



Corporate Asset Sub (Finance) Committee

Date: WEDNESDAY, 5 SEPTEMBER 2018
Time: 9.30 am
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

**N.B. Part of this meeting could be the subject of audio video recording
Next scheduled meeting of Corporate Asset Sub-Committee: 1st November**

**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 11th July 2018.

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

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

For Information
(Pages 11 - 12)
6. **DEPARTMENTAL RISK REGISTER - 2018/19 Q1**
Report of the City Surveyor.

For Information
(Pages 13 - 28)
7. **GUILDHALL COMPLEX AND WALBROOK WHARF FUTURE MAJOR CAPITAL PROJECTS UPDATE REPORT**
Report of the City Surveyor.

For Information
(Pages 29 - 32)
8. **CYCLICAL WORKS PROGRAMME FOR 2019/20 BID REPORT**
Report of the City Surveyor.

For Decision
(Pages 33 - 40)

9. **CORPORATE FM GENERAL UPDATE**
Report of the City Surveyor
- For Information**
(Pages 41 - 46)
10. **FEASIBILITY STUDY TO EXPAND CITIGEN ENERGY NETWORK**
Report of the City Surveyor.
- For Decision**
(Pages 47 - 54)
11. **CARBON DESCENT PLAN 2018 - UPDATE REPORT**
Report of the City Surveyor.
- For Decision**
(Pages 55 - 60)
12. **SUSTAINABILITY AUDIT OF OPERATIONAL PROPERTY PORTFOLIO REPORT - REQUEST FOR FEES**
Report of the City Surveyor.
- For Decision**
(Pages 61 - 64)
13. **WEST SMITHFIELD AND CHARTERHOUSE STREET (THAMESLINK) BRIDGES REMEDIAL WORKS**
Report of the Director of the Built Environment.
- For Decision**
(Pages 65 - 88)
14. **UPDATE ON PUBLIC CONVENIENCES**
Report of the City Surveyor.
- For Information**
(Pages 89 - 92)
15. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
17. **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

18. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 11th July 2018.
- For Decision**
(Pages 93 - 96)
19. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
Report of the Town Clerk.
- For Information**
(Pages 97 - 98)
20. **DEPARTMENTAL BUSINESS PLAN 2018/19 Q1 - OUTCOME REPORT**
Report of the City Surveyor
- For Information**
(Pages 99 - 110)
21. **OPERATIONAL PROPERTY PORTFOLIO - ANNUAL REPORT 2018**
Report of the City Surveyor.
- For Information**
(Pages 111 - 118)
22. **CITY SURVEYOR'S SERVICE BASED REVIEW (SBR) TARGET AND REALISATION**
Report of the City Surveyor.
- To Follow*
- For Decision**
23. **BACKLOG OF CYCLICAL MAINTENANCE**
Report of the City Surveyor.
- For Information**
(Pages 119 - 124)
24. **BARBICAN CENTRE - CAPITAL CAP REPORT**
Report of the Director of Operations and Buildings.
- For Information**
(Pages 125 - 128)

25. **ANNUAL REPORT ON THIRD PARTIES AND INCOME FROM OPERATIONAL PROPERTY PORTFOLIO**
Report of the City Surveyor.
- For Information**
(Pages 129 - 134)
26. **CITIGEN - UPDATE**
Report of the City Surveyor.
- For Information**
(Pages 135 - 140)
27. **20/21 ALDERMANBURY OPTIONS - GATEWAY 3 REPORT**
Report of the City Surveyor.
- For Decision**
(Pages 141 - 166)
28. **WOODREDON HOUSE AND COACH HOUSE- DISPOSAL UPDATE REPORT**
Report of the City Surveyor.
- For Decision**
(Pages 167 - 178)
29. **DELEGATED AUTHORITY REQUEST - CITY FUND & CITY'S ESTATE HIGHWAY DISPOSAL - SHOE LANE & PLUMTREE COURT, EC4**
Report of the City Surveyor.
- For Decision**
(Pages 179 - 182)
30. **GUILDHALL - GREAT HALL EVENT CHAIRS GATEWAY 3-4 REPORT**
Report of the City Surveyor.
- For Decision**
(Pages 183 - 194)
31. **FINAL SETTLEMENT OF DISPUTE WITH TFL OVER TFL'S ACQUISITION OF SUB-SOIL BENEATH BILLINGSGATE MARKET**
Joint Report of the Comptroller & City Solicitor and the City Surveyor.
- For Information**
(Pages 195 - 200)
32. **REPORT OF ACTION TAKEN**
Report of the Town Clerk
- For Information**
(Pages 201 - 202)

33. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
34. **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 **Wednesday, 11 July 2018**

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 11 July 2018 at 1.45 pm

Present

Members:

Nicholas Bensted-Smith (Chairman)
Dominic Christian (Deputy Chairman)
Randall Anderson
Marianne Fredericks
Alderman Alison Gowman
Michael Hudson
Deputy Jamie Ingham Clark
Jeremy Mayhew
Deputy Joyce Nash

Officers:

John Cater	- 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
Alison Hurley	- City Surveyor's Department
Chris Hartwell	- City Surveyor's Department
Richard Litherland	- City Surveyor's Department
Andrew Little	- Chamberlain's Department
John Galvin	- City Surveyor's Department
Nia Morgan	- City Surveyor's Department

1. APOLOGIES

Apologies were received from Jeremy Simons.

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 of the previous meeting held on 21st May 2018 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.

The City Surveyor informed Members that the Carbon Descent Plan 2018 required further work and would be finalised for the 5th September meeting of the Sub-Committee.

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.

The City Surveyor clarified that the next meeting of the Sub-Committee would take place on the 5th September, it was incorrectly marked on the Work Programme as the 14th September.

RESOLVED – That the Sub-Committee notes the report.

6. **RISK REGISTER Q4 2017/18**

The Sub-Committee received a Report of the City Surveyor concerning the City Surveyor's Departmental risk register for Q1.

Members were concerned that risk actions were not being updated, highlighting SMT 008 (Substantial vessel strikes) as appearing to have made zero progress since March. They requested officers to ensure future iterations of this report included clear updates on progress made over the previous quarter. The City Surveyor responded that this would be actioned as a priority for the Q2 report.

A Member queried whether there was scope to reduce the risk for the Thames Tideway tunnel, given the works were winding down, another Member responded that piling work was still taking place, so officers should remain cautious for now about downgrading the risk, another Member suggested that associated works in the Blackfriars area were still some way from being resolved, this was causing consternation amongst local businesses and residents.

The City Surveyor added that the Tideway risk was still uncertain. The City had experienced difficulties with this and other large-scale projects due to tenders being actively avoided by some in the industry because they were deemed too complex; the potential reputational damage of the projects being delayed or failing outweighed the value of the contract.

Members were concerned that departmental ownership of the City Bridges risk was too muddled, City Surveyors owned the assets and risk, whilst many mitigation actions were undertaken by the Department of the Built Environment (DBE) which provides technical engineering expertise. Furthermore, a Member suggested that heavy vehicle usage of the bridges should be given more

attention, as the damage caused had a long-term impact on the resilience of the bridges. It would be helpful to consider any work/study in conjunction with the London Borough of Southwark.

Additionally, Members stressed that officers should ensure that as a public report, actions against terrorism had to be carefully worded or put in the non-public section of the Agenda.

Members noted that Guildhall programme delivery progress report was not delivered in Q1, the City Surveyor will prepare the Report for the September meeting of the Sub-Committee.

Finally, with regards SMT002, Members noted the risk around insufficient budgets for maintaining the portfolio, and the issue of ring fenced budgets held by certain departments. They also expressed concerns about the lack of visibility of decision making, specifically when service committees had rejected cyclical building maintenance and renewal recommendations made by the City Surveyor's department due to budget constraint or investment in other priorities. They suggested that in future the Sub-Committee should be able to see a summary record of these rejections. The City Surveyor would consider when and how best to present this Members and report back to the Sub-Committee.

RESOLVED – that the Sub-Committee notes the Report.

7. **CDP 2018 - UPDATE REPORT**

The Report was withdrawn due to incomplete information, a finalised Report will be submitted to the Sub-Committee in September.

8. **MANSION HOUSE EXTERIOR WORKS**

The Sub-Committee received a Report of the City Surveyor concerning the exterior works at the Mansion House.

The Chairman of Finance suggested that it would be appropriate to update the Court of Common Council as the original request to examine these works came via a Member's question at the January meeting of the Court. The City Surveyor would work with the Town Clerk to ensure Court was kept informed.

A Member queried whether these works can be aligned with Bank junction works and avoid the Lord Mayor's show? The City Surveyor responded that given the delays in the surveys and the knock-on effects for Committees approvals, any conflicts with the 2018 Lord Mayor's show would be avoided. The City Surveyor would examine the potential timelines to see if work could take place in conjunction with the Bank Junction work (if the work was made permanent)

Additionally, a Member suggested that the stone cleaning could be tendered with the St Lawrence Jewry stone cleaning. The City Surveyor would examine the opportunity to align both projects.

RESOLVED – that the Sub-Committee notes the Report.

9. **WOODREDON ESTATE PROPERTIES PROGRESS UPDATE**

The Sub-Committee considered a Report of the City Surveyor concerning the Woodredon estate.

The City Surveyor informed Members that the Epping Forest & Commons Committee had proposed a change to evaluation criteria 2 to 20% and criteria 3 up to 15% (page 29).

A Member queried criteria 2, it was, he suggested, too broadly defined. Officers needed to ensure that covenants were in place to protect the City's long-term interests and reputation. The City Surveyor agreed, covenants on the site were vital – these will be further defined once the shortlist had been selected (the deadline for offers is end of July 2018).

As an aside, the City Surveyor welcomed the useful dialogue between Epping Forest and Commons Committee and the Corporate Asset Sub-Committee thus far.

RESOLVED – that the Sub-Committee approved the following:

- Approve the proposed bid evaluation criteria for the disposal of Woodredon House and The Coach House with the suggested amendments from Epping Forest and Commons Committee 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.

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

The Sub-Committee received a Report of the City Surveyor concerning the Guildhall West Wing Mezzanine level.

Members noted the postponement of the project. A Member suggested that it might be opportune to roll the project into a broader strategy for the whole of the West Wing. In response Members, whilst sympathetic to the needs to improve the West Wing were keen that a broader project did not unduly delay the work on the mezzanine level. Additionally, a Member asked officers to

consider making the space generic and as flexible as possible to take into account new ways of working in the future.

Members asked officers to return to the Sub-Committee in November with a progress report.

RESOLVED – that the sub-Committee notes the Report

11. ASSET MANAGEMENT - SERVICE BASED REVIEW - INTERIM REPORT

The Sub-Committee received a Report of the City Surveyor concerning the Asset Management Service Based Review.

RESOLVED – that the Sub-Committee notes the Report.

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

The Sub-Committee received a Report of the City Surveyor concerning the Additional Repairs & Maintenance Programmes (AWP).

RESOLVED – that the Sub-Committee notes the Report.

12.A ENERGY PERFORMANCE - 2017/18 Q4 AND UPDATE ON ENERGY PROCUREMENT

To note: The Chairman decided to move this item into the public section of the agenda.

The Sub-Committee received a Report of the Sub-Committee concerning energy performance across the operational portfolio for Q4 2017/18.

A Member asked whether a temperature policy was in place for the Guildhall complex. Officers responded that a policy was in place and had generated significant savings, however, despite cyclical maintenance work being undertaken, the heating and cooling system in the Guildhall West Wing in particular, wasn't optimum – for example, the cooling equipment was now 22 years old. The City Surveyor stressed that a piecemeal approach to improvement works was time consuming and costly, the West Wing was a key operational hub for the Corporation, so a clear strategy needs to be put in place.

A Member reminded Members that decant options for Members (and associated officers) was under consideration, specifically involving a move to the Chartered Institute of Insurers (CII) Building that the City purchased in late 2017. The City Surveyor responded that work was being undertaken to explore all utilization options for the CII Building; the aim was to bring a Report back to the Policy and Resources Committee meeting in September. This would also be made available to Corporate Asset Sub Committee for information.

RESOLVED – that the Sub-Committee notes the Report.

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

A question was asked regarding the need to address sustainability for the operational portfolio.

The City Surveyor responded that currently the Corporation took building sustainability on a case-by-case basis, however, if Members would like to review boarder sustainability principles, officers would consider and bring back to Members in the autumn. The City Surveyor cautioned Members that aligning the same approach with the Investment portfolio may not be the best approach as the portfolios were very different and require appropriate consideration.

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

There were no urgent items.

15. **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.

16. **NON-PUBLIC MINUTES**

The non-public minutes of the previous meeting held on 21st May were approved as an accurate record.

17. **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.

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

The Sub-Committee received a Report of the City Surveyor concerning the proposals for 65/65a Basinghall Street. The Report included a presentation by the architectural consultants RCKa Architects.

19. **COMBINED HEAT AND POWER SYSTEM - FUTURE OPTIONS**

The Sub-Committee received a Report of the City Surveyor concerning the City of London Combined Heat and Power (CHP) System.

20. **FACILITIES MANAGEMENT - SERVICE BASED REVIEW SAVINGS**

The Sub-Committee received a Report of the City Surveyor concerning the Facilities Management SBR Savings.

21. **BRM ASSET VERIFICATION - ADDITIONAL RESOURCES**

The Sub-Committee considered a Report of the City Surveyor concerning the Building, Repairs and Maintenance (BRM) asset verification.

22. **GLA ROADS - PROGRESS UPDATE WITH TRANSPORT FOR LONDON**

The Sub-Committee received a Report of the City Surveyor concerning the GLA Roads dispute with Transport for London.

23. **BUSINESS PLAN 2017/18 Q4 OUTCOME REPORT**

The Sub-Committee received a Report of the City Surveyor concerning progress in Q4 of 2017/18 against the 2017 – 20 Business Plan.

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

There were no questions.

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

There were no items of urgent business

The meeting ended at 3.40 pm

Chairman

Contact Officer: John Cater
john.cater@cityoflondon.gov.uk

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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	September 2018	Report at September CASC meeting
11 July 2018	<u>CSD Risk Register</u> All risk actions to be updated and to clearly state progress from last quarterly update. Members want single clear ownership of the bridges and associated risks. As public report actions against terrorism to be carefully worded or non-public. Noted the risk around insufficient budgets for maintaining the portfolio, the issue of ring fenced budgets held by certain departments and the lack of visibility of decision making. Also, Guildhall programme delivery progress report not delivered in Q1. Action: John Galvin to communicate to risk owners and Dorian Price to prepare progress report on Guildhall programme for September committee.	John Galvin & Dorian Price	September	Updated Risk Report and progress report on Guildhall programme submitted for September meeting

Corporate Asset Sub-Committee - Carry Forward Public Actions

11 July 2018	<u>Mansion House</u> Can the stone cleaning be tendered with SLJ stone cleaning? Actions: RL to consider timing, procurement with SLJ works and to advise Mr Mayhew and the Chairman on the timing of the works and update for CoCo.	Richard Litherland	Update at September meeting	
11 July 2018	<u>1st floor mezzanine offices refurbishment</u> November progress report required.	Dorian Price	November 2018	

Corporate Asset Sub-Committee –Work Programme 2018

Committee Date	05/09/2018	01/11/2018	30/01/2019	04/04/2019	05/06/2019	11/07/2019
Sustainable Management of the Corporation’s Operational Property Portfolio						
Corporate Property Asset Management Strategy		Asset Management SBR report	New strategy for 2018-23 report		Asset Management SBR update report	
City Surveyor’s Business Plan	Business Plan 2018/19 Q1 outcome report		Business Plan 2018/19 Q2 outcome report Proposed Draft Business Plan for 2019/2024	Business Plan 2018/19 Q3 outcome report Proposed Business Plan for 2019/2024		Business Plan 2018/19 Q4 outcome report
City Surveyor’s Risk Register	Risk Register 2018/19 Q1 report		Risk Register 2018/19 Q2 report	Risk Register 2018/19 Q3 report		Risk Register 2018/19 Q4 report
Facilities Management	Corporate FM General update report Backlog of Cyclical Maintenance for operational property portfolio report City Surveyor’s Service Based Review (SBR) Target and Realisation			Corporate FM General update report		FM SBR update report
Portfolio management information	Annual report on changes to portfolio Annual report on third parties and income from portfolio	Proposed major capital projects across operational property portfolio				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	Potential disposal report	OPR overall programme update report				
Upkeep, maintenance and furnishing of operational properties not within the remit of another Service Committee.						
	Barbican Centre Capital Cap report	GSMD Capital Cap completion report	AWP Q3 Progress Report 2018/19		AWP Q4 Progress Report 2018/19 CWP Q4 Progress Report 2018/19	
To monitor major capital projects relating to operational assets						

Committee Date	05/09/2018	01/11/2018	30/01/2019	04/04/2019	05/06/2019	11/07/2019
	Guildhall – Great Hall Event Chairs Gateway 3-4 report 20/21 Aldermanbury options – Gateway 3 report Walbrook Wharf – Electrical infrastructure upgrade – Gateway 1-2 Guildhall Projects update	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 submetering Gateway 3-4 report				
Recommending the annual programme of repair and maintenance works						
	CWP for 2019/20 bid report					
Responsibility for strategies, performance and monitoring initiatives in relation to energy						
	Guildhall – Sub metering Gateway 5 report Citigen Options Update CHP Expansion Strategy HNDU Round 8 Application	Energy Performance 2018/19 Q1 report	Energy Performance 2018/19 Q2 report	Energy Performance 2018/19 Q3 report	Energy Performance 2018/19 Q4 report	Energy Performance 2019/20 Q1 report
Monitoring and advising on bids for Heritage Lottery Funding						
				National Lottery Funding Monitoring report Heritage at Risk Register Annual Report		

Agenda Item 6

Committee(s): Corporate Asset Sub (Finance) Committee – For information Property Investment Board – For information	Date(s): 05 September 2018 12 September 2018
Subject: City Surveyor’s Departmental Risk Register Update (Quarter One update)	Public
Report of: The City Surveyor (CS 353/18)	For Information
Report author: Faith Bowman / John Galvin City Surveyor’s 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 department currently has three red risks, and six amber risks. The most significant risks, those categorised as red, are:

- SUR SMT 006 – City Bridges: Wanton Damage / Terrorism
Current risk score 16 (Red)
- SUR SMT 007 – City Bridges: Tunnelling for the Thames Tideway Tunnel
Current risk score 16 (Red)
- SUR SMT 008 – City Bridges: Substantial Vessel Strike
Current risk score 16 (Red)

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

To better understand the risks contingent upon the bridges, a workshop was held in early July which involved key stakeholders from across the Corporation. A follow-up meeting has been organised to re-cast the risks, considering further mitigating actions, and appropriate scoring.

