



Property Investment Board

Date: WEDNESDAY, 11 DECEMBER 2019
Time: 8.30 am
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Deputy Tom Sleigh (Chair)
Andrien Meyers (Deputy Chairman)
Chris Boden
John Chapman
Alderman Alison Gowman
Sheriff Christopher Hayward
Michael Hudson
Deputy Jamie Ingham Clark
Shravan Joshi
Deputy Edward Lord
Dhruv Patel
Deputy Philip Woodhouse
Stuart Corbyn (Co-opted Member)
Tony Joyce (Co-opted Member)
David Shaw OBE (Co-opted Member)
David Brooks Wilson (Co-opted Member)
Deputy Alastair Moss (Co-opted Member)
Claudine Blamey (Co-opted Member)

Enquiries: Richard Holt
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Breakfast will be served from 8.00am

N.B. Part of this meeting could be the subject of audio video recording

**John Barradell
Town Clerk and Chief Executive**

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES FOR ABSENCE**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**
To approve the public minutes and non-public summary of the Property Investment Board meeting held on 6 November 2019.

For Decision
(Pages 1 - 4)
4. **ACTIONS**
Report of the Town Clerk.

For Information
(Pages 5 - 6)
5. **BUSINESS IMPROVEMENT DISTRICTS STRATEGY**
Joint report of the City Surveyor and Director of the Built Environment.

For Decision
(Pages 7 - 18)
6. **CITY SURVEYOR'S BUSINESS PLAN 2019-24 QUARTER 2 2019/20**
Report of the City Surveyor.

For Information
(Pages 19 - 30)
7. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER UPDATE**
Report of the City Surveyor.

For Information
(Pages 31 - 46)
8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
9. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**
10. **EXCLUSION OF THE PUBLIC**
MOTION – That under Section 100A(4) 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 1 of Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

11. **NON-PUBLIC MINUTES**

To approve the non-public minutes of the Property Investment Board meeting held on 6 November 2019.

For Decision
(Pages 47 - 52)

12. **NON-PUBLIC ACTIONS**

Report of the Town Clerk.

For Information
(Pages 53 - 54)

ALL ESTATES

13. **CITY FUND, CITY'S ESTATE & BRIDGE HOUSE ESTATES - REVENUE WORKS PROGRAMME - PROGRESS REPORT**

Report of the City Surveyor.

For Information
(Pages 55 - 60)

14. **PROPERTY INVESTMENT BOARD ESTIMATES AND HIGH-LEVEL SUMMARY BUSINESS PLAN 2020/21**

Joint report of the City Surveyor and the Chamberlain.

For Decision
(Pages 61 - 92)

15. **CITY FUND, CITY'S ESTATE AND BRIDGE HOUSE ESTATES: ARREARS OF RENT AS AT SEPTEMBER 2019 QUARTER DAY MINUS 1**

Report of the City Surveyor.

For Decision
(Pages 93 - 98)

16. **RETAILS UNITS - INVESTMENT PROPERTY GROUP**

Report of the City Surveyor.

To follow.

17. **POWER PURCHASE AGREEMENT (PPA) FOR OFFSITE RENEWABLE ELECTRICITY - PROCUREMENT STAGE 1A MID TENDER PROGRESS REPORT**

Joint report of the Chamberlain and City Surveyor.

For Information
(Pages 99 - 102)

18. **1-5 LONDON WALL (BRIDGE HOUSE ESTATES) GLEN HOUSE (CITY'S ESTATE)
15-17 ELDON STREET (CITY FUND)- GATEWAY 6 CONSOLIDATED OUTCOME
REPORT**
Report of the City Surveyor.

For Decision
(Pages 103 - 106)

CITY'S ESTATE

19. **CITY'S ESTATE: 62 SOUTH MOLTON STREET - LEASE SURRENDER FOR
PREMIUM**
Report of the City Surveyor.

For Decision
(Pages 107 - 114)

20. **CITY'S ESTATE ANNUAL UPDATE REPORT**
Report of the City Surveyor.

To follow.

21. **CITY'S ESTATE: DEVELOPMENT AGREEMENT SURRENDER OF EXISTING
LEASES AND GRANT OF NEW 250 YEAR GROUND LEASE**
Report of the City Surveyor.

To follow.

For Decision

CITY FUND ESTATE

22. **CITY FUND - FLEET STREET ESTATE VACANT POSSESSION - LEASE
VARIATIONS**
Report of the City Surveyor.

For Information
(Pages 115 - 116)

23. **CITY FUND - WOOD STREET AND SNOW HILL POLICE STATIONS**
Report of the City Surveyor.

For Information
(Pages 117 - 144)

BRIDGE HOUSE ESTATES

24. **SUMMARY OF A CHARITY TRUSTEE'S ROLE - BRIDGE HOUSE ESTATES**
Standing Item.

For Information

(Pages 145 - 146)

25. **BRIDGE HOUSE ESTATES ANNUAL UPDATE REPORT**
Report of the City Surveyor.

For Decision
(Pages 147 - 162)

26. **REPORT ON ACTION TAKEN**
Report of the Town Clerk.

