows: -
  - a. **Governance** - there is not a single corporate asset board (delegated to neither officers or committee) with a remit to take asset-related decisions that balance service and corporate issues. There is a prevailing mindset that Departments "own" property rather than occupy the Corporation's assets
  - b. **Financial Sustainability** – there is an inability to accurately report on the current or future cost (capital and revenue) of operational assets on an asset specific or portfolio basis
  - c. **Corporate policies and controls** are weak e.g. space standards
  - d. **Data management** is not fit for purpose. Data management is federated, and it is difficult to access quickly accurate data required for strategic decisions and performance reporting e.g. the cost of occupation



- e. **Strategic asset planning** is in its infancy and under-resourced, given that this process is central to realising value and efficiencies from operational property assets
- f. **Property management processes** are duplicated and non-standardised across service departments, which indicates inefficiency and additional risk e.g. departments manage third party income including rent and service charge collection, lease administration, data
- g. **Compliance responsibilities and reporting** are sometimes ambiguous e.g. fire risk assessments which increases the risk of statutory breaches
- h. **Delivering asset management related projects** is not consistent and there is a lack of a programme approach to capital investment and redeployment of assets, which recognises the linkages across projects. There are major opportunities such as the future of Guildhall that could deliver significant benefits and be accelerated.

## **Proposals**

- 6. Recommendations to address the specific areas where change is proposed as above have now been received and after considering the cross cutting and financial implications these will be reported to this committee in September.
- 7. The next report will also include a proposed roadmap for implementation with associated resource plan and implications.

## **Corporate & Strategic Implications**

- 8. The AM component of the SBR is integral to better decision making and overall management of the operational portfolio; it aligns with the FM review vision as previously reported and as part of the wider SBR efficiency targets.
- 9. The AM review supports the objectives of the existing Corporate Property Asset Management Strategy 2017/18, which will be revised following approval to the recommendations and reported back to this committee.

## **Implications**

- 10. Funding for the Asset Management Review was provided by the Transformational Fund which has been endorsed by Strategic Resources Group and approved Summit Group in January 2018.
- 11. Approval to a resource plan to support the recommendations to follow is intended to be endorsed by the Strategic Resources Group and approved by Summit Group in due course.

## **Conclusion**

- 12. The Asset Management review, through a series of data collection/collation, interviews and workshops has explored and captured the current operating model

within the operational property portfolio. Whilst the existing model does deliver objectives from the Corporate Plan and departmental business plans, it has largely evolved through custom and practice and is not fit for purpose in terms of leading practice and financial sustainability or capable of delivering a more mature approach to asset management expected by this committee. A series of recommendations and associated implementation programme of further action is proposed to be submitted to this committee in September, following internal officer approvals.

**Appendices – None**

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<b>Committee:</b>	<b>Date:</b>
Corporate Asset Sub Committee For Information	11 July 2018
<b>Subject:</b> Additional Repairs & Maintenance Programme – Quarterly Progress Report	<b>Public</b>
<b>Report of:</b> City Surveyor  Report ref CS 258/18	<b>For Information</b>
<p><b>Summary</b></p> <p>The report provides an overview of the progress and expenditure of the three-year 2016/17 Additional Repairs &amp; Maintenance Programme (AWP) towards the end of the first quarter of financial year 2018/19.</p> <p>The programme for 2016/17 totals 269 projects with a budget of £5.332m over the life of the programmes. This programme is due to be completed in the 2018/19 financial year</p> <p>Progress on the 2016/17 programme is on track to complete this financial year as planned with £3.3m spent or committed which is 63% of the total programme since April 2016.</p> <p><b>Recommendation</b></p> <p>Members are asked to note the report.</p>	

## Main Report

### **Background**

1. The Additional Repairs & Maintenance Programmes (AWP) have been derived from the Forward Maintenance Plans to maintain the Corporation's operational estate in "fair to good" condition. Each AWP programme has a three-year delivery window. This report covers the remaining year of the 2016/17 programme towards the end of the first quarter of financial year 2018/19.
2. The AWP has been replaced by the Cyclical Works Programme (CWP) from 2017/18. Progress on the CWP is reported half-yearly with the next report planned for November 2018.
3. This report is based on spend figures as at 07/06/2018. A report based on actual end of quarter figures could not have been prepared in time for this meeting. A detailed analysis of the overall programme to date is set out in the appendix to this report.
4. Previous AWP reports have been designated not for publication by virtue of paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972. This has been reviewed. What has changed is the introduction of new procurement arrangements for delivering the programme of works. From January 2018

Measured Term Contracts (MTC) are in place. Most of the projects in the AWP (and the CWP) will be delivered through these MTC. Therefore, the information in the update reports is less commercially sensitive and it is now considered that the low risk to the COL by releasing financial and business information relating to budgets and programmes of works can justify a 'public' designation.

### Current Position

5. The position on the current AWP programme is provided in the tables below. Progress against the 2018/19 targets and overall progress are presented separately. A full picture based on fund and area of service can be found in the appendix.