Since the last report, two new risks have been identified and added to the Departmental Risk Register:

- SUR SMT 003 – Inadequate maintenance funding provided by ring-fenced property occupying departments
Current risk score 12 (Amber)
- SUR SMT 009 – Tender Returns
Current risk score 6 (Amber)

A copy of the City Surveyor’s Departmental Risk Register has been included as Appendix 1.

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. Departmental risks are reviewed at a quarterly Senior Management Team (SMT) Risk Review Meeting. At this meeting, 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 assessed, and consideration is given to emerging risks. This ensures that adequate consideration is given to all operational risks.
2. This report provides an update on the risks that may impact the delivery of the City Surveyor's business objectives.

Current Position

3. The City Surveyor's Departmental Risk Register currently contains three red risks and six amber risks. The details of each of these are included in Appendix 1, and a summary of the red risks is provided below.

Summary of Red Risks

- SUR SMT 006 – City Bridges: Wanton Damage / Terrorism
Current risk score 16 (Red)
 - SUR SMT 007 – City Bridges: Tunnelling for the Thames Tideway Tunnel
Current risk score 16 (Red)
 - SUR SMT 008 – City Bridges: Substantial vessel strike
Current risk score 16 (Red)
4. The City Surveyor's Department hosted a workshop in July with key leads from across the Corporation who have a role in the City Bridges. This included Chamberlain's, City Bridge Trust, DBE and the City Surveyor's Department. This meeting took a 'first principals' approach, by initially looking at our objectives, and then considered which risks may impact their successful delivery. A follow up meeting has been arranged to re-cast the risks, considering further mitigating actions, and appropriate scoring. This will ensure that the department is better placed to manage these risks moving forward.
 5. To ensure the prompt sharing of information between DBE and the City Surveyor's Department, a Service Agreement is being developed. This will confirm that both departments are clear on the information requirements needed

to manage the risks associated with the bridges, and will include the identification and analysis of emerging risks.

6. All tunnelling for the Thames Tideway should be concluded in 2019. As the tunnelling progresses, and should no impacts be detected, the department anticipates that the risk score should diminish significantly. The greatest impact of this risk relates to Tower Bridge, and an active liaison is being undertaken with the Tideway Tunnelling Company to ensure that we are apprised of progress.

Changes since last review

7. Following feedback from Corporate Asset Sub Committee (CAsC) in July, the risk register has been comprehensively reviewed. The following notes, in addition to those relating to the City Bridges above, the major changes since the end of year report (CS 149/18) was presented to Committee.
 - A. SUR SMT 009 – Tender Returns – This new risk relates to our ability to attract a sufficient number of quality tenders for contracted works. Low numbers of quality returns can lead to additional cost and programme delivery implications.
 - B. SUR SMT 003 – Inadequate maintenance funding provided by ring-fenced property occupying departments – This is a new risk identified following the Audit and Risk Management Challenge Session in late May. This risk reflects that the City Surveyor has limited control over the repairs and maintenance budgets relating to these properties (the three independent schools, the three markets, and the four police sites).
 - C. SUR SMT 002 – Not maximising operational property performance – This risk was considered by Chief Officer Risk Management Group (CORMG), for escalation to the Corporate Risk Register. CORMG felt that the risk was being effectively managed at the departmental level, whilst recognising the funding challenges.
 - D. SUR SMT 005 – Recruitment and retention of property professionals – Continues to be a risk for the department, particularly in relation to professional grades. Consideration was given to raising the risk scoring on this item, but it was thought best to leave this at a high amber at present. Actions are being progressed, including a report to Members in July, to reduce the likelihood that this risk manifests.
 - E. SUR CB 009 – Overweight vehicles on Tower Bridge – This risk relates to large vehicles (over 18T) crossing the bridge, potentially at speed, and causing damage. This risk has been considered further following feedback from Members. The risk has been added to the City Bridge risk register, but current scoring does not, at this stage, warrant it being a departmental risk. This will be kept under review.

Audit and Risk Management Challenge Session

8. A 'deep dive' was held into the repairs and maintenance risk (SUR SMT 002 – Not maximising operational property performance) in late May. A wide-ranging discussion was held, and it was suggested that this risk be split into two, depending on funding source. This has been reflected in the new risk (SUR SMT 003 – Inadequate maintenance funding provided by ring fenced property occupying departments).
9. The risk relating to the quantity, quality and competitiveness of our tender returns was also raised. Feedback from this session has been included in the update to the Risk Register, and this item has now been included as a new risk (SUR SMT 009 – Tender Returns).

Conclusion

10. Members are asked to note the recent changes to the Departmental Risk Register. The department continues to ensure that it manages its risk in line with best practice as described within the City Corporation's Risk Management Framework.

Appendices

- Appendix 1 – City Surveyor's Departmental Risk Register

Background Papers

The City Surveyor (CS 149/18)

John Galvin

Faith Bowman

Business Performance and Improvement

T: 020 7332 3269

E: john.galvin@cityoflondon.gov.uk

SUR Departmental risks - detailed report EXCLUDING COMPLETED ACTIONS for committee

Report Author: Faith Bowman



Rows are sorted by Risk Score

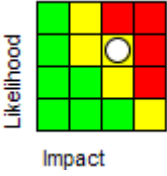
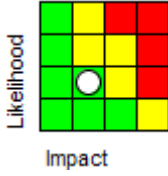

Code & Title: SUR SMT SENIOR MANAGEMENT TEAM - (High Level) DEPARTMENT RISKS 9

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
<p>SUR SMT 006 City Bridges: - Wanton Damage / Terrorism</p> <p>19-Jun-2017 Paul Wilkinson</p>	<p>Cause: Wanton Damage / Terrorism</p> <p>Event: Structural damage to bridge/s</p> <p>Impact: Instability in bridge structure, reputational damage, disruption to traffic, additional costs to repair / replace</p>	<p>Likelihood</p> <p>Impact</p>	<p>16</p> <p>Workshop hosted by CSD on 09/07 involving key leads from CSD, DBE, CBT and Chamberlains. This took a 'first principals' approach looking at our objectives relating to the City Bridges. Follow up meeting to be arranged to recast risks around agreed objectives.</p> <p>Service Agreement being developed to better aid communication between key departments – this will include maintenance, inspections and areas of concern.</p> <p>17 Aug 2018</p>	<p>Likelihood</p> <p>Impact</p>	<p>12</p> <p>31-Mar-2019</p>	<p>Constant</p>

Action no, Title,	Description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 006a Counter Terrorism	Counter Terrorism	Sequence of joint workshops were hosted by TFL over July. This involved TFL, the City Police, the MET Police and DBE. This investigated the risks associated with key bridges. Currently awaiting feedback from TFL from these sessions. Temporary mitigation by the Metropolitan Police remains in place, but this is not full Hostile Vehicle Mitigation.	Nicholas Gill; Ian Hughes; Paul Monaghan	17-Aug-2018	31-Mar-2019

Tunnelling Meetings					
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management					
SUR SMT 002e Asset management plan	Asset management Service Based Review plan	The next stage is comprehensive review of the asset management model. A series of recommendations is proposed to be submitted to CAsC in Q3, following Chief Officer approvals.	Peter Young	03-Aug-2018	31-Mar-2019
SUR SMT 002g Guildhall - Capital Projects Programme Delivery	Guildhall Capital Projects Programme Delivery	This programme progress report will be presented in Q3. The individual projects are proceeding and there is a high-level strategy meeting being held by the City Surveyor with key stakeholders which may impact the sequencing or necessity of some projects.	Peter Young	03-Aug-2018	31-Mar-2019
SUR SMT 002h Reduction in the 'bow wave'	Reduction in the 'bow wave'	Forward Maintenance Plans being updated and with intelligence from Skanska. Current financial estimates being reported to committee in September/ October 2018.	Peter Collinson	17-Aug-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 003 Inadequate maintenance funding provided by ring-fenced property occupying departments Jul-2018 Peter Collinson	Cause: Insufficient funding made available through either annual maintenance budgets, or specific major capital works to ensure that all asset maintenance, repair and renewals takes place to ensure that the operational properties are kept in a good condition in accordance with the Corporate Property Asset Management Strategy Event: Poor asset management Impact: Inability to maximise operational property / building performance, increase to “bow wave” of deferred repairs and renewals required to these assets		12	Following the Audit and Risk Management Challenge Session on 29/05, it was recommended that the building maintenance risk (SUR SMT 002) be split, delineated by budgetary control. Ring-fenced property occupying departments include the three independent schools, the four police sites, and the three markets. This risk was further discussed and assessed at the quarterly SMT meeting on 10/07/2018 17 Aug 2018		4	31-Mar-2022	 New Risk

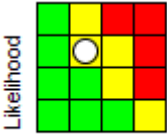
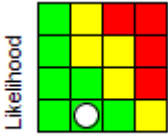
Action no, Title,	Description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 003b Understanding	Risk analysis	Operations Group current investigating what is required to fully understand this risk. Report to be developed and communicated to Members in Q3/4.	Peter Collinson	17-Aug-2018	31-Mar-2019

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 005 Recruitment and retention of property professionals 17-Mar-2015 Paul Wilkinson	Cause: Uncompetitive pay structures within some professional grades Event: Increasingly attractive remuneration and reward packages offered elsewhere externally, particularly in the private sector Impact: Increased vacancies, objectives unachieved or delivered late, reduced customer satisfaction, less real estate activity, reduced employee wellbeing, demotivation of staff.	 Likelihood Impact	12	Within the CSD, it is proving challenging to recruit Chartered Surveyors, Chartered Engineers and Project Managers as the reward 'offer' (including pay) is lower than those being offered in the private sector at this moment in time. Recently approved flexibility in market forces supplement will be applied where appropriate, although this is restricted by budget limitations. Pilot report presented to Members to appraise Committee on the situation.	 Likelihood Impact	4	30-Apr-2019	 Constant

Action no, Title,	Description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 005a Adopt and Change Approach	Assessment of CoL Reward and Earnings Package	The Independent report has been presented to the City Surveyor and to HR. Key outcomes were shared with SMT only, and recommendations are being developed. IPG delivered pilot report for Members in July.	Paul Wilkinson	03-Aug-2018	30-Apr-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 004 Inability to deliver savings required by Service Based Review 03-Mar-2015 Paul Wilkinson	<p>Cause: Departments do not deliver the agreed Facilities Management and Asset Management actions to time and to the appropriate success criteria.</p> <p>Event: Recommendations arising from the Asset Management and Facilities Management reviews are not implemented in full.</p> <p>Impact: Saving targets not achieved and objective not met – including transformation service improvements.</p>	<p>Likelihood</p> <p>Impact</p>	6	Risk score has decreased as uncertainty regarding savings is reducing. 03 Aug 2018	<p>Likelihood</p> <p>Impact</p>	4	31-Mar-2019	 Decreasing

Action no, Title,	Description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 004b Asset Management Service Based Review	Asset Management Service Based Review	Review by GVA now complete and interim update provided to CAsC on 11/07. GVA have identified a number of areas for improvement, and these are being considered by officers. Full recommendations with a cost / benefit analysis and roadmap for implementation are now being developed. Meetings with affected Chief Officers in progress.	Peter Young	17-Aug-2018	31-Mar-2019
SUR SMT 004c Rationalising of FM service	Facilities Management Service Based Review	Continue to progress reviews of FM services and staffing requirements.	Peter Collinson	03-Aug-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 009 Tender Returns 07-Aug-2018	Cause: Limited pool of suitable contractors Event: Tender returns are exceeding market rates Impact: additional cost and programme delivery implications	 Likelihood Impact	6	This risk has been identified and has been escalated from the Group to Departmental level. This risk relates to the inability to attract a sufficient number of quality tenders for contracted works. Currently out of four tenders sent out returns can be as little as one. 07 Aug 2018	 Likelihood Impact	2	31-Mar-2019	↑ New Risk

Action no, Title,	Description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 009 Main Contractor Framework	Main contractor framework	A framework for contractors is currently being set up that will provide a core set of contractors that we can use to drive best value. Previous tender submissions received are under review.	Peter Collinson	07-Aug-2018	01-Feb-2019

Committee	Dated:
Corporate Asset Sub Committee – For Information	5 th September 2018
Subject: Guildhall Complex and Walbrook Wharf future major capital projects update report	Public
Report of: City Surveyor	For Information
Report author: Dorian Price	

Summary

This report provides an update on the Guildhall programme delivery of future major/capital supplementary revenue projects in the City Surveyor's business plan across the Guildhall complex and Walbrook Wharf, presented and approved by Corporate Asset Sub Committee in October 2017.

All projects will be undertaken through the Capital Gateway process via Project Sub Committee, and are required to maintain the operational assets at the Guildhall complex and Walbrook Wharf so they remain in a safe and statutory compliant condition. The list of projects (Appendix 1) have been programmed to be delivered over the next three years and are subject to the availability of funding.

Recommendations

Members are asked to:

1. Note the contents of this report.
2. Note the Guildhall programme of future capital projects (Appendix 1).

Main Report

Background

1. Past major capital projects have been undertaken at Guildhall North Wing, GYE refurbishment for City of London Police, Members areas including bedrooms and include some of the backlog of cyclical maintenance that are required to maintain Guildhall complex.

2. The total estimated cost of the work in the list on Appendix 1 ranges from £21,518,000 to £33,018,000. There are 21 projects in total;
 - 18 projects at Guildhall complex – ranging from essential damp proofing and relocation of electrical supplies, to installation of new steam generators. To be funded from City Cash, subject to availability.
 - 3 projects at Walbrook Wharf –
 - i. 1 project, Walbrook Wharf roof replacement is an approved City Funded project,
 - ii. 2 projects, ranging from reception door replacement to replacement plant, require City Fund approval, subject to availability.
3. All works have been prioritised using the criteria and scoring mechanism developed for the Cyclical Works Programme, and whilst it would be prudent to undertake all works, officers have prioritised works (Appendix works 1 to 10) above the red line as being essential. The remaining works (Appendix works 11 to 21) are identified as desirable works that may be deferred if there are limited, or no funds available.

Current Position

4. The essential Guildhall complex and Walbrook Wharf projects 1 to 10 (Appendix 1, above the red line), have now been programmed to deliver over the three years 2018/19, 2018/20 and 2020/21.
5. Projects 1, 2 and 10 have been approved as Gateway 1/2 reports and are progressing to the next Gateway 3/4, September/November 2018 Project Sub Committee and Corporate Asset Sub Committee.
6. Project 3 Gateway 1/2 report will be submitted to September 2018 Project Sub Committee and Corporate Asset Sub Committee.
7. Projects 4 to 6 are programmed to report in year 2; 2019/20.
8. Projects 7 to 9 are programmed to report in year 1; 2018/19.
9. In addition to this list of essential Guildhall complex and Walbrook Wharf projects, there are 5 further capital projects currently being undertaken;
 - i. St Lawrence Jewry Church – Gateway 3/4 Issues Report, May 2018 approved City funding, with the Gateway 5 report expected to be submitted summer 2019 and works estimated to commence during autumn 2019.
 - ii. Guildhall West Wing Cloakroom project – Gateway 5 approval to proceed and appoint QOB Interiors for the main refurbishment works, July 2018 with completion scheduled in October 2018.
 - iii. Cotag door access control system replacement project – Gateway 5 approval to proceed, August 2018, with completion scheduled for December 2018.

- iv. Guildhall complex and Walbrook Wharf Sub-metering project – Gateway 1/2 approved May 2018, with the next Gateway 3/4 being submitted to November 2018 committees.
- v. Walbrook Wharf Electrical Infrastructure upgrade project for the new Street Cleansing Contract – Gateway 1/2 report to be submitted August 2018. The City’s new Street Cleansing tender proposal for the introduction of various types of electrically driven commercial vehicles has created a requirement for electric vehicle rapid charging stations to be installed at various locations within Walbrook Wharf depot. With the requirement of the electric vehicle charging stations to be installed in the depot, the load assessment has determined that extra demand will necessitate an upgrade to the existing incoming supply to this part of the building.

Corporate & Strategic Implications

- 10. The proposals in this list support the theme “Protects, promotes and enhances our environment” within the City Together Strategy.
- 11. Once the projects are agreed, a rationalisation exercise will be undertaken to maximise opportunities for economies of scale and effectiveness of delivery by bundling types of projects and the procurement together wherever possible.
- 12. These projects will help to address the backlog of cyclical maintenance works by renewing and improving the operational effectiveness of our assets and delivering savings from more efficient maintenance.

Implications

- 13. If essential works are not undertaken, there is a risk that operational assets are not fully fit for purpose and do not meet service delivery needs and the cost is likely to increase in the future if deferred.
- 14. These works support the requirements of City heritage and reputational risk by improving and securing Listed buildings for the future and enhancing the overall environment for visitors and enclave of historic buildings.
- 15. Funding has yet to be identified for most of these projects. However, it is proposed that, subject to Resource Allocation sub-committee approval, funding for major capital projects would come from;
 - i. City Cash for Guildhall complex - total budget cost range £19,968,000 to £30,968,000
 - ii. City Fund for Walbrook Wharf depot works – total budget cost range £1,550,000 to £2,050,000

Conclusion

- 16. This report provides an update on the programme of future major capital projects across the Guildhall complex and Walbrook Wharf that are being taken

through the Capital Gateway process, via Corporate Asset Sub Committee and Project Sub Committee in a delivery programme over the next three to five years.

17. Whilst this programme highlights a significant financial liability it also offers a further opportunity to continue to contribute to the maintenance of the City's operational asset portfolio and that annual revenue expenditure is efficiently managed to ensure value for money, reducing the backlog of cyclical maintenance/renewal and operational asset running costs wherever possible.

Appendices

- Appendix 1 – Guildhall complex and Walbrook Wharf prioritised Gateway projects

Dorian Price

Guildhall Manager.

T: 020 7332 1487

E: dorian.price@cityoflondon.gov.uk

Agenda Item 8

Committee(s): Corporate Asset Sub Committee	Date: 5 th September 2018
Subject: Cyclical Works Programme (CWP) - Proposal for 2019-20	Public
Report of: City Surveyor CS: 313/18	For Decision
Report author: Alison Bunn – Head of Facilities Management	

Summary

This report sets out a draft programme of work for 2019/20 in priority order for cyclical repairs and maintenance of the operational property portfolio (circa 600 properties) including the Barbican Centre and Guildhall School of Music & Drama but excluding the three independent schools, Spitalfields and Billingsgate markets and the Police which have alternative funding mechanisms as set out in paragraph three and five below.

These proposed works are required to help maintain the operational properties to a fair to good standard as outlined in the Corporate Asset Management Strategy. The information to create the bid list has been taken from the Forward Maintenance Plans which are reviewed and updated annually for each property.

The bid list has been split into two areas; the Actual List (above the red line) that includes the highest priority projects and a Reserve List (below the red line) which includes those projects that should ideally be undertaken but due to limited budgets does not form part of the actual bid list.

The total estimated cost of the work in the Actual List on the appendix schedules is £12.6m. The proposed programme of work is within the £12.6m assumption made in the Medium Term Financial Forecast. Resource Allocation Sub-Committee approval for the programme resources will be sought in January 2019.

The total estimated cost of the work on the Reserve List is £11.5m.

Projects from the Reserve List will be promoted to the Actual List if savings are found during the lifetime of the programme. Any projects in the reserve list will form part of the following years bid list and will be assessed on their risk to the property and whether it not being completed increases that risk to the deterioration of the condition of the property.

Recommendation

Members are asked to:

- review the attached appendix schedules and approve the recommended works in the Actual List to the value of £12.6m as essential and should be prioritised as proposed;
- review the attached appendix schedules and approve the list of projects in the Reserve List to the value of £11.5m as works that need to be completed should savings from the Actual List projects arise;
- agree the final proposed programme of works be submitted for approval of funding at the meeting of the Resource Allocation Sub-Committee in January 2019;
- approve that where projects on the Actual List are delivered at a saving or do not proceed for any reason that the funding be reallocated by the CWP Peer Review Group to undertake projects from the approved Reserve list and then report to this committee at the next progress report.

Background

1. The Cyclical Works Programme (CWP) commenced in April 2017 after agreement that it would replace the Additional Works Programme (AWP) due to the inclusion of the Barbican Centre and Guildhall School of Music and Drama; the AWP had been operating since October 2008. The CWP allows the City to keep its operational property in good condition and to address the backlog of deferred maintenance within the portfolio.
2. Each year Members are presented with a draft schedule of prioritised works for review and agreement before being submitted to the meeting of the Resource Allocation Sub-Committee in January the following year.
3. The CWP does not include the three independent schools, Spitalfields Market Billingsgate market and the Police Sites excluding Guildhall Yard East which have a variety of alternative funding mechanisms through repairs and maintenance funds and reserves, which are used to fund cyclical works, over and above their local risk reactive repairs and maintenance budgets.
4. During the last 6 months Officers have been working together to create the bid list for the CWP from items in the Forward Maintenance Plans.
5. All projects which are individually valued over £250,000, or form a group of related works that when combined are over £250,000, have been excluded from the CWP and will be taken through the Gateway Process under the governance of the Projects Sub Committee at the required time, subject to a budget being available.
6. The gateway zero and major refurbishment projects which form part of the City Surveyor's Business Plan, and are presented to this committee annually, work

in conjunction with and addition to the CWP to show the City's continued investment to address the backlog of maintenance.

7. Members are reminded that the governance arrangements in place for the CWP provide for the following:
 - i. the reviewing of the proposed work programme and agreeing that each scheme should be categorised as a "priority" for keeping the operational property portfolio in a fair to good standard due to the fixed budget available;
 - ii. Submitting a summary list of the proposed schemes in priority order to the meeting of the RASC for approval. This meeting and the subsequent Policy and Resources Committee (P&R) have to consider the submitted works programme and confirm (or otherwise) the allocation of the necessary funding, taking account of the priority listing of the various repairs and maintenance schemes and, other competing priorities in the context of the overall availability of City Fund and City's Cash resources;
 - iii. each year's agreed work programme and allocation of funding then operating within an overall "ring fence" (one each for the City Fund, City's Cash and Guildhall Complex), permitting budget transfers between individual schemes and unspent balances to be carried forward to later years to complete works;
 - iv. submitting to the RASC a "reserve list" of additional schemes which might be progressed if further resources become available within the relevant fund, determined at the Officers discretion;
 - v. Each repairs and maintenance scheme generally proceeding, via the usual internal arrangements/controls within the respective Department approved by the Chief Officer or their representative.
 - vi. City Procurement has advised that the majority of standard refurbishment and cyclical projects will be procured by continuing with the existing interim Minor Works Framework which will be renewed as appropriate via a compliant OJEU process. However some of the higher value and/or specialist projects may be subject to a separate tender process. Once the programme is agreed a rationalisation exercise will be undertaken to maximise opportunities for economies of scale and effectiveness of delivery by bundling types of projects together wherever possible.
 - vii. CASC scrutinising the progress of schemes on the basis of an annual approved performance reports by the City Surveyor; and
 - viii. The CWP Officer Peer Review Group (CWP PRG) is authorised to bring forward projects from the Reserve List if savings can be achieved, subject to such projects being advanced on a requirement basis at the Officers discretion with the details being reported in the next progress report to the Sub-Committee which are planned to be produced bi-annually.
 - ix. Approval will be sought from the CASC for a CWP Reserve List of projects at the same time the CWP is approved. These projects can be promoted to the

Actual List should opportunities such as savings arise. Promotion decisions will be made by the CWP PRG.

- x. Where additional and urgent priority projects are necessary and not in the programme or Reserve List (e.g. bringing forward a replacement lift that is regularly breaking down) the substitution for another project(s) within the approved CWP will be recommended by the CWP PRG. Approval for the changes will be sought for the City Surveyor under delegated authority from the CASC. Smaller project substitutions of below £50k will only require CWP PRG approval.
 - xi. Circumstances may arise where the cost associated with delivering an agreed project increase significantly, resulting in the need for a postponement out of the programme of another un-started project in order to keep spending within the overall CWP funding approval. In this circumstance, the recommended project changes will be suggested by the CWP PRG. Approval for these changes will be sought from the City Surveyor under delegated authority from CASC.
 - xii. Any changes made to the CWP approved Actual projects list, be they through initiating reserve projects, substitutions, re-prioritisation decisions etc. will be reported to CASC within the next CWP update report. Any changes made between the City's Cash, City Fund and Guildhall Admin Projects will need to consider the impact on the respective funds.
8. The CWP will be delivered over a three year period, with individual projects programmed according to a number of factors including season (e.g. external decorating is best programmed for better weather months), operational requirements, design, other adjustment with any major projects, specification and procurement lead times and manufacturers/contractors delivery forecasts.

Current Position

9. Actual and Reserve lists have been prepared for works required in 2019/20. These are attached in Appendices A, B and C and are separated into City Fund, City's Cash and Guildhall Complex.
10. The list has been split into two elements:
 - The Actual list which includes projects that are classed as essential and have been prioritised accordingly
 - The Reserve list which includes projects that should also be undertaken to help keep the property in a "fair to good" condition, but have less immediate reputational, financial and operational impact and risk to operations. Due to budgetary constraints these are not likely to be funded in 2019/20 unless savings can be found and thus will be deferred into the "Bow Wave" of operational portfolio cyclical maintenance

11. The project prioritisation model developed for the CWP has been applied to projects identified from forward cyclical maintenance/replacement plans of the Barbican Centre, the Guildhall School of Music and Drama and the operational properties under the City Surveyors management.
12. Essential Projects for consideration of including within the bid list are ranked in order of priority according to the following criteria and scoring mechanism.
 - Health, Safety & Security (weighting 5)
 - Asset Performance including energy efficiency (weighting 5)
 - COL Reputational (weighting 4)
 - Maintaining Income Stream (weighting 4)
 - Client Feedback (weighting 2)
13. The CWP PRG, chaired by the Head of Finance Property Services, has met twice to consider the draft prioritisation of projects across all Departments. The panel has provided a “sense check” to ensure that the prioritisation ranking reflected in the Prioritisation model has been rigorously and consistently applied and that the outcomes in terms of prioritisation align to the City’s strategic aims and objectives.
14. The Reserve list is prioritised and therefore if savings have been achieved the CWP Peer Review Panel will assess the projects in order to determine which projects will be taken forward.
15. The CWP PRG confirmed that, based on the draft overall CWP prioritised project list, and the provisional 2019/20 funding envelope for the CWP allowed for in the Medium Term Financial Strategy, that they were of sufficient priority to be recommended for advanced approval. That remains to be the case now and the overall prioritised project list for the 2019/20 CWP has been prepared, considered by the CWP PRG and recommended for approval by Members.
16. At the request of the Director of Open Spaces the draft programmes were presented to Hampstead Heath Highgate Wood and Queens Park Committee, Epping Forest and Commons Committee and Open Spaces City Gardens and West Ham Park Committee during June/July 2018.
17. The draft programme has been presented to the Barbican Board in May 2018.
18. The draft programme was also forwarded to Chief Officers for consultation, review, and impact on their operational service needs. Comments, where received have been considered by the CWP PRG and any changes of priority have been incorporated into the schedules.
19. The properties already identified as part of the current Service Based Reviews and Operational Property Review have not been included in the CWP bid. The list will continue to be reviewed as and when changes in the status of a property are made to ensure that work is not carried out unnecessarily.

20. The costs provided have been based on estimated outturn prices and do not take account of any potential savings which may arise through market conditions and specific procurement initiatives or cost changes for future market.

21. The Actual List funding is split as follows:

City Fund -	£5,141,000
City Cash -	£5,322,000
Guildhall Complex -	£2,137,000
Total -	£12,600,000

The Guildhall Complex has been funded by £1,478,000 from City's Cash and £659,000 from City's Fund.

Corporate and Strategic Implications

22. The proposals in this list support the theme "Protects, promotes and enhances our environment" within the City Together Strategy.

23. The CWP 2019/20 aims to continue to adopt a corporate wide approach to prioritisation of cyclical repairs and maintenance across the City's operational property portfolio.

24. Prioritisation of additional works will depend upon a number of constituents and the consultation feedback but will also need to reflect the City's on-going Corporate Property Asset Management Strategy and the strategic objectives contained therein to manage the City's operational assets effectively, efficiently and sustainably to deliver strategic priorities and service needs. Furthermore consideration will be made to any other strategic asset management decisions, which reflect the wider corporate objectives to ensure that the City can meet its overall criteria relative to the management of its property assets.

25. However, the scale of the backlog of cyclical maintenance of deferred and future liability remains a challenge, and further constraints and opportunities need to be explored to meet the financial liability i.e. more property reviews to reduce footprint of portfolio. The current back log for the corporate estate, Barbican, GSMD and Ex Halls is in the region of £78.7m. The CWP along with the Additional Resources for City Fund properties is assisting with stabilising the backlog of maintenance however further capital resources is required to fully reduce it.

Implications

26. The proposed CWP programme for 2019/20 is within the £12.6m assumptions made within the Medium Term Financial Strategy. The assumed funding envelope for the City Cash CWP projects in the 2019/20 bid included within the medium term financial strategy is £6.8m and for City Fund CWP projects is £5.8m. Resource Allocation Sub-Committee approval for the programme resources will be sought in January 2019.

27. However, more opportunities need to be found to meet the City's future maintenance costs and ensure our properties are available and safe for the services and departments that occupy them.
28. Consideration is being given by Officers to whether the minimum project value for the CWP is increased to £5,000. With all projects under that level being undertaken through day to day building repairs budgets. A budget adjustment from the CWP would be required to ensure that the day to day budgets would be uplifted to cover this amount. This approach would assist with reducing the back log of cyclical maintenance. Officers are working on the figures and practicalities of this suggestion and will report back to this committee in due course.

Conclusion

29. The proposed programme for 2019/20 presents a further opportunity to continue to contribute to the maintenance of the City's operational asset portfolio.

Appendices

- Appendix A City's Cash Schedule of works
- Appendix B City Fund Schedule of works
- Appendix C Guildhall Complex Schedule of works
- Appendix D How and where has the money been invested

Alison Bunn
Head of Facilities Management - Assistant Director
020 73321069
Alison.Bunn@cityoflondon.gov.uk

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Committee(s): Corporate Asset Sub Committee	Date(s): 05/09/2018
Subject: Corporate Facilities Management – Annual Update Report	Public
Report of: City Surveyor CS:307/18	For Information
Report author: Alison Bunn – Head of Facilities Management	

Summary

The following report details the work that has been undertaken by the Corporate Facilities Management (FM) team within the last twelve months. It also presents the current performance of all FM corporate contractors and the main workstreams that the team will be completing in the forthcoming year.

Recommendation

Members are asked to:

- Note the report.

Main Report

Background

1. The Corporate FM team has an overall total members of staff of 93 and are split into three areas:
 - Corporate Property FM Team
 - Guildhall FM Team
 - Guildhall Security Team
2. These teams are assisted by the following support teams within the overall FM team:
 - Property Contracts Performance Team
 - Property Health & Safety Team
3. The FM team manage 460 operational properties across the whole of London and beyond with a replacement value of about £5bn and a floorspace of 6.9m sqft.
4. Of the 460 properties 10% have listed status which means that their maintenance and upkeep costs can be significantly higher than a conventional building. The most notable of these being the Guildhall, Mansion House and Central Criminal Court

5. The FM team deliver a range of Hard and Soft FM services to the service departments including Building, Repairs and Maintenance (BRM), Cleaning, Security, Pest Control, Lift & Escalators, Couriers, Water Coolers and Catering
6. The Property Contracts performance team manage FM contracts to the value of £90 million with 588 Key Performance Indicators measured within them.

FM Contract Status

7. Appendix 1 shows the performance of the main FM contractors over the last three months (April, May and June). All contracts continue to run correctly and any repeated failure of KPI's are managed through a contractor action plan which is aimed to address the issues.

Achievements in the last 12 months

8. Introduction of a Computer Aided Facilities Management (CAFM) System Micad to manage all FM services including an up to date asset register, provision of the property service desk and improved reporting of management information.
9. Creation of a FM strategy for the Guildhall to move towards a five-star service subject to additional funding agreement.
10. Re-Shaping of the Property Contracts Performance Team to ensure it is fit for purpose to deliver the service required
11. Successful demobilisation of the BRM1 contract with Mitie including agreement on final accounts
12. Achieved BRM2 savings on BRM1 of £1 million per annum directly attributable to the City's own budgets
13. Successful mobilisation of the BRM2 contract with Skanska
14. Achieved permanent employment of the Assistant Property Facilities Managers (APFM) through the FM Service Based Review
15. Continued consolidation of services by bringing the Central Criminal Court into the BRM2 contract along with 21 New Street and GYE
16. Update of the FM Strategy to meet the business needs and planning
17. Property Service Desk processed over 20,000 call requests either by phone or email
18. Employed an FM Supervisor apprentice
19. Moved to a more customer facing automated property service desk utilising Micad to allow the team to work more effectively
20. Processed 107 variations to FM contracts to alter service delivery
21. Increased collaboration with the Barbican by deploying a PFM to assist with the re-structure of their services
22. Creation of a Head of Security role for the Guildhall to meet counter terrorism and corporate security needs
23. Promotion of the CAFM system by the Property Service Desk at a roadshow to encourage more users in the Guildhall

Going Forward over the next 12 months

24. Re-tender of the Lift and Escalator contract to move to the 2nd generation and a more fit for purpose contract including the utilisation of the City's CAFM system

25. Re-tender of the Security contract to move to the 2nd generation and a more fit for purpose contract
26. Recruitment of 9 security officers and a security manager for the Guildhall to bring the team up to a full compliment of staff and reduce an unnecessary overtime burden on current staff
27. Delivery of a 3-year maintenance strategy for the Guildhall predominately looking at internal decoration in line with the possible overall refurbishment of the Guildhall through capital projects
28. Mobilisation during August of the new catering contract for the Gild staff restaurant which starts in September and includes modernising the offer of products available and creating a bespoke coffee area
29. Upload the additional assets and servicing regimes into the CAFM system to deliver correct planned preventative maintenance schedules
30. Give the ability to report on the status of statutory compliance within the portfolio
31. Work with Skanska to move to condition-based maintenance rather than time expired maintenance
32. Invest in the Property Appraisal Module for the CAFM System to create accurate Forward Maintenance Plans and ensure all asset information is held in the same location
33. Work with all corporate FM contractors to derive a 2% efficiency savings for this year without it having an impact on the service provided
34. Create a local FM network to the Guildhall to share experiences and best practice for delivering FM services

Corporate & Strategic Implications

35. Facilities Management at the City supports the following objective in the City Surveyors Business Plan:

Property assets and facilities management: We will ensure buildings are fit for purpose, sustainable, safe and secure, providing access for all, meeting service needs and community expectations and delivering value for money through enhancing our efficiencies; this includes asset management plans, facilities management including hard (planned and reactive maintenance) and soft services (cleaning, security, etc...), cyclical projects and minor improvements and delivery of major capital projects for refurbishments and new builds.