<b>TABLE 1: TOTAL PROGRAMME PROGRESS TO DATE AT 07/06/2018</b>						
<b>Fund / Service</b>	<b>Total Budget</b>	<b>Total Actual Spend</b>	<b>Further Committed</b>	<b>Total Cost</b>	<b>Balance Un-committed</b>	<b>Total Progress</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>%</b>
<b>2016/17 Programme</b>						
<b>City's Cash</b>	<b>2,905</b>	<b>1,369</b>	<b>163</b>	<b>1,532</b>	<b>1,373</b>	<b>53</b>
<b>City Fund</b>	<b>1,574</b>	<b>1,039</b>	<b>77</b>	<b>1,116</b>	<b>458</b>	<b>71</b>
<b>Guildhall Admin*</b>	<b>843</b>	<b>700</b>	<b>1</b>	<b>701</b>	<b>142</b>	<b>83</b>
<b>TOTAL</b>	<b>5,322</b>	<b>3,108</b>	<b>241</b>	<b>3,349</b>	<b>1973</b>	<b>63</b>

\* £203,784 budget transferred to Capital from AWP

<b>TABLE 2: SPEND AGAINST 2017/18 TARGETS TO DATE AT 07/06/2018</b>				
<b>Fund / Service</b>	<b>Total Budget</b>	<b>Budget 2018/19</b>	<b>Actual Spend 2018/19</b>	<b>Spend Against Target</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>%</b>
<b>2016/17 Programme</b>				
<b>City's Cash</b>	<b>2,905</b>	<b>1,629</b>	<b>122</b>	<b>7</b>
<b>City Fund</b>	<b>1,574</b>	<b>565</b>	<b>10</b>	<b>2</b>
<b>Guildhall Admin</b>	<b>843</b>	<b>147</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>5,322</b>	<b>2,341</b>	<b>132</b>	<b>6</b>

### 2016/17 Programme

6. The 2016/17 AWP programme consists of 269 projects with a total value of £5.332m. The position on the 2016/17 AWP programme is that 63% of the target actual spend for the programme has been achieved or committed and so the overall programme is broadly on track
7. However, of the £2.3m of the programme budgeted to be spent in 2018/19 only £132,000 has been spent with a further £241,000 committed. In order to meet the committee deadline, spend figures have been based on the position as at 7th June, which is three weeks before the end of the quarter. The figures are therefore lower than would normally be expected because of the earlier cut-off date.

8. Some of the not started projects and unspent balance relates to projects that have been under review as to whether they are required (approx. £150k) and sums of money remaining after projects have been completed (£70k).
9. Nevertheless, the spend is lower that would be preferred. Project managers will be closely monitored, and the remaining 2016/17 AWP projects will be prioritised. The spend figures are expected to improve by the next quarters report.
10. The status of the 2016/17 AWP programme is summarised in the table below.

<b>TABLE 3 Project Status Progress</b>			
<b>2016/17 Programme</b>			
<b>Complete</b>	<b>In Hand</b>	<b>Not Started</b>	<b>Total</b>
148	54	67	269

### **Corporate & Strategic Implications**

11. The Additional Works Programme sets 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**

12. Progress on the 2016/17 programme is on slightly behind track, partly due to reporting dates, however the remaining budget provision will be prioritised to ensure completion in 2018/19 financial year.

### **Appendix**

- 2016/17 Additional Works Programme

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## APPENDIX

### ADDITIONAL WORK PROGRAMME 2016/17

<b>CITY CASH 2016/17</b>	<b>Budget</b>	<b>Spent</b>	<b>Committed</b>	<b>Total</b>	<b>Left to spend</b>
Mayor, Shrievalty, The Monument	£9,288	£7,430	£0	£7,430	£1,858
Mansion House	£577,749	£373,400	£19,175	£392,575	£185,174
Coal Posts	£0	£0	£0	£0	£0
Magistrates Court	£327,000	£130,386	£31,040	£161,426	£165,574
London Central Markets	£733,393	£348,706	£0	£348,706	£384,687
Epping Forest & City Commons	£346,671	£98,233	£28,664	£126,897	£219,774
West Ham Park & Bunhill Fields	£188,300	£69,806	£39,687	£109,493	£78,807
Hampstead Heath, Highgate Wood & Queen's Park	£679,205	£332,330	£44,442	£376,772	£302,433
Keats House	£41,000	£8,663	£0	£8,663	£32,337
Savings	£2,194			£0	£2,194
<b>TOTAL</b>	<b>£2,904,800</b>	<b>£1,368,954</b>	<b>£163,008</b>	<b>£1,531,962</b>	<b>£1,372,838</b>
<b>CITY FUND 2016/17</b>	<b>Budget</b>	<b>Spent</b>	<b>Committed</b>	<b>Total</b>	<b>Left to spend</b>
Central Criminal Court, Mayor's Court, Roman Bath House	£428,500	£301,488	£62,632	£364,120	£64,380
Community Services	£0	£0	£0	£0	£0
Culture Heritage & Libraries, City Info Centre	£99,776	£93,119	£0	£93,119	£6,657
Planning & Transportation	£516,995	£273,858	£6,001	£279,859	£237,136
Port Health	£419,635	£354,839	£4,760	£359,599	£60,036
Other Open Spaces	£70,000	£15,818	£3,874	£19,692	£50,308
Savings	£39,344			£0	£39,344
<b>TOTAL</b>	<b>£1,574,250</b>	<b>£1,039,122</b>	<b>£77,267</b>	<b>£1,116,389</b>	<b>£457,861</b>
<b>GUILDHALL ADMIN 2016/17</b>	<b>Budget</b>	<b>Spent</b>	<b>Committed</b>	<b>Total</b>	<b>Left to spend</b>
Guildhall Complex	£835,216	£700,393	£768	£701,161	£134,055
Savings	£8,000			£0	£8,000
<b>TOTAL</b>	<b>£843,216</b>	<b>£700,393</b>	<b>£768</b>	<b>£701,161</b>	<b>£142,055</b>

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