Conclusion

36. This report shows the progress that the team are making in managing the FM for the Corporate property estate. Much work has been completed in the last year to bring the service up to a professional level. However, as FM is a continually evolving service there is much more work to do in the forthcoming year. It is intended that this report gives Members comfort that the City Surveyor is managing the service in a competent manner.

Appendices

- Appendix 1 – KPI Information for FM Contracts

Alison Bunn

Head of Facilities Management – City Surveyor's

T: 020 7332 1069

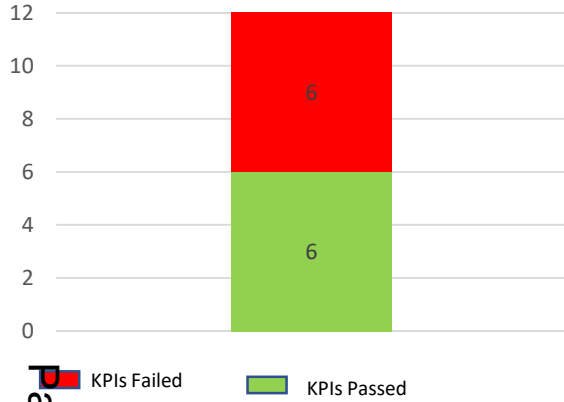
E: Alison.bunn@cityoflondon.gov.uk

Property Contract Executive KPI Summary June 2018

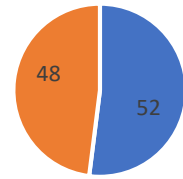
Apex Lifts

Page 45

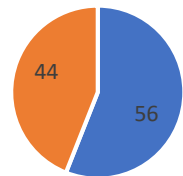
Apex KPI Summary



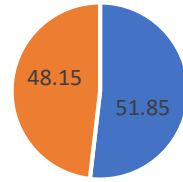
Work Completion



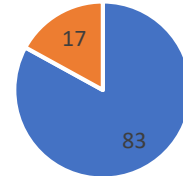
First Time Fix



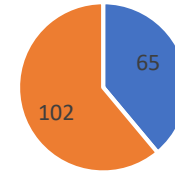
P2 - P4 Attendance



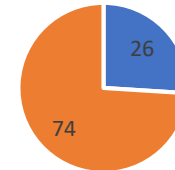
Service Plan



Insurance Defects



Acute & Emergency Attendance



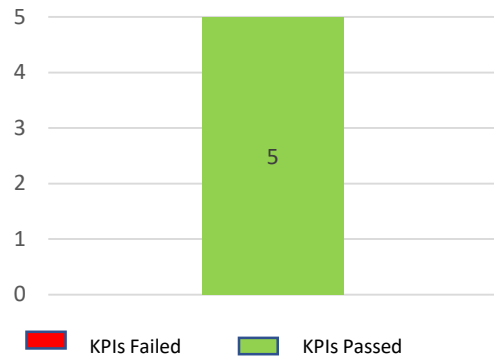
Direction of Travel



- Apex failed 6 of their 12 KPIs
- 102 Insurance Defects remain incomplete, an increase on last months performance of 84
- Financial deductions are now being deducted from monthly fixed cost payments rather than invoices being raised.

Servest Cleaning

Servest KPI Summary



No KPI failures

Direction of Travel

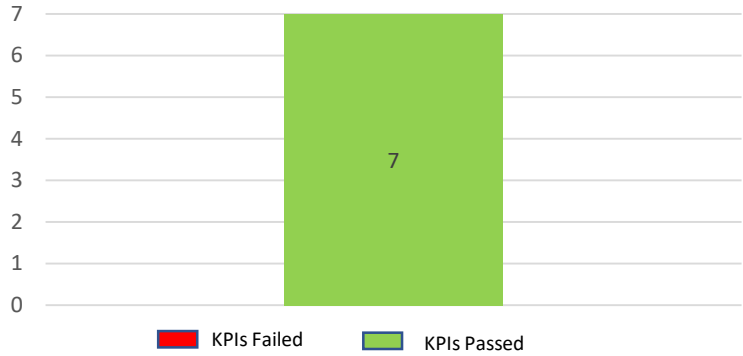


- Servest achieved all their KPIs

Property Contract Executive KPI Summary June 2018

Noonan Security

Noonan KPI Summary



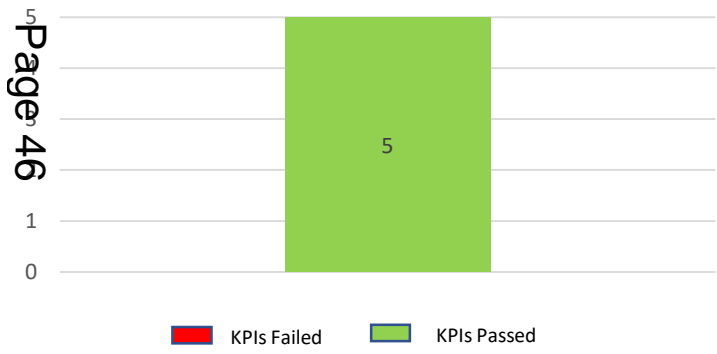
Direction of Travel



- Noonan achieved 7/7 of their KPIs
- New KPIs have been created these are more effective and suitable and additionally enable a higher level of penalty per KPI failure.

Parkers Windows

Parkers KPI Summary



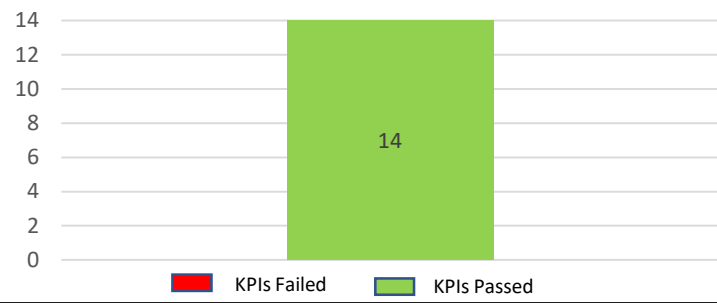
Direction of Travel



- Parkers achieved all their KPIs
- Commencement of 'reach and wash' cleaning was due to start in July but was delayed due to defective equipment.

Skanska

Skanska KPI Summary



Direction of Travel



- Skanska passed all their KPIs

Green = All KPIs have been passed in the reporting period. Red = KPIs have been failed in reporting period. Amber = KPIs have been failed in the reporting period but fewer than the preceding period reported as Red.

Committee(s)	Date(s):
Corporate Asset Sub-committee – For decision	05 09 2018
Resource Allocation Sub-committee – For decision	04 10 2018
Subject: Feasibility study to expand Citigen energy network	Public
Report of: The City Surveyor (Report ref. CS 357/18)	For Decision
Report author: Andrew Crafter, Principal Engineer, City Surveyors Department	

Summary

This report seeks the approval of Members to undertake a feasibility study in accordance with a Government scheme targeted at Local Authorities to examine how the Citigen energy network might be expanded within the area to the south of Smithfield. The scheme provides technical advice for heat load mapping, feasibility, detailed project delivery models, and commercialisation.

The scheme is open to all Local Authorities and offers grant funding of up to 67% towards the cost of the study. The balance would be shared equally by the City Corporation and Citigen.

This scheme provides an excellent opportunity at a suitable time to develop plans to expand the Citigen energy network, led by the City. After many years with little or slow development, it would mark the first step forward in the strategic expansion of the CHP system, a position not envisaged since the system's inception in the early 1990s.

Recommendation(s)

Members of Corporate Asset Sub-committee are invited to approve the proposal to undertake a feasibility study at a cost of up to £100,000 in accordance with the Government scheme described in this report to examine how the Citigen energy network might be expanded within the area to the south of Smithfield subject to a successful grant application for 67% of the cost and a 16.5% contribution from Citigen.

Members of Resource Allocation Sub-committee are invited to note the contents of this report and approve the contribution of up to £16,500 (16.5% of the total cost, estimated at £100,000) to be allocated from the Community Infrastructure Levy towards the cost of the study.

Main Report

Background

1. The City of London Combined Heat and Power (CHP) system is operated by Citigen (London) Ltd from their energy centre at 47-53 Charterhouse St, EC1, and generates electricity, heat and cooling. Electricity generated is sold via the grid through the parent group, whilst hot and chilled water are circulated via an underground district pipe network to a number of City and private properties for heating and air-conditioning purposes.
2. The City Corporation supports the development of the system and has a long-term cooperation agreement with Citigen running to 2021, which provides the framework for this support. Commercial negotiations are on-going to extend the agreement. The City's planning policies encourage the development of low-carbon heat networks in line with GLA, Government and international policies.
3. The existing district pipe network is ca. 2 kilometres in length, and runs from the energy centre to the Barbican, Guildhall and Museum of London, serving a total of 19 customers. Appendix 1 provides a map of the system. It has not expanded since the last section was installed in 1998, although a number of branches have been added since then to connect new customers, which is continuing.
4. Since 2013, the Government has been encouraging the development of heat networks for environmental reasons - in pursuit of its decarbonisation agenda. It has a target of increasing the proportion of heat supplied to buildings in the UK from heat networks from 2% to 18%, as most recently set out in its 'Clean Growth Strategy'.
5. To provide support (technical guidance and grant funding) to local authorities in England and Wales to progress the development stages of heat networks projects, the Government established The Heat Networks Delivery Unit (HNDU) within the Department of Energy and Climate Change in 2013 - now the Department of Business, Energy and Industrial Strategy (DBEIS). Since its inception in 2013, HNDU has awarded support to over 200 schemes across 140 local authorities in England and Wales, including over £17 million of grant funding.
6. Round 8 of the scheme opened in May 2018 and runs to 31 December 2018. Local authorities may apply for up to 67% of the estimated eligible external costs of the development studies, with the remaining 33% to be secured by the local authority in match funding. Details of the scheme can be viewed at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/707805/HNDU_Round_8_guidance.pdf. The scheme is only open to local authorities, although third parties may contribute to the match funding. A detailed description of each stage can be seen at Appendix 2.

Current Position

7. After 25 years of operation, the Citigen network is at the stage at which strategic expansion needs to be considered. The HNDU scheme provides the opportunity for a detailed study to be carried out in a structured manner with external support and guidance, with up to 67% of the cost being met by Government.
8. The City and Citigen have agreed that, if approved, a study could be undertaken under the scheme which focuses on development of the system within the area

south of Smithfield. The study would include both the heating and cooling networks. The reasons for selecting this area are:

- Completion of the full route as far as London Wall Car Park would link up with the existing network, forming a ring circuit (allowing heat and cooling supplies from both directions), increasing the capacity and resilience of the entire network, being key aims of both the City and Citigen;
 - It offers good prospects for new heating and cooling connections from existing properties along the route, underpinned by good 'anchor' loads. Its entire length lies within the City's boundary;
 - The route would allow the connection of Central Criminal Court, an aim previously supported by Corporation committees. Other than the Barbican Estate, the Courts are the last major Corporate property in the City still to be connected to the CHP system;
 - The route would also allow St Paul's Cathedral to be connected, which previously expressed interest; Paternoster Square and the BT Headquarters in Newgate Street would be further valuable customers if they could be secured, also Barts Hospital when their current CHP unit becomes due for renewal;
 - It would address the capacity constraint in the existing district cooling network;
 - It can make use of the City's existing pipe subways. There may be a case for extending some of these in conjunction with any new pipework installed;
 - The high-profile customer connections and backing of the City could make this a 'flagship' for the scheme and the energy industry, re-establishing Citigen's reputation as one of the UK's leading district energy schemes.
9. Citigen have no other known plans for the strategic expansion of the network and recognise the need for the City Corporation to be closely involved in the future expansion.
10. The City and Citigen met HNDU at DECC offices in 2016. Indications were that an application from the City would be well received.
11. It is estimated that the construction phase could take up to 10 years to complete at a cost of £15-20 million (for which further Government financial support would be available). It would be a complex project ideally carried out in phases.

Proposals

12. It is proposed, subject to Member approval, to submit an application to DBEIS HNDU for support under the HNDU scheme in accordance with the guidelines published to undertake a full study for the area identified.
13. It is estimated that such a study would take around six months and cost around £100,000. Citigen have confirmed in writing that they are fully supportive of an application being made to DBEIS on this basis and are willing to contribute to the cost.
14. It is proposed that the City's application would be for the full 67% of the total cost. Citigen have confirmed they are willing to share the cost of the balance, £33,000, equally with the City. It is proposed subject to Member approval that the City's share, £16,500, would be met from the Community Infrastructure Levy (CIL). This

would also demonstrate to Citigen a commitment by the City to the system development with both financial support and staff resources.

15. CIL funding may be subject to a requirement that should the study conclude the expansion is unfeasible, CIL payments may be reimbursable. However, the likelihood of this is considered remote.
16. If approved, the study would be led and coordinated by the City Corporation. Citigen would provide information and assistance. External consultants acceptable to all parties would be engaged to carry out the main work.
17. HNDU state they will help identify potential issues and raise pertinent questions as the project progresses, provide guidance on tender specifications, review critical project documentation, help steer the local authority on the most effective project development path, provide telephone and email support and attend key project meetings. The outcome of the study will be a publically-available detailed report with appendices, the starting point for whichever party executes the project.

Corporate & Strategic Implications

18. The system supports the following Strategic Aims:

- To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes.
- To provide valued services to London and the nation.

19. As a low-carbon energy source, the CHP system has a key role to play in future energy supplies for the City, supporting the London Plan and City's Local Plan and national policies, and has the potential for major expansion. The recently completed City of London Zero Emissions Study promotes the use of district heating/cooling networks using waste heat sources as an important element of the transition to a zero carbon City. If the City wishes to see its carbon emissions reduced in line with the recommendations of the Committee on Climate Change then systems such as Citigen will need to be replicated across London.

Implications

20. Advice from the Comptroller & City Solicitor has been received that any grant awarded under the scheme would not infringe State Aid rules and therefore there is no requirement to limit the amount sought in any application to meet such rules.

Conclusion

21. This Government scheme provides an excellent opportunity at a good time to develop plans to expand the existing Citigen energy network, led by the City. After many years with little or slow development, it will mark the first step forward in the strategic expansion of the CHP system.

Appendices

- Appendix 1 – Current map of the CHP System
- Appendix 2 - Stages of the HNDU scheme

Andrew Crafter

Principal Engineer, Operations Group, City Surveyors Department

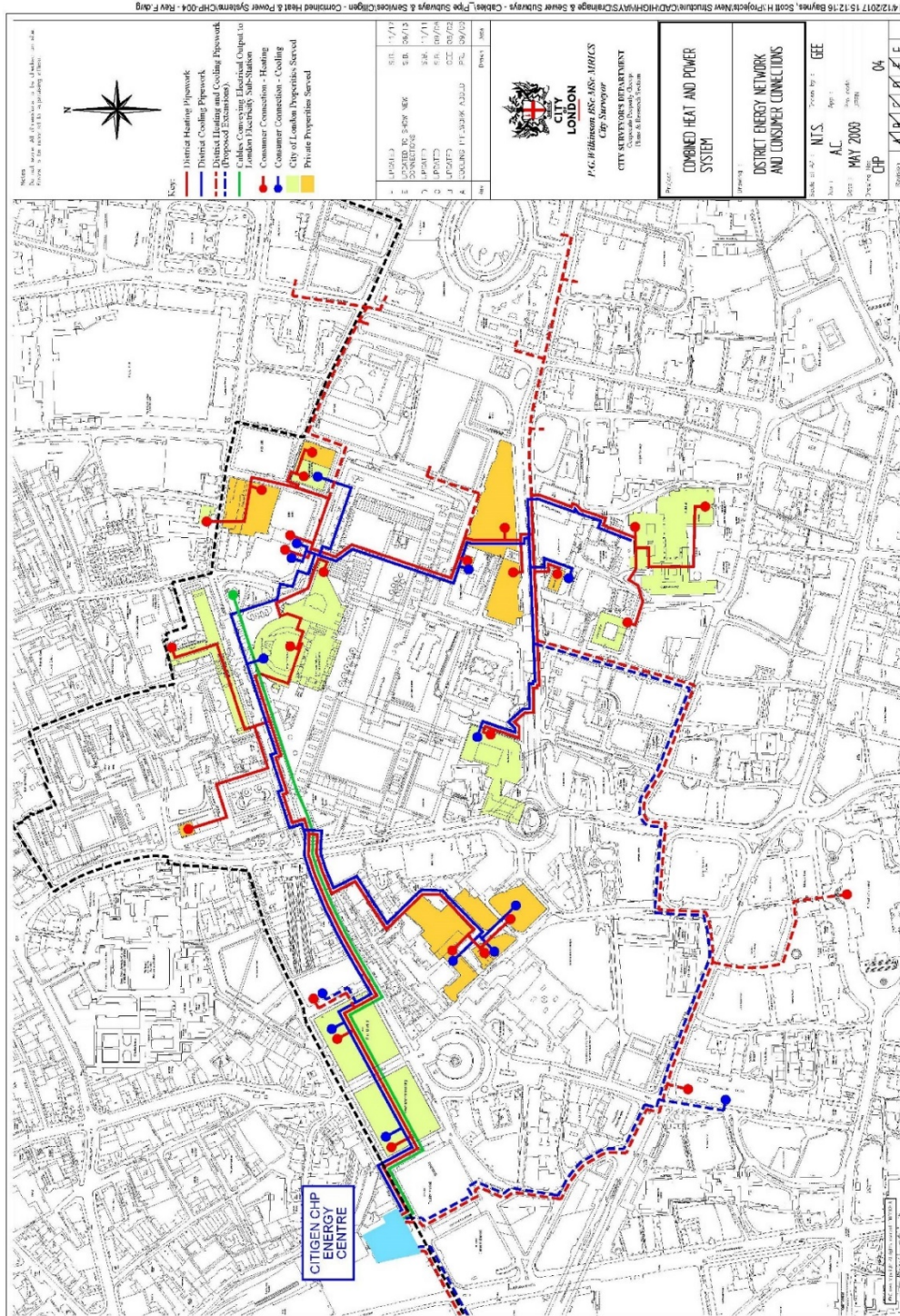
T: 020 7332 1252

E: Andrew.Crafter@Cityoflondon.gov.uk

Appendix 1 – Current map of the CHP System

The map below shows the location of the CHP system pipework. Dotted lines indicate future expansion options.

The blue and red dotted lines running from Charterhouse Street to London Wall to the south of the existing network, referred to as the 'Southern Loop', would form the subject of the proposed study. The length of this is about 1 kilometre.



Appendix 2 – Stages of the HNDU scheme

Heat Networks Delivery Unit (HNDU) Round 8

Stage	Detail
1. Heat mapping	Area-wide exploration, identification and prioritisation of heat network project opportunities.
2. Energy master planning	Area-wide exploration, identification and prioritisation of heat network project opportunities.
3. Feasibility study	Technical feasibility and options appraisal; scheme definition and concept design; detailed techno-economic modelling; development of financial model; initial scheme-specific business model/commercial structures options identification & evaluation; delivery programme.
4. Detailed project development	Development of business/commercial model and financing options; development of outline business case (typically green book compliant depending on scheme size); development of detailed financial model; development of procurement strategy; further scheme design including development of proposed network route, network sizes, and customer connections, development of proposed energy centre solution and location; costing reviews to improve cost certainty; initial scoping and development of commercial agreements; soft market testing.
5. Commercialisation	Reasonable legal costs such as in relation to developing customer commercial agreements, heat supply contracts, necessary land purchase, land access arrangements, etc.; further development of tariff structure for customer contracts; further development of financial model and business case and associated commercial advice costs where necessary. Potential for preparatory works depending on scheme needs, assessed on a case-by-case basis.

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Committee: Corporate Asset Sub-Committee (CASC)	Dated: 5 th September 2018
Subject: CDP Targets and investment requirement 2018 onwards	Public
Report of: The City Surveyor	For Information
Report author: James Rooke, Corporate Energy Manager	

SUMMARY

This report provides a recommendation for continuation of the existing Carbon Descent Plan (CDP) reduction targets and requests the approval of a Capital Energy Fund and associated resource to ensure that these targets are achieved.

The CDP, expired in March 2018 and therefore requires a new target to be set for the next seven years.

This report recommends that the Corporation maintains the existing longer-term target of 40% absolute reduction by 2025 relative to a 2008 base year and provides an update on delivery plan for the first phase. Specifically, a bottom up analysis of potential energy reduction initiatives from the first two-year phase.

This approach is endorsed by the Energy Board.

RECOMMENDATIONS

- Re-affirm the Corporations existing commitment to a 40% reduction by 2025, representing an updated 29% reduction target from present absolute performance.
- Members review the list of potential energy reduction schemes set out in Appendix A and agree that these should be progressed
- Agree the City Surveyor should progress those energy savings schemes set out in Appendix A that don't require any capital expenditure
- Note that any additional staffing cost (such as a fixed term energy project manager) will initially be met from the City Surveyor's local risk budget but recovered from the savings achieved.
- Agree that those schemes requiring investment be progresses by the City Surveyor as 'spend to save' schemes through the gateway process at the earliest opportunity.
- The City Surveyor to report back on progress in six months' time

MAIN REPORT

Background

The Carbon Descent Plan is comprised of shorter and longer term reduction targets. The target set for March 2018 was to have reduced the Corporation's energy use by 25% compared to a 2008 base year. A 15% absolute reduction was achieved during this time period, leaving a 10% shortfall. This indicates that a greater investment in capital and resource is required to return to target.

To achieve these ambitious targets, upfront investment for new projects will be required, supported by sufficient human resources, in order to make longer-term carbon and financial savings.

In order to comply with the original 40% target will require a new shorter-term target of 29% energy reduction compared to a 2017/18 baseline. This will require significant Capital expenditure.

Benefits of maintaining the 40% target, rather than readjusting to a less ambitious target, include offsetting the increased cost of energy as a commodity, long-term financial savings and maintaining the Corporation's reputation in terms of environmental performance, especially in the context of the Corporation's strengthened commitment to responsible business practices.

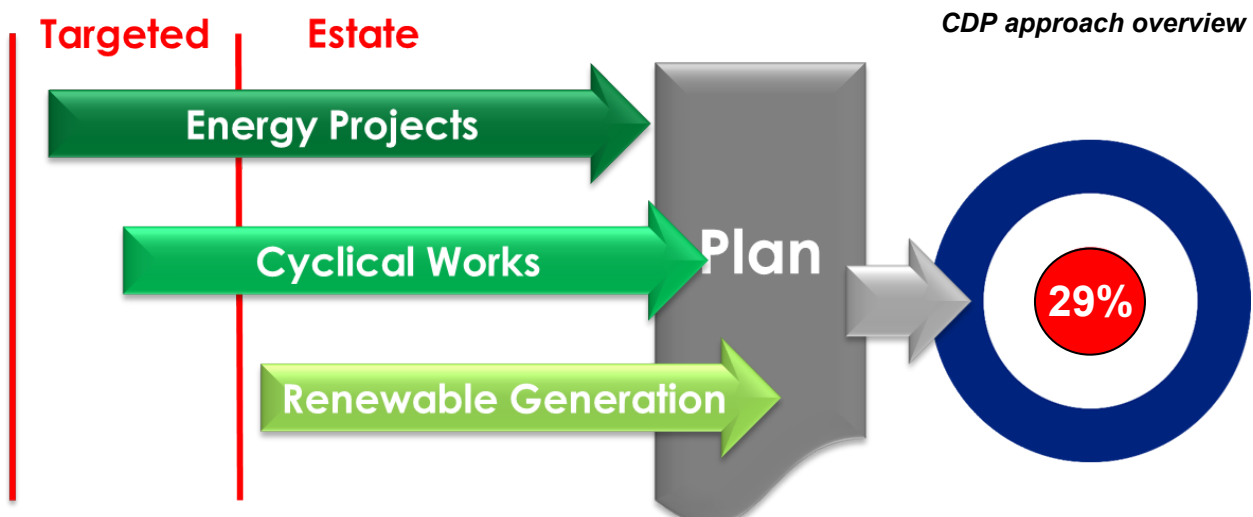
Approach

The proposed 29% reduction target will be met through three main routes, delivered as part of two phases:

- I. **Energy Projects** – An opportunity driven programme outside of cyclical works
- II. **Cyclical Works** – Actively managed enhancement to cyclical works, for example ensuring that the planned GHC chiller system replacement employs best available energy technology
- III. **Renewable Generation** – New procurement models for sourcing renewable and low carbon energy.

Phase 1) - Targeted: focuses on the Barbican (BAC) and Guildhall Complex (GHC), rolling out energy efficiency projects that will deliver the greatest energy reduction impact and make the most financial savings relative to upfront costs.

Phase 2) - Estate: Using the learning from the targeted phase to support department plans across the wider operational estate.



Progress Update

i. Energy projects

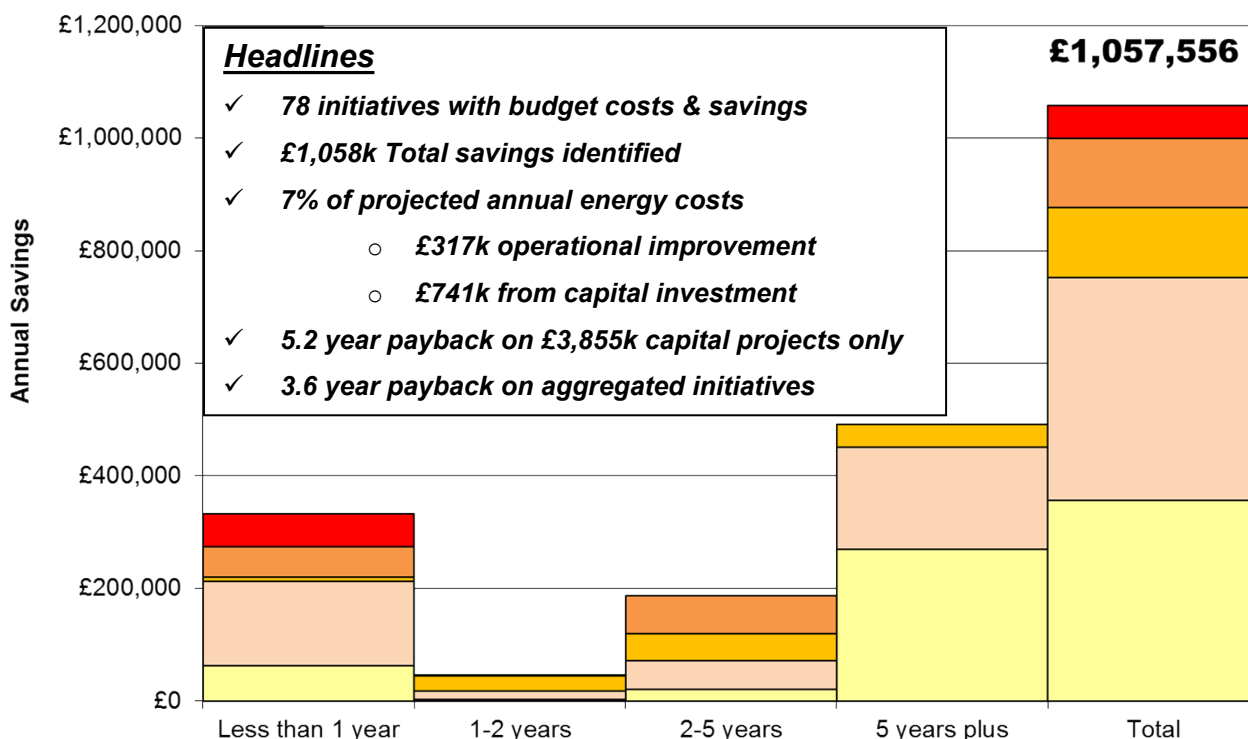
Phase 1 - Targeted

To mobilise this process, initial energy survey scoping work has been undertaken at BAC and GHC using the internal energy team resource and external energy

engineering specialists. This initial phase has identified £1,058k of savings. Investment to achieve this saving has been summarised as below:

- £317k can be achieved using resource only and local budgets (including some schemes that only require staff input).
- £741k can be achieved with a capital investment of £3,855k giving a payback of 5.2 years.

Energy projects by payback



A more detailed summary of these projects is appended for reference.

Phase 2 (Estate)

External consultants are being commissioned to survey six of the largest sites to provide a project business case for the next phase of the plan.

ii. Cyclical Works

The Energy team is working with the CSD Projects team to create synergies between the cyclical works / Forward maintenance programmes and the energy programme. For example, a detailed feasibility was recently commissioned for upgrade of the GHC cooling system. Initial analysis has identified potential £180k saving through energy and reduction of cyclical maintenance.

iii. Renewable Generation

Following approval of a 100% renewable electricity policy, the potential for a renewable energy Power Purchase Agreement (PPA) is now being investigated. If a suitable PPA is identified, it would provide the Corporation with the potential to demonstrate strong environmental credentials in parallel with a commercial benefit as this arrangement

would de-couple commodity energy prices from volatile energy markets and link instead to a more stable inflationary metric such as the Consumer Price Index. Importantly, this will provide protection from future commodity energy price rises above inflation.

Investment requirement

This paper requests approval for strategy of progressing the energy projects requiring capital investment and sets out the outline business case.

Option 1 (recommended): Corporation Investment: Phased Investment for capital energy projects provided by the Corporation to directly fund an accelerated reduction programme. Schemes progressed through the gateway process as spend to save schemes. Larger projects being progressed individually whilst small initiatives as a programme of works.

Advantage: Lowest delivery cost, greatest level of control, integration into existing supply chain and operation.

Disadvantage: Mobilisation time and need for Capital

Option 2: Business as usual: Energy Team continues to manage operational improvement with limited investment.

Advantage: Low cost, short payback priority, No additional capital requirement. Already mobilised

Disadvantage: Limited impact on energy reduction. Reduction targets not met.

Option 3: External Investment: Funds borrowed from third party in Energy Performance Contract model.

Advantage: Rapid mobilisation, No requirement for capital funding, shared risk.

Disadvantage: Limited control, Increased costs for delivery margins and cost of finance.

This paper recommends the adoption of Option 1, Corporation Investment as the optimum choice for control, cost and return. The requirements for which are set out below:

Option 1 – Corporation Investment

1.Revenue requirement

To continue the identification and development of projects into year three, a resource stream is required:

- I. *Project delivery:* The creation of an additional energy projects officer, on a fixed term contract (which could be renewed if appropriate), to manage and deliver projects in years 1-3. Cost circa £70k/year would need to be viewed as a component of the energy capital programme cost. Initially sourced from the CSD local risk budget with costs recovered from savings and project costs as appropriate.
- II. *Control savings generation & retention:* Many of the opportunities identified are generated by improved building control management. This is a specialist area

and we recommend the sourcing of a specialist controls engineer to identify and deliver these initiatives. Energy Team (ET) estimates an annual savings figure above £200k. An AECOM energy savings report identifies an annual savings figure above £600k via improved control. The ET are applying for a transformation fund sum of £80k to cover a 12-month fixed term contract.

2.Capital Requirement

To facilitate the delivery of capital projects we propose the adoption of:

- I. .Indicative figures suggest an investment of £3,855k will deliver a reduction in energy costs of £1,058k. Schemes to be progressed through the gateway process as 'spend to save' schemes This will deliver the first two years of the CDP plan in combination with the measures above.
- II. A small grant fund of £50k to be administered by the energy team directly where small projects with paybacks below two years can be identified. This would require the agreement of Finance Committee.

There is no provision for these initiatives within the City's current approved budgets and the submission of a business case paper to the appropriate committees will be required.

Next steps

Following CASC approval, City Surveyor will prepare gateway 1/2 reports in the Autumn for submission to the appropriate committee on the projects requiring capital investment. These will include the business case for the projects.

For those schemes not requiring capital investment Members should note the Surveyor will draw up a programme of works and commence implementation of these schemes recruiting if necessary the required staff resource on a fixed term contract. The cost of staff resource to be met initially from the City Surveyor's local risk budget but ultimately recovered from the energy savings achieved.

James Rooke, Corporate Energy Manager
City Surveyor's Department
e: james.rooke@cityoflondon.gov.uk

Appendix A – Summary of energy projects

Site	Description	Annual Savings			Payback Period (yrs)
		Annual Savings (£)	Annual Savings Energy (kWh)	Est. Cost (£)	
Guildhall Complex	Replace Guildhall chillers with more efficient system	£ 180,000		£1,000,000	5.6
BAC	Reduced Elec. kVA import to meet needs	£ 6,992	-	£0	-
BAC	Reduced Elec. kVA import to meet needs	£ 5,580	-	£0	-
BAC	Reduced Elec. kVA import to meet needs	£ 2,375	-	£0	-
Barbican Hsg Estate	Increase Elec. kVA import to meet needs	£ 23,075	-	£0	-
Billingsgate Market	LED lighting update opportunities, number of areas	£ 26,967	189,950	£48,572	1.8
CoL Boys	Demand control for LTHW pumps	£ 1,172	8,298	£1,200	1.0
CoL Boys	Optimised time schedules for space pre-htg.	£ 1,851	82,306	£300	0.2
CoL Freeman's	Swimming pool cover for new pool	£ 14,228	319,262	£30,701	2.2
CoL Girls	Increase Elec. kVA import to meet needs	£ 1,231	-	£0	-
CoL Girls	Pool ventilation improvement/replacement	£ 22,634	223,612	£118,800	5.2
CoL Girls	Reduce pool heating times during the day period	£ 2,765	19,463	£0	-
Guildhall Complex	Reduced Elec. kVA import to meet needs	£ 24,754	-	£0	-
Guildhall Complex	Reduced Elec. kVA import to meet needs	£ 2,788	-	£0	-
Guildhall Complex	Reduced Elec. kVA import to meet needs	£ 2,119	-	£0	-
Guildhall Complex	Increase Elec. kVA import to meet needs	£ 377	-	£0	-
Guildhall Complex	Reduce elec. loads during Triad warnings	£ 10,059	-	£0	-
Guildhall Complex	Reduce elec. loads during Triad warnings	£ 7,956	-	£0	-
Guildhall Complex	Replace office downlights with LED	£ 16,529	105,448	£62,371	3.8
Guildhall Complex	Sub-metering to enhance energy management	£ 32,684	393,477	£149,902	4.6
Guildhall Complex	Installation of a Variable Speed Drive (VSD)	£ 16,869	113,568	£15,000	0.9
Guildhall Complex	Upgrade 11 AHUs with new fans and motors	£ 37,445	300,170	£116,751	3.1
Guildhall Complex	Reduction/eliminate non-essential humidification	£ 15,742	748,017	£1,800	0.1
Guildhall Complex	Speed control for office/toilet AHU fans	£ 9,116	81,120	£3,520	0.4
Guildhall Complex	Demand control via CO monitoring	£ 9,069	64,865	£0	-
Guildhall Complex	Set-back of HVAC during bank holidays	£ 3,000	20,966	£0	-
Guildhall Complex	Correct chiller sequence programming	£ 1,092	8,256	£0	-
Guildhall Complex	Replace/redesign for LED lighting with controls	£ 11,346	42,719	£30,000	2.6
Guildhall Complex	Reduced time schedule to meet occupancy needs	£ 381	2,698	£0	-
Guildhall Complex	WW CHWS Pumps operating at different loads	£ 488	3,740	£300	0.6
Guildhall Complex	Reduced heating times	£ 663	5,269	£0	-
Guildhall Complex	Create a schedule for the HWS not to run 24/7	£ 222	1,778	£0	-
Guildhall Complex	Reduced the operating times, currently 24/7	£ 473	4,004	£0	-
Guildhall Complex	Reduction to time schedules	£ 709	5,054	£0	-
Guildhall Complex	Reduction to time schedules to meet occupancy	£ 685	5,739	£0	-
Guildhall Complex	Reduced time schedule to meet occupancy needs	£ 1,815	18,960	£0	-
Guildhall Complex	Reduced time schedule to meet occupancy needs	£ 2,585	19,137	£0	-
Guildhall Complex	Reduced time schedule to meet occupancy needs	£ 1,177	9,360	£0	-
Guildhall Complex	Reduced time schedule to meet occupancy needs	£ 3,406	25,220	£0	-
Guildhall Complex	Reduced time schedule to meet occupancy needs	£ 1,229	9,100	£0	-
Guildhall Complex	Reduced time schedule to meet occupancy needs	£ 14,479	117,896	£0	-
Guildhall Complex	Setup a new timeschedule, currently operating 24/7	£ 1,722	13,785	£0	-
Guildhall Complex	Reduced time schedule to meet occupancy needs	£ 818	6,367	£0	-
Guildhall Complex	Reduced time schedule to meet occupancy needs	£ 543	3,666	£0	-
Guildhall Complex	Reduced time schedule to meet occupancy needs	£ 180	1,560	£0	-
Guildhall Complex	Replace Manuscript Store AHU with EC fan/motor	£ 5,648	40,767	£12,000	2.1
Guildhall Complex	Replace SUFs in Denco units in EW Geni Rm.	£ 8,011	63,295	£13,200	1.6
Guildhall Complex	Plant/System options for GHC cooling	£ 19,014	141,977	£77,600	4.1
Guildhall Complex	Reduced time schedule to meet occupancy needs	£ 2,964	24,115	£0	-
Guildhall Complex	Return to automatic and timed control	£ 9,961	74,581	£0	-
Milton Court	Reduced Elec. kVA import to meet needs	£ 14,871	-	£0	-
Parliament Fields Lido	Variable speed control for filtration pumps	£ 6,406	87,061	£10,034	1.6
Smithfields	Reduced Elec. kVA import to meet needs	£ 2,382	-	£0	-
Smithfields	Upgrade to LED with occupancy control	£ 15,484	107,639	£33,080	2.1
Smithfields	Set system for control via CO levels only	£ 38,241	296,779	£1,800	0.0
Sundial Court	Reduced Elec. kVA import to meet needs	£ 1,711	-	£0	-
The Warren Office	Reduced Elec. kVA import to meet needs	£ 2,207	-	£0	-
Upper Thames Street Tunnel	Reduced Elec. kVA import to meet needs	£ 1,014	-	£0	-
Walbrook Wharf	Reduced Elec. kVA import to meet needs	£ 2,634	-	£0	-
Walbrook Wharf	Solar PV on main roof	£ 18,616	115,377	£141,220	7.6
Guildhall Complex	CHWS Pumps operating 24/7	£ 417	2,828	£0	-
Tower Hill Car Park	Demand control of Vent. System	£ 21,120	138,909	£87,998	4.2
Guildhall Complex	Improve BEMS strategy for West Wing chillers	£ 8,346	63,840	£3,067	0.4
Guildhall Complex	NW CHWS operate on actual demands	£ 7,599	71,784	£3,067	0.4
CoL Girls	Alternative to direct electric heating (e.g. heat pump)	£ 14,202	115,919	£31,600	2.2
BAC	Reduce elec. loads during Triad warnings	£ 2,577	-	£0	-
Central Criminal Court	Reduce elec. loads during Triad warnings	£ 8,226	-	£0	-
City of London School for Boys	Reduce elec. loads during Triad warnings	£ 3,619	-	£0	-
CoL Freeman's	Reduce elec. loads during Triad warnings	£ 2,194	-	£0	-
CoL Girls	Pool pump demand control	£ 527	4,958	£6,000	11.4
CoL Girls	Reduce elec. loads during Triad warnings	£ 3,619	-	£0	-
GSMD Main	Reduce elec. loads during Triad warnings	£ 2,303	-	£0	-
Guildhall Complex	Use of battery for demand response	£ 249,996	-	£1,726,000	6.9
Milton Court	Reduce elec. loads during Triad warnings	£ 1,865	-	£0	-
Walbrook Wharf	Reduce elec. loads during Triad warnings	£ 1,185	-	£0	-
Walbrook Wharf	VSD for LTHW CT pumps	£ 3,190	24,090	£5,000	1.6
Central Criminal Court	Reduce oil boiler operation within the summer	£ 36,330	700,181	£9,900	0.3
Tower Hill Car Park	Upgrade to LED with controls	£ 19,687	133,828	£114,839	5.8

Committee(s) CASC – For decision	Date: 05/09/18
Subject: Sustainable Buildings Strategy	Non-Public
Report of: The City Surveyor	For Decision
Report author: James Rooke, Corporate Energy Manager	
<h2 style="margin: 0;">NOT FOR PUBLICATION</h2> <p style="margin: 5px 0;">By virtue of paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972</p>	

Summary

This paper outlines proposed steps to understand, measure and optimise sustainable building performance across the City of London Corporate portfolio with specific regard to:

- Understanding cost, compliance, reputational risks and opportunities relating to the corporate estate associated with sustainability performance.
- Understanding the City’s present performance and peer context in respect of sustainable building certification such as BREEAM and SKA.
- Identifying a strategy with actions to deliver commercially sound, environmentally sustainable performance.

Recommendation

Members are asked to:

Approve funding of £55k supplementary budget from RASC or Transformation fund bid to commission a specialist consultant to undertake an analysis and create a draft sustainable buildings strategy report for the Corporate estate.

Main Report

Background

1. The sustainability agenda has been growing in the UK commercial property market for some years in terms of both compliance requirements and voluntary reporting. This is manifesting through the maturing of environmental legislation such as the EU Energy Performance of Buildings Directive and Minimum

Energy Efficiency Standards (MEES) which now represent an embodied element of commercial property management. In addition, industry bodies such as the British Property Federation, Better Buildings Partnership and the UK Green Buildings Council are defining best practice and market expectation in this area in terms of both landlord and occupier groups. Given the context of recent acceleration of energy prices and the adoption of the City's new Responsible Business Strategy it may also be a timely opportunity to review cost saving opportunities and long-term alignment with the City's policies.

2. Following a meeting of the City Surveyors Department, it was agreed that given the evolution of the sustainable buildings market and changes in tenant expectation more broadly, that it was a timely opportunity to review the sustainability strategy for the City Corporation's investment portfolio.

Options

3. To provide a commercial view on present performance, risks, opportunities and a recommended strategy we have considered two delivery routes.

1. **Obtain additional consultancy support (Recommended):** Draw on the expert resources of a sustainability consultant to bring their independent market view

Advantages: Specialist expertise, rapid mobilisation, market knowledge

Disadvantages: Cost of fees

2. **Deliver in-house:** While the City has sustainability professionals within the energy team, procurement and built environment, spare capacity of these resources is very limited, as is the current expert knowledge available to deliver this specialist strategy.

Advantages: No additional cost

Disadvantages: Insufficient resource to deliver

4. We recommend this Committee approves Option 1 - Consultancy support to ensure a rapid mobilisation and draw on wider market experience. An outline scope is given below.

Proposals

This paper proposes the commission of a specialist sustainability consultant to identify a strategy for measuring and optimising environmental performance in a commercial property context, specifically:

Propose an investigation that addresses the issues below:

Phase 1 – Identification and positioning

- Meet and engage with main stakeholders and understand estate profile, existing progress, constraints and a development strategy.

- Undertake a high-level review of the City's Corporation portfolio to establish where material risk and opportunity lies, e.g. occupation / tenancy type / refit / lease renewal.
- From this identify a peer group and industry comparator for the City to allow a fair comparison of sustainability performance against policy position and appropriate industry metrics.

Phase 2 – Strategy

- Undertake a market review to include compliance issues such as Minimum Energy Efficiency Standards (MEES), revised planning requirements and tenant expectation and the potential impacts this will have for the City .
- Identify appropriate standards – BREEAM, SKA, LEED, Green Lease etc with relevant performance levels for the City to use as a performance standard (some of these standards already exist within some departments)
- Identify principal requirement for standardised procedural and technical specifications to support the delivery of these standards, e.g. cooling, lighting, control.
- Provide an indication of any potential implications for capital, revenue, yield and external officer resource with a simple mobilisation plan.

Output: A paper identifying principal risks and opportunities with an action plan

Corporate & Strategic Implications

5. This review would support the work currently being undertaken across the City to significantly strengthen our commitment to sustainability. Building on existing strategies designed to minimise the City's environmental impact, such as the Responsible Procurement Strategy and the most recent Renewable Electricity Policy and Sourcing Strategy. It would also compliment the new Responsible Business Strategy 2018-23: Towards a Sustainable Future and emerging Climate Action Strategy which is being developed by the City of London Corporation on behalf of all businesses in the Square Mile. The review would also supports the aims of the Corporate Property Asset Management Strategy 2017/18, but should be regarded as a discrete piece of work.

Implications

This work will identify the City's recommended strategy to sustainable building development across the corporate portfolio. Following an engagement exercise and analysis, a paper will be produced outlining approach and priority actions required. We anticipate the delivery of a draft report within 16 weeks of funding approval following a mini-tender exercise. The outcome of this will support alignment to the goals of the Responsible Business Strategy and identify supporting benefits.

6. Sustainable specifications identified in phase 2 would have the potential to provide:
 - Reduce operating costs (energy, waste water)

- Improve life cycle costs (maintenance, disposal replacement)
 - Improve working environments (productivity, attendance)
 - Reduce stranded asset risk, (resulting from non-compliance with MEES legislation)
7. The sustainability expert would require broad property market experience to provide context, peer positioning and a strategy to allow the City to protect its reputation and commercial interests in relation to sustainability. Estimated costs reflect this level of necessary expertise and are estimated as follows:

Phase 1. Identification and positioning; - £15k

Phase 2. Strategy: - £40k

Conclusion

8. We propose to review the City's peer position on sustainability in respect of the Corporate estate. The output, if required, will identify an action plan to deliver the practical implementation of an ongoing commercially practicable model for sustainable buildings. This will identify future cost and reputational risks and provide the basis for a mitigation plan, not doing so would potentially expose the City to an unknown risk profile.

James Rooke

Corporate Energy Manager

T: 07725636975

E: james.rooke@cityoflondon.gov.uk]

Committees:		Dates:
<ul style="list-style-type: none"> • CWP Peer Review Group • Corporate Projects Board • Corporate Asset Sub Committee • Planning & Transportation Committee • Projects Sub Committee 		26 July 2018 21 August 2018 05 September 2018 11 September 2018 12 September 2018
Subject: West Smithfield and Charterhouse Street (Thameslink) Bridges Remedial Works	Gateway 1-4 Project Proposal & Options Appraisals Regular	Public
Report of: Director of the Built Environment Report Author: Mark Bailey		For Decision

This project relates to essential structural maintenance and repairs at two highway structures over the Thameslink railway near Smithfield Market.

The report does not follow the standard Gateway format, in that it combines stages 1 to 4 in a single report. As works to the bridges are identified in the committee-approved Cyclical Works Programme (CWP) at less than £250,000, the project would not normally be brought to committee in its own right, although it is considered as already having satisfied the requirements of Gateways 1 and 2 under approval of the CWP.

However, the estimated project budget now exceeds £250,000 and this report seeks approval to combine funding from the Cyclical Works Programme (CWP), the Additional Works Programme (AWP) and the Additional Capital Funds for City Fund Properties Programme.

Recommendations

It is recommended that:-

- a) Option 2 from the Options Appraisal Table is approved (i.e. full programme of works identified to both bridges)
- b) The project budget of £684,000 is approved (inclusive of £100,000 risk allowance)
- c) Currently approved Cyclical Works Programme (CWP) funding of £230,000 is transferred to this project and managed under the Gateway project procedures
- d) Additional funding of £323,000 from the Additional Capital Funds for City Fund Properties Programme (as approved by RASC 18th January 2018) is allocated to the project & managed under the Gateway project procedures
- e) Additional funding of £131,000 from savings in the 2016/17 Additional Works Programme (AWP) is allocated to the project and managed under the Gateway project procedures

<p>1. Approval track and next Gateway</p>	<p>Approval track: 2. Regular Next Gateway: Gateway 5 – Authority to Start Work</p>																																											
<p>2. Resource requirements to reach next Gateway</p>	<p><u>Table 1: Resource requirements to reach Gateway 5</u></p> <table border="1" data-bbox="528 443 1390 1727"> <thead> <tr> <th data-bbox="528 443 759 584">Item</th> <th data-bbox="759 443 1007 584">Reason</th> <th data-bbox="1007 443 1217 584">Funds/ Source of Funding</th> <th data-bbox="1217 443 1390 584">Cost (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 584 759 824">Staff costs</td> <td data-bbox="759 584 1007 824">Project Management and coordination</td> <td data-bbox="1007 584 1217 824">Not requested as part of project (taken from local risk)</td> <td data-bbox="1217 584 1390 824">27,000 <i>but excluded for CWP projects</i></td> </tr> <tr> <td colspan="3" data-bbox="528 824 1217 880">Staff Costs total (not requested)</td> <td data-bbox="1217 824 1390 880">27,000</td> </tr> <tr> <td data-bbox="528 931 759 1021">Consultant fees <i>(note)</i></td> <td data-bbox="759 931 1007 1021">Design and detailing</td> <td data-bbox="1007 931 1217 1021">CWP</td> <td data-bbox="1217 931 1390 1021">20,000</td> </tr> <tr> <td data-bbox="528 1021 759 1111">Consultant fees <i>(note)</i></td> <td data-bbox="759 1021 1007 1111">CDM Principal Designer</td> <td data-bbox="1007 1021 1217 1111">CWP</td> <td data-bbox="1217 1021 1390 1111">5,000</td> </tr> <tr> <td data-bbox="528 1111 759 1272">Consultant fees <i>(note)</i></td> <td data-bbox="759 1111 1007 1272">Quantity Surveyor & Network Rail Planner</td> <td data-bbox="1007 1111 1217 1272">CWP</td> <td data-bbox="1217 1111 1390 1272">18,000</td> </tr> <tr> <td data-bbox="528 1272 759 1402">Investigations</td> <td data-bbox="759 1272 1007 1402">To inform design and mitigate risks</td> <td data-bbox="1007 1272 1217 1402">CWP</td> <td data-bbox="1217 1272 1390 1402">40,000</td> </tr> <tr> <td data-bbox="528 1402 759 1532">Network Rail Management Costs</td> <td data-bbox="759 1402 1007 1532">Project Management</td> <td data-bbox="1007 1402 1217 1532">CWP</td> <td data-bbox="1217 1402 1390 1532">27,000</td> </tr> <tr> <td data-bbox="528 1532 759 1662">Network Rail</td> <td data-bbox="759 1532 1007 1662">Advance access booking</td> <td data-bbox="1007 1532 1217 1662">CWP</td> <td data-bbox="1217 1532 1390 1662">120,000</td> </tr> <tr> <td colspan="3" data-bbox="528 1662 1217 1727">Project Costs Total (requested)</td> <td data-bbox="1217 1662 1390 1727">230,000</td> </tr> </tbody> </table> <p data-bbox="528 1765 1445 1839">As detailed more fully in Appendix 1, consultant fee estimates are based on a combination of:-</p> <ul style="list-style-type: none"> <li data-bbox="576 1854 1445 1928">a) tendered term contract % of estimated works value, pro-rata to GW5, where appropriate and/or <li data-bbox="576 1944 1445 2018">b) experience on similar benchmarked projects, based on tendered hourly rates 				Item	Reason	Funds/ Source of Funding	Cost (£)	Staff costs	Project Management and coordination	Not requested as part of project (taken from local risk)	27,000 <i>but excluded for CWP projects</i>	Staff Costs total (not requested)			27,000	Consultant fees <i>(note)</i>	Design and detailing	CWP	20,000	Consultant fees <i>(note)</i>	CDM Principal Designer	CWP	5,000	Consultant fees <i>(note)</i>	Quantity Surveyor & Network Rail Planner	CWP	18,000	Investigations	To inform design and mitigate risks	CWP	40,000	Network Rail Management Costs	Project Management	CWP	27,000	Network Rail	Advance access booking	CWP	120,000	Project Costs Total (requested)			230,000
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<p>3. Next steps</p>	<p>3.1. Term consultant to complete detailed scheduling of works required, with specifications and details, following scheduled Principal Inspections of structures in Sept/Oct 2018</p> <p>3.2. Agree & place purchase order for “piggy-back” possession dates with Network Rail (i.e. utilising possessions already arranged by other 3rd parties)</p> <p>3.3. Prepare works tender documents</p> <p>3.4. Obtain tenders for works and submit GW5 report (provisionally April 2019)</p> <p>3.5. Continued coordination and discussions with the Museum of London relocation team on combining works contracts and possessions, to consider the City of London Corporations’ assets over the railway in their totality under a single project, to share commons costs and risks. To be reported back to committee as this develops further</p>
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Project Summary

<p>4. Context</p>	<p>4.1. The City of London is responsible as a local authority for the maintenance of the highway bridges that carry Charterhouse Street and West Smithfield over the Network Rail Thameslink tracks, either side of Smithfield General Market.</p> <p>4.2. Both of these old structures are in fair condition, when judged against standard highway inspection criteria, but with some critical components reported as in very poor condition and requiring significant maintenance works</p> <p>4.3. The potential for spalling or otherwise loose concrete or brickwork to fall on the live railway exposes the City of London to significant risks. A full package of remedial works is therefore recommended to mitigate these risks</p> <p>4.4. West Smithfield Bridge is comprised of two spans and is formed by precast concrete decking units spanning between riveted wrought iron plate girders, which have been encased in concrete. Significant spalling of the concrete encasement to the girders has been reported, as well as significant spalling and loss of section for various precast concrete decking slabs.</p> <p>4.5. Charterhouse Street Bridge is comprised of a single span and is formed by masonry “jack” arches which span between riveted wrought iron plate girders. The exposed bottom flanges of these girders have also been encased in concrete. Significant spalling of this encasement has also been reported, with the wrought iron girders exposed</p>
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	<p>in certain areas. Various defects are also reported in the masonry jack-arches, including loss of pointing in many areas.</p> <p>4.6. Both bridges support Overhead Line Equipment (OLE) – to provide high voltage overhead electrical power to trains - in closer proximity to the bridge soffits than would normally occur on new railway bridges. It is uncertain whether the proximity of the OLE and high voltage field applied close to the structures has accelerated the rate of corrosion of the steel girders and deck reinforcement in the years since they were installed, although there is no scope for increasing clearance within the constraints of the existing structure and headroom.</p> <p>4.7. The defects to both bridges are a matter of record, as reported by the routine cycle of two-yearly structural inspections by the term consultant for the inspection and management of highway structures.</p> <p>4.8. It is considered to be in the City’s interests to instigate repairs at the earliest opportunity to all high/medium defects and implement any works needed to arrest or reduce degradation of the structures.</p> <p>4.9. This includes provision of new waterproofing membranes to both bridges, to mitigate water ingress issues which have the potential to cause further defects to the structure</p>
<p>5. Brief description of project</p>	<p>5.1. The project involves major structural maintenance, repairs and waterproofing to both highway bridges over Network Rail (Thameslink) lines, carried out during rail possessions.</p> <p>5.2. These works were identified in the Forward Maintenance Plans that form part of the management of the Cyclical Works Programme (CWP), with £230,000 of funds successfully bid for the 2017/18 financial year (to be spent by the end of 2019/20 FY).</p> <p>5.3. As the two bridges are very close to one another and will make use of common access arrangements for very similar works, it is proposed to run the works as a single project for economy and efficiency</p> <p>5.4. However, recent discoveries have lead us to review the risk profile for the project and it is now apparent that the project cannot be contained within either the £230,000 CWP budget alone, nor the £250,000 Gateway approvals threshold for a Routine Revenue project. Hence the project is submitted to committee for further approval under the Gateway process.</p>

<p>6. Consequences if project not approved</p>	<p>6.1. The condition and value of the asset will continue to depreciate, leading to increased costs of mitigating defects at a later date</p> <p>6.2. Risks of degrading materials spalling and falling on to a live railway will not be mitigated in the immediate term, increasing the City's risks with respect to public safety</p> <p>6.3. This could potentially lead to enforcement action by the Rail Inspectorate of the Health and Safety Executive</p>
<p>7. SMART Objectives</p>	<p>7.1. Agree access to the railway with Network Rail and conduct a series of remedial works to (at least) all the high and medium priority defects recorded from bridge inspections, within 2 years of this report</p>
<p>8. Success criteria</p>	<p>8.1. Completion of the scheduled series of works, within 2 years of this report and within the allocated project budget, as verified by structural inspections during/after construction to ensure that the City's risks have been adequately mitigated</p>
<p>9. Key Benefits</p>	<p>9.1. Reduction of the City's risks with respect to public liability and potential enforcement action by the Rail Inspectorate of the Health and Safety Executive</p> <p>9.2. Improving the value and condition of the highway asset, such that further major maintenance would not be expected for some (estimated) 15 to 20 years</p>
<p>10. Notable exclusions</p>	<p>10.1 Works to adjacent market structures over the railway owned by the City privately (and in similar condition) are not included in this City Fund project.</p> <p>10.2 However, discussions at officer level are currently taking place with the Museum of London relocation team on the feasibility of combining works contracts and possessions in order to consider the City of London Corporation's assets over the railway in their totality, in order to share common costs and risks.</p> <p>10.3 This is to be further reported to committee as this develops, although – given the severity of defects/risks and the timescales to secure access to the rail network - it is considered prudent to maintain the progress of this project on a standalone basis at present, pending agreement and approval.</p>
<p>11. Governance arrangements</p>	<p>Spending Committee: Corporate Asset Sub Committee</p> <p>Senior Responsible Officer: Paul Monaghan</p> <p>Project Board: No</p>

Prioritisation

12. Link to Strategic Aims	3. To provide valued services, such as education, employment, culture and leisure, to London and the nation.
13. Links to existing strategies, programmes and projects	13.1 The project is consistent with the City of London highway authority's general obligations to maintain the public highway
14. Project category	1. Health and safety
15. Project priority	A. Essential

Options Appraisal

16. Overview of options	<p>16.1. Four options have been considered:--</p> <ol style="list-style-type: none">1) "Do nothing"2) Full programme of repairs and waterproofing to both bridges, including footway strengthening to West Smithfield Bridge3) Repairs to the bridge soffits of both bridges only (excluding waterproofing and footway strengthening)4) Repairs to the soffit of the more critical West Smithfield bridge only <p>16.2. Of the two bridges, West Smithfield Bridge represents the greatest risk to the City, as a result of spalling concrete of greater mass and thus potentially greater consequences if separating from the concrete and falling to track level. The defects to Charterhouse Street Bridge relate to less massive beam encasement and masonry defects</p> <p>16.3. If budgets for the works are limited, consideration could be given to carrying out repair works to West Smithfield only, to reduce the greatest risks in the short term. However, deferring the works to Charterhouse Street Bridge would not make the most economic use of the access agreements with Network Rail and there is a clear logic for running works to the underside of both bridges (from trackside) at the same time</p> <p>16.4. The waterproofing works are proposed to protect the structure and reduce the likelihood of future defects and degradation of the structure occurring in the longer term</p> <p>16.5. These works are not essential to mitigate immediate risks (which are addressed by works to the underside of the bridges) and could be deferred to a later date.</p> <p>16.6. However, we have been advised by the term consultant</p>
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	<p>that there is a strong technical argument for implementing the waterproofing works as soon as possible and in parallel with the soffit repairs.</p> <p>16.7. Our recommendation is thus to carry out the full schedule of repairs to both bridges, including waterproofing (i.e. Option 2)</p>
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Project Planning

<p>17. Programme and key dates</p>	<p>Overall programme:</p> <p>17.1. Completion of works by the end of the 2019/2020 financial year</p> <p>17.2. Initial studies by our term consultant suggested that 10no. 8 hours shifts would be necessary to carry out the works to the bridge soffits, with two teams working on each bridge within each shift. However, this is based on assumptions on the severity and extent of defects that have been observed from track level General Inspections. These assumptions will be refined following “touching distance” Principal Inspections that are due for the 2018/19 financial year and which are being organised at the time of drafting this report.</p> <p>17.3. Network Rail have also commented that only 4 to 5-hour shifts are possible on this section of the network. However, they are also advising on longer opportunities (up to 26 hours), as they become evident. Current estimates are based on carrying out works during 4no. 26-hour possessions, spread over a number of months as opportunities arise with possessions booked by others.</p> <p>17.4. However, this programme does not allow for measures to temporarily lower and protect Overhead Line Equipment (OLE) as part of the works, which is costly and will reduce effective working time within 26-hour possessions by up to 10 hours. This element is considered as a risk element.</p> <p>Key dates:</p> <p>17.5. Works dates will be wholly dependent on the availability of rail possessions to access the bridge soffits and the potential to utilise local possessions on the rail network arranged and funded by other 3rd parties, to reduce costs to the City. Discussions are ongoing with Network Rail on these matters. However, we are currently targeting Q1 in the 2019/20 financial year for a Gateway 5 submission, to give us maximum flexibility for implementing the works by the end of that financial year, within rail possessions that become available</p>
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	<p>Other works dates to coordinate:</p> <p>17.6. Consideration is being given to utilising rail possessions for both this project and a separate capital project for strengthening the City's pipe subway structures that span over the Thameslink railway at Snow Hill and Holborn Viaduct nearby</p> <p>17.7. In addition, shared rail possessions are being discussed and coordinated with the Museum of London development team, with a view to considering the City of London Corporations' assets over the railway in their totality, in order to share commons costs and risks</p>
<p>18. Risk implications</p>	<p>Overall project risk: Amber</p> <p>18.1. Recent discoveries have lead us to review the risk profile for the project and it is now apparent that the project cannot be contained within either the £230,000 CWP budget alone, nor the £250,000 Gateway approvals threshold for a Routine Revenue project.</p> <p>18.2. A project risk register is included in Appendix 2 and the City's risks have been identified as Medium (or Amber), with the highest risks (High/Red) to be borne by the Contractor under contract. Risks include the following (with owner indicated in parentheses):-</p> <ol style="list-style-type: none"> 1) Increased Network Rail possession costs (City). We are managing this risk by regular liaison with Network Rail and a review of future possessions already booked 2) Considerable programme constraints with completing the works within fixed possession hours, adding to project costs (City) 3) The risk of additional costs and delays (or an increased number of possessions to complete the works) arising from a need to lower Overhead Line Equipment (OLE) during the works. We are considering working solutions to carry out the bridge repairs which mitigate this risk (City). 4) The risks of failing to fully reinstate OLE within allocated possessions, leading to run-over of possessions and compensation costs from Network Rail and rail operating companies. These costs could easily run into millions and would therefore need to be insured by the Contractor under the project (Contractor) 5) Risk of unforeseen conditions on further exposure (City) – as advance inspections/investigations of the structures are constrained by available possession hours, which usually precludes 100% coverage for

	<p>detailed close-up examination</p> <p>6) Discovery that West Smithfield deck is covered by granite setts embedded in strong concrete, with nominal asphalt surfacing thickness above. We cannot reliably waterproof over these setts and they will need to be removed carefully down to a suitable substrate (by hand tools only, so as not to exacerbate existing defects), which will increase costs significantly (City)</p> <p>7) Discovery that Charterhouse Street bridge also needs waterproofing (not allowed for in the CWP budget) and is also covered by granite setts, which will also require the same special working measures (City)</p> <p>8) Discovery, following a review of historical records, that the footway service trenches to West Smithfield Bridge may need strengthening (not allowed for in budget). This is currently being investigated (City)</p> <p>9) Costs of further investigations needed that are outside the scope of our routine inspections (City)</p>
19. Stakeholders and consultees	<p>19.1 Network Rail</p> <p>19.2 Markets and Consumer Protection</p> <p>19.3 Corporate Property (City Surveyor)</p> <p>19.4 Museum of London Development Team</p>

Resource Implications

20. Total estimated cost	<p>Likely cost range:</p> <p>2. £250k to £5m</p> <p>Within this range, the estimated project cost for the recommended option (2) is as indicated in Table 2</p>
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Table 2: Project Budget Estimate (Option 2)

	Cost (£)
Construction (Option 2)	342,000
Fees	55,000
Site Investigations	40,000
Network Rail management costs	27,000
Staff costs	exc
Network Rail track access costs (prov.)	120,000
Sub Total	584,000
Project Risk Allowance	100,000
Total (inc. risk)	684,000

Please refer to Appendix 1 for a more detailed breakdown of works costs and fees

21. Funding strategy

Choose 1:
All funding fully guaranteed

Choose 1:
Internal - Funded wholly by City's own resource

21.1. Currently £230,000 of funding is allocated to the project from within the CWP.

21.2. Approximately £44,000 of this funding has already been committed to cover the costs of initial structural consultancy fees, preliminary investigations and Network Rail project management costs (which must be paid up-front), as Table 3 below.

Table 3: Committed Costs

Description	Commitment (£)
Initial Consultant Fees	10,000
Network Rail Basic Asset Protection Agreement (BAPA)	26,750
Site investigations	7,635
Total	44,385

21.3. However, it must be emphasised that these committed Network Rail costs (the "BAPA") do not include for the costs of securing access to the network during rail possessions. This introduces a significant risk to the project budget at this stage.

- 21.4. Preliminary estimates of “piggy backing” onto 4no. 26-hour future possessions secured by others are included in the Options costs. Specific possessions booked by the City just for these works would be restrictively expensive and would require a booking process of potentially 96 weeks. Final costs will be confirmed by Network Rail nearer the time, once the number of parties utilising the possessions are confirmed. An allowance of £120,000 is currently included from early discussions with Network Rail
- 21.5. In March 2017 the Court of Common Council approved the Finance Committee City Fund 2017/18 Budget Report and Medium Term Financial Strategy.
- 21.6. The approval granted that City Fund investment opportunities are included, subject to further reports, on the additional provision of £2m in 2017/18 and £4m pa thereafter to fund the investment in tackling the 'bow wave' for City Fund properties and in particular focus on some substantial refurbishment works at specific properties e.g. Central Criminal Court.
- 21.7. Following RASC Away Day in June 2017, Members had given a steer that any ‘windfall’ surpluses from business rates in 2017/18 should be applied to ‘one off items’ such as revenue contribution to large capital schemes and catch up on the ‘bow wave’ maintenance programme.
- 21.8. It is proposed that £323,000 is funded from this source (Additional Capital Funds for City Fund Properties Programme), as approved by RASC on 18th January 2018, to supplement currently approved CWP Funds for the project, as table 4
- 21.9. It is proposed that the remaining £131,000 (to make up the estimated project shortfall), it is funded from savings in 2016/2017 Additional Works Programme, as also indicated in table 4 below

Table 4: Funding Sources

Funds/Sources of Funding	Cost (£)
Current CWP Funds	230,000
Additional Capital Funds for City Fund Properties Programme (including for £100,000 risk allowance)	323,000
2016/17 Additional Works Programme savings	131,000
Total	684,000

<p>22. On-going revenue implications</p>	<p>22.1. Reduction in reactive and cyclical maintenance costs</p> <p>22.2. Remediating the reported bridge defects as early as possible will reduce the potential increased costs of carrying out repairs in the future (if allowing them to deteriorate further).</p>
<p>23. Investment appraisal</p>	<p>n/a</p>
<p>24. Procurement strategy/Route to Market</p>	<p>24.1. Following consultation with City Procurement, works are to be procured by open tender of fully detailed proposals, making use of rail possession access the City have agreed and provisionally booked in advance with Network Rail</p> <p>24.2. Consideration had been given to separately procuring waterproofing works to the topside of both bridges (& strengthening works to the footways of West Smithfield), using the term highways contractor</p> <p>24.3. However, this option has now been discounted due to the discovery of the granite setts above the bridge decks. Their removal would most safely be carried out during coordinated rail possessions to reduce the risks of percussive vibration causing defective materials to the bridge soffit falling to trackside during operational hours.</p>
<p>25. Legal implications</p>	<p>25.1 The works are designed to address defects which present considerable liability risks to the City from degraded materials falling on the live railway</p> <p>25.2 In addition to public liability, the City risks enforcement action from the Rail Inspectorate of the Health and Safety Executive if the current situation is allowed to prevail or deteriorate further</p>
<p>26. Corporate property implications</p>	<p>26.1 None – the bridges are highway structures and do not form part of Corporate Property</p>
<p>27. Traffic implications</p>	<p>27.1. The waterproofing works to both bridges and the strengthening of the footways to West Smithfield Bridge will impact temporarily on the public highway</p> <p>27.2. If possible, these work elements will be expedited with partial closures only, so that one footway and at least one traffic lane will remain open at all times, controlled by appropriate traffic management, in consultation with the markets</p>
<p>28. Sustainability and energy implications</p>	<p>n/a</p>

29. IS implications	n/a
30. Equality Impact Assessment	n/a

Options Appraisal Matrix

See attached

Appendices

<u>Appendix 1</u>	Cost breakdown
<u>Appendix 2</u>	Risk register

Contact

<u>Report Author</u>	Mark Bailey
<u>Email Address</u>	mark.bailey@cityoflondon.gov.uk
<u>Telephone Number</u>	020 7332 1972

Options Appraisal Matrix

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>	<i>Option 4</i>
1. Brief description	Do nothing	Full programme of repair works to both bridges, including waterproofing of both bridges and strengthening of footways to West Smithfield Bridge	Repairs to both bridge soffits only	Repairs to West Smithfield Bridge soffit only
2. Scope and exclusions		<ul style="list-style-type: none"> • Concrete/masonry repairs to both bridge soffits, including wrought iron beam protection • Ancillary steel repairs to Charterhouse Street Bridge (tie beams) • Strengthening of footways to West Smithfield Bridge • Waterproofing of both bridges 	<ul style="list-style-type: none"> • Concrete/masonry repairs to both bridge soffits, including wrought iron beam protection • Ancillary steel repairs to Charterhouse Street Bridge (tie beams) • <u>Excludes</u> waterproofing and strengthening 	<ul style="list-style-type: none"> • Concrete/masonry repairs to both bridge soffits, including wrought iron beam protection • <u>Excludes</u> works on Charterhouse Street Bridge • <u>Excludes</u> waterproofing and strengthening
<i>Project Planning</i>				
3. Programme and key dates		Complete works by end of 2019/20 financial year, subject to rail possessions	Complete works by end of 2019/20 financial year, subject to rail possessions	Complete works by end of 2019/20 financial year, subject to rail possessions

4. Risk implications	<ul style="list-style-type: none"> Highest risk option in terms of the City's public liability and reputation i.e. does not address any defects, nor reduce the City's risks therein 	<ul style="list-style-type: none"> Lowest risk option in terms of the City's longer term public liability and reputation Mitigates all defined risks from current defects Risks in relation to rail possession costs and protection of Overhead Line Equipment are common to options 2 to 4 	<ul style="list-style-type: none"> Mitigates immediate risks over the railway Does not mitigate risk of further degradation of structure from water ingress Does not mitigate risks to under-strength structures to West Smithfield footway from accidental wheel loading Risks in relation to rail possession costs and protection of Overhead Line Equipment are common to options 2 to 4 	<ul style="list-style-type: none"> Mitigates only the highest immediate risks over the railway Does not mitigate risks with respect to Charterhouse Street Bridge Does not mitigate risk of further degradation of structure from water ingress Does not mitigate risks to under-strength structures to West Smithfield footway from accidental wheel loading Risks in relation to rail possession costs and protection of Overhead Line Equipment are common to options 2 to 4
5. Benefits and disbenefits	<u>Benefits</u> <ul style="list-style-type: none"> Zero cost option in short term 	<u>Benefits</u> <ul style="list-style-type: none"> Addresses and mitigates all identified significant defects 	<u>Benefits</u> <ul style="list-style-type: none"> Addresses all immediate risks of degraded materials falling to track level from both bridges 	<u>Benefits</u> <ul style="list-style-type: none"> Addresses only the highest risks of degraded materials falling to track level from (worse condition)

	<p><u>Disbenefits</u></p> <ul style="list-style-type: none"> Does not mitigate any risks in short or longer term 	<p><u>Disbenefits</u></p> <ul style="list-style-type: none"> Highest cost option but makes best use of the high 3rd party costs (particularly Network Rail) common to options 2 to 4 	<ul style="list-style-type: none"> Medium cost option <p><u>Disbenefits</u></p> <ul style="list-style-type: none"> However, does not address waterproofing issues and risks of further deterioration in longer term 	<p>West Smithfield Bridge</p> <ul style="list-style-type: none"> Lowest cost option, other than “do nothing” option 1 However, makes least best use of the high 3rd party costs (particularly Network Rail) common to options 2 to 4 <p><u>Disbenefits</u></p> <ul style="list-style-type: none"> Does not address any defects to Charterhouse Street Bridge Does not address waterproofing issues and risks of further deterioration in longer term
<p>6. Stakeholders and consultees</p>	<ul style="list-style-type: none"> N/A (“Do nothing” option) 	<ul style="list-style-type: none"> Network Rail Smithfield Markets Local businesses/residents Museum of London relocation project team 	<ul style="list-style-type: none"> Network Rail Smithfield Markets Local businesses/residents Museum of London relocation project team 	<ul style="list-style-type: none"> Network Rail Smithfield Markets Local businesses/residents Museum of London relocation project team

Resource Implications				
7. Total Estimated cost	<ul style="list-style-type: none"> • Zero cost 	<ul style="list-style-type: none"> • £684,000 (inclusive of £100,000 risk allowance) 	<ul style="list-style-type: none"> • £495,000 (inclusive of £100,000 risk allowance) 	<ul style="list-style-type: none"> • £389,000 (inclusive of £100,000 risk allowance)
8. Funding strategy	<ul style="list-style-type: none"> • N/A (“Do nothing” option) 	<ul style="list-style-type: none"> • Currently approved CWP funds, supplemented by the Additional Capital Funds for City Fund Properties Programme • 		
9. Estimated capital value/return	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A
10. Ongoing revenue implications	<ul style="list-style-type: none"> • Risk of increased future maintenance costs when defects are finally addressed, if allowed to degrade further 	<ul style="list-style-type: none"> • Most effective option for reducing future revenue costs of reactive maintenance 	<ul style="list-style-type: none"> • Reduces future revenue costs of reactive maintenance for bridges but not as effectively (as not protected from future water ingress) 	<ul style="list-style-type: none"> • Reduces future revenue costs of reactive maintenance for one bridge only and not as effectively as option 2 (as not protected from future water ingress) •
11. Investment appraisal	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A
12. Affordability	<ul style="list-style-type: none"> • N/A (“Do nothing” option) 	<ul style="list-style-type: none"> • Most expensive option but most effective use of high 3rd party costs that are common to options 2 to 4 	<ul style="list-style-type: none"> • Medium cost option 	<ul style="list-style-type: none"> • Lowest cost option but least effective use of high 3rd party costs that are common to options 2 to 4

13. Legal implications	<ul style="list-style-type: none"> • Highest risk option 	<ul style="list-style-type: none"> • Lowest risk option, as far as the City's legal liabilities are concerned 	<ul style="list-style-type: none"> • Mitigates the immediate risks 	<ul style="list-style-type: none"> • Mitigates the highest risks only (for one bridge only)
14. Corporate property implications 15.	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A
16. Traffic implications	<ul style="list-style-type: none"> • N/A ("Do nothing" option) 	<ul style="list-style-type: none"> • Waterproofing works will disrupt carriageways, but mitigated by phasing 	<ul style="list-style-type: none"> • None – all works at track level only 	<ul style="list-style-type: none"> • None – all works at track level only
17. Sustainability and energy implications	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A
18. IS implications	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A
19. Equality Impact Assessment	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A
20. Recommendation	Not recommended	Recommended	Not recommended	Not recommended
21. Next Gateway	Choose an item.	Gateway 5 - Authority to Start Work	Choose an item.	Choose an item.

22. Resource requirements to reach next Gateway	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs	Project Management and coordination with Network Rail	<i>(excluded from CWP projects)</i>	exc
	Consultant fees <i>(note)</i>	Design and detailing	CWP	20,000
	Consultant fees <i>(note)</i>	CDM Principal Designer	CWP	5,000
	Consultant fees <i>(note)</i>	Quantity Surveyor / Network Rail Planner	CWP	18,000
	Investigations	To inform design and mitigate risks	CWP	40,000
	Network Rail Management Costs	Project Management	CWP	27,000
	Network Rail	Advance access booking	CWP	120,000
	Total			230,000

As detailed more fully in Appendix 1, consultant fee estimates are based on a combination of:-

- tendered term contract % of estimated works value, pro-rata to GW5, where appropriate, or
- past experience on similar benchmarked projects

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Project Briefing

Project identifier			
[1a] Unique Project Identifier	Not generated yet	[1b] Departmental Reference Number	N/A
[2] Core Project Name	West Smithfield and Charterhouse Street (Thameslink) Bridges Remedial Works		
[3] Programme Affiliation (if applicable)	Affiliation with Museum of London Relocation Project and Holborn/Snow Hill Pipe Subway Project being considered, as all involve works to COL assets over the railway in close proximity		

Ownership	
[4] Chief Officer has signed off on this document	Yes – as delegated to Gordon Roy (District Surveyor & Environmental Resilience Director)
[5] Senior Responsible Officer	Paul Monaghan Assistant Director – Engineering Department of Built Environment
[6] Project Manager	Mark Bailey Principal Engineer (also Engineering Team, DBE)

Description and purpose					
[7] Project Mission statement / Elevator pitch					
This project relates to essential structural maintenance and repairs at two highway structures over the Thameslink railway near Smithfield Market.					
[8] Definition of Need: What is the problem we are trying to solve or opportunity we are trying to realise (i.e. the reasons why we should make a change)?					
Both of these old structures are in fair condition, when judged against standard highway inspection criteria, but with some critical components reported as in very poor condition and requiring significant maintenance works					
The potential for spalling or otherwise loose concrete or brickwork to fall on the live railway exposes the City of London to significant risks. A full package of remedial works is therefore recommended to mitigate these risks					
[9] What is the link to the City of London Corporate plan outcomes?					
[1] People are safe and feel safe.					
[9] Our spaces are secure, resilient and well-maintained.					
[10] What is the link to the departmental business plan objectives?					
The project is consistent with the City of London highway authority's general obligations to maintain the public highway					
[11] Note all which apply:					
Officer: Project developed from Officer initiation	Y	Member: Project developed from Member initiation	N	Corporate: Project developed as a large scale Corporate initiative	N
Mandatory: Compliance with	Y	Sustainability: Essential for business	N	Improvement: New opportunity/ idea	N

legislation, policy and audit		continuity		that leads to improvement	
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Project Benchmarking:	
[12] What are the top 3 measures of success which will indicate that the project has achieved its aims?	
1) Completion of scheduled works within 2 years of project initiation (GW1-4 report)	
2) Mitigation of City's risks to 3 rd parties in relation of ageing structures over the live railway, as verified by structural inspections during/after construction	
3) Improving the condition and residual value of the assets, within the allocated project budget	
[13] Will this project have any measurable legacy benefits/outcome that we will need to track after the end of the 'delivery' phase? If so, what are they and how will you track them? (E.g. cost savings, quality etc.)	
The key legacy benefits will involve:-	
a) Reduction of the City's risks with respect to public liability and potential enforcement action by the Rail Inspectorate of the Health and Safety Executive,	
b) Improving the value and condition of the highway asset, such that further major maintenance would not be expected for some (estimated) 15 to 20 years	
c)	
[14] What is the expected delivery cost of this project (range values)[£]?	
Lower Range estimate: £600,000 Upper Range estimate: £800,000	
[15] Total anticipated on-going revenue commitment post-delivery (lifecycle costs)[£]:	
Costs expected to be repeated on a 20 year cycle	
[16] What are the expected sources of funding for this project?	
A combination of funding from the Additional Works Programme, Cyclical Works Programme and Additional Capital Funds for City Fund Properties Programme	
[17] What is the expected delivery timeframe for this project (range values)? Are there any deadlines which must be met (e.g. statutory obligations)?	
Lower Range estimate: July 2018 – December 2019 Upper Range estimate: July 2018 - July 2020 No critical deadlines identified, although the City risk enforcement action by the HSE Rail Inspectorate if the structures are not maintained in a timely manner to reduce risks to the travelling public	

Project Impact:	
[18] Will this project generate public or media impact and response which the City of London will need to manage? Will this be a high-profile activity with public and media momentum?	
Highly unlikely	
[19] Who has been actively consulted to develop this project to this stage?	
<(Add additional internal or external stakeholders where required) >	
Chamberlains: Finance	Officer Name: John James & Julie Smith
Chamberlains:	Officer Name: Hirdial Rail

Procurement	
IT	Officer Name: n/a
HR	Officer Name: n/a
Communications	Officer Name: n/a
Corporate Property	Officer Name: Various (CSD Report Consultation address)
External	Network Rail (various individuals)
<p>[20] Is this project being delivered internally on behalf of another department? If not ignore this question. If so:</p> <p>Please note the Client supplier departments.</p> <p>Who will be the Officer responsible for the designing of the project?</p> <p>If the supplier department will take over the day-to-day responsibility for the project, when will this occur in its design and delivery?</p>	
Client	Department:
Supplier	Department:
Supplier	Department:
Project Design Manager	Department:
Design/Delivery handover to Supplier	Gateway stage: <Before Project Proposal>, <Post Project Proposal>, <Post Options Appraisal>, <Post Detailed design>, <Post Authority to start work>

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Committee(s)	Dated:
Corporate Asset Sub Committee	5th September 2018
Subject: Public Conveniences Update	Public
Report of: City Surveyor	For Information
Report author: Warren Back, City Surveyor's Department	

Summary

On 11 March 2016 this Committee declared four former public conveniences at Cannon Street, West Smithfield, Bishopsgate and Holborn, as surplus to City requirements.

The properties are subterranean structures within or beneath the public highway with entrances via steps passing through the highway spit. All have some physical and/or legal issues restricting potential re-use.

In particular, only Bishopsgate public convenience is likely to be suitable for disposal, once the ongoing legal dispute with TfL is resolved. Alternative operational uses will be sought for West Smithfield and Holborn, whilst Cannon Street will be permanently mothballed in the absence of any reconfiguration of the subway

This report updates Members on the current position as to the potential disposal or re-use of the public conveniences.

Recommendation(s)

Members are asked to:

1. Note the current position with the review of the potential disposal or re-use of the public conveniences.

Main Report

Background

2. On 11 March 2016 this Committee declared four former public conveniences at Cannon Street, West Smithfield, Bishopsgate and Holborn, as surplus to requirements.
3. The properties are subterranean structures within or beneath the public highway with entrances via steps passing through the highway spit. All have some physical and/or legal issues restricting potential re-use. City Surveyors inspect the properties annually to ensure they are safe and secure.
4. Subsequent to the decision, owing to the potential legal constraints on disposal or re-use of the properties, the City sought Leading Counsel's opinion, whose view was that the construction of the public conveniences did not necessarily have the effect of removing the highway status of the land on which they were constructed, and this therefore represents an impediment to their re-use/disposal as the highway spit is vested in the highway authority and nothing can be done if this interferes with the public rights over the highway. The City could however test the issue by making an application to the Magistrates Court for a Stopping Up Order under s 116 of the Highways Act 1980, which if successful, would, enable potential disposal/reuse.
5. Counsel further advised that due to statutory user restrictions applying to West Smithfield public convenience (as detailed below), the premises is unlikely to be suitable for disposal. A summary of the issues relating to each public convenience is set out below:
6. **Bishopsgate** public convenience lies under a GLA road which is the subject of an ongoing dispute with TfL regarding the extent to which it is vested in TfL following transfer of GLA roads to TfL in 2000. A Supreme Court hearing is scheduled for October 2018, with a decision anticipated around March 2019. Counsel has advised that it would not be advisable to progress matters as regards potential disposal/obtaining Stopping up Order, until the legal dispute has been resolved unless agreement could be reached with TfL about this particular property. Any application for a Stopping up Order would require TfL's consent as it is the highway authority which makes the application. In the meantime, they remain closed and secured.
7. **Holborn** lies within two planning areas – the City and Camden, so any application for change of use will need to be considered by both authorities (unless delegation arrangements are agreed between the authorities). The premises are located on a roadway central reservation making access problematical and change of use controversial. Camden planners have raised concerns as to pedestrian safety, and therefore potential alternative viable uses are unlikely to gain planning consent in the absence of road layout/traffic calming measures, which are unlikely to be forthcoming. In the meantime, they remain closed and secured.

8. **West Smithfield** is part of Smithfield Market and was acquired under statutory powers prior to the City having local authority functions. Any future use would be limited by the statutory restriction limiting its use to a public open place and preventing new building, with a use confined to a service that is to the benefit of the public. In the meantime, they remain closed and secured.
9. **Cannon Street** is accessed via a pedestrian subway. It is not capable of being used at present as there are temporary props supporting an internal roof beam and the public highway above. Use of the property is restricted by the props and engineering advice is that remedial works are likely to be substantial making any alternative use not viable. In the meantime, they remain closed and secured with limited access for inspection.

Next Steps

Bishopsgate

10. As it is inadvisable to seek to progress any future disposal pending resolution of the ongoing legal dispute with TfL, the premises have been considered for various operational uses, such as a community safety/multi agency resource, severe weather emergency bed space and rough sleepers use. However, all these uses have been discounted, primarily due to location, and it is likely that the premises will remain vacant until marketing and any subsequent disposal can be pursued, following the settlement of the dispute with TfL.

Holborn

11. As change of use is unlikely to be granted for any alternative viable use in the absence of traffic calming measures, the premises are likely to remain vacant in the medium term, unless an alternative operational use can be identified.

West Smithfield

12. The premises are currently being considered for potential use linked to the Culture Mile and new Museum site. Should that not prove suitable the long term future use may be linked to any potential redevelopment of Smithfield Market.

Cannon Street

13. As remedial structural works are likely to be of substantial cost, any potential viable alternative commercial use is very limited, there already exists a retail kiosk further down the subway near the ticket office to Mansion House tube. The premises are therefore likely to remain permanently mothballed for the foreseeable future.

Corporate & Strategic Implications

14. The review of the future use of surplus assets supports the City Surveyor's Department Business Plan 2017-2020, of reducing the footprint of operational space, realising surplus space and developing properties to maximise use and income. However, these surplus assets are not significant, and all require a disproportionate amount of officer time for what is expected to be limited sale and income value to the City.

Implications

15. Costs incurred and matching budgets in respect of the surplus public conveniences will be transferred from the Director of Built Environment to City Surveyor cost centres for corporate surplus assets. Revenue expenditure for the 4 premises amounted to approximately £8,400 in 2017/18.

Conclusion

16. Due to legal and physical constraints, the only public convenience suitable for potential disposal is Bishopsgate (following the settlement of the current ongoing legal dispute with TfL). Alternative operational uses will be sought for West Smithfield and Holborn public conveniences, whilst Cannon Street will be permanently mothballed.

Appendices

None

Background Papers

Item 14 - Corporate Asset Sub (Finance) Committee 11th March 2016

Warren Back

Senior Principal Surveyor, Corporate Property Group
City Surveyors

T: 020 7332 3457

E: warren.back@cityoflondon.gov.uk

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