For Information
(Pages 163 - 164)

27. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

28. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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PROPERTY INVESTMENT BOARD

Wednesday, 6 November 2019

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Wednesday, 6 November 2019 at 8.30 am

Present

Members:

Andrien Meyers (Deputy Chairman)
Alderman Alison Gowman
Michael Hudson
Deputy Jamie Ingham Clark
Shravan Joshi
Dhruv Patel
Deputy Philip Woodhouse
Stuart Corbyn
David Shaw OBE

Officers:

Richard Holt	- Town Clerk's Department
John James	- Chamberlain's Department
Paul Wilkinson	- City Surveyor
Nicholas Gill	- City Surveyor's Department
Ola Obadara	- City Surveyor's Department
Andrew Cross	- City Surveyor's Department
Tom Leathart	- City Surveyor's Department
Neil Robbie	- City Surveyor's Department
Alan Bennetts	- Comptroller & City Solicitor's Department
Jackson Lerade	- Comptroller & City Solicitor's Department

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from the Chair Deputy Tom Sleigh, John Chapman, Sheriff Christopher Hayward, Deputy Edward Lord, Tony Joyce, David Brooks Wilson and Claudine Blamey.

In the absence of the Chair the Deputy Chairman Andrien Meyers took the Chair for the meeting. Further to the Deputy Chairman's suggestion Members changed the order of business and items were considered in the following order: Items 1-9, Item 17, Items 10-20.

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

There were no declarations.

3. **MINUTES**

The Board considered the public minutes and non-public summary of the last meeting of the Property Investment Board on the 8th of October 2019.

RESOLVED – That the public minutes and non-public summary of the meeting held on 8 October be approved as an accurate record.

4. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions considered in the public session.

5. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

There was no other business considered in the public session.

6. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100A(4) 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 1 of Schedule 12A of the Local Government Act.

<u>Item No.</u>	<u>Paragraph No.</u>
7-17 (excluding 15)	3
15	6

7. **NON-PUBLIC MINUTES**

The Board considered the non-public minutes of the previous meeting of the Property Investment Board held on the 8th of October 2019.

RESOLVED – That the non-public minutes of the meeting held on 8 October 2019 be approved as an accurate record.

8. **NON-PUBLIC ACTIONS**

The Board received a report of the Town Clerk on the non-public actions of the previous meeting.

RESOLVED- That the report be noted.

9. **CITY'S ESTATE, CITY FUND & BRIDGE HOUSE ESTATES PROPERTY PERFORMANCE DASHBOARDS**

The Board received a report of the City Surveyor on the City's Estate, City Fund & Bridge House Estates Property Performance Dashboards.

RESOLVED- That the report be noted.

10. **ALL FUNDS - RENTAL ESTIMATES MONITORING REPORT**

The Board received a report of the City Surveyor on the latest quarterly update of rental estimates for each fund.

RESOLVED- That the report be noted.

11. **FORMER TENANTS RENT ETC. ARREARS WRITE OFFS**

The Board considered a report of the City Surveyor on the Former Tenants Rent etc Arrears Write Offs.

RESOLVED- That the report be agreed.

12. **CITY'S ESTATE: GATEWAY 6 OUTCOME REPORT - 21 WHITEFRIARS STREET**

The Board considered a report of the City Surveyor on the refurbishment of the ground, fifth floor offices third floor and reception area at 21 Whitefriars Street.

RESOLVED-That the report be agreed.

13. **CITY'S ESTATE: LEASE RE-STRUCTURE FOR A PREMIUM & LEASEHOLD PURCHASE**

The Board considered a report of the City Surveyor on the City's Estate Lease Restructure for a Capital Premium & Leasehold Acquisition.

RESOLVED- That the report be deferred.

14. **CITY'S ESTATE LETTING REPORT: SHOP ON GROUND, BASEMENT AND THREE UPPER FLOORS, 148 NEW BOND STREET, LONDON W1 - RENT REVIEW - 24TH JUNE 2019**

The Board considered a report of the City Surveyor on the City's Estate Letting for the Report Shop on Ground, Basement and Three Upper Floors, 148 New Bond Street, London W1 Rent Review: 24th June 2019.

RESOLVED- That the report be agreed.

15. **CITY'S ESTATE: SURRENDER OF EXISTING LEASE, AGREEMENT FOR LEASE AND GRANT OF A NEW LEASE AND TENANCY AT WILL AT THE COURTYARD, 220-226 TOTTENHAM COURT ROAD AND 1-7 ALFRED PLACE, WC1**

The Board considered a report of the City Surveyor on the City's Estate Letting Report Surrender of Existing Lease, Agreement for Lease and Grant of a New Lease at The Courtyard, 220-226 Tottenham Court Road & 1-7 Alfred Place, London WC.

RESOLVED- That the report be agreed.

16. **CITY FUND: LONDON WALL PLACE, EC2- OVERAGE SETTLEMENT/GEARING BUY-DOWN**

The Board considered a report of the City Surveyor on the City Fund London Wall Place EC2 Overage Settlement and Gearing Buy-Down.

RESOLVED- That the report be agreed.

17. **BRIDGE HOUSE ESTATES: GATEWAY 6 OUTCOME REPORT: FINSBURY HOUSE**

The Board considered a report of the City Surveyor on the Finsbury House, 23 Finsbury Circus Gateway 6 Outcome report.

RESOLVED- The report be agreed.

18. **BRIDGE HOUSE ESTATES: GATEWAY 1-2 - REFURBISHMENT OF ELECTRA HOUSE, 84 MOORGATE EC2**

The Board noted that the report had been withdrawn.

RESOLVED- That the report be withdrawn.

19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There received one question in the non-public session.

20. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was one item of other business.

The meeting ended at 9.41 am

Chairman

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Property Investment Board Committee

Public Actions Sheet

Action Number	Date	Action	Responsible Officer	Progress Update	Date Due
2/2019/P	12 th June 2019	Members requested report on the short- and medium-term outcomes of the 2020 MIPIM conference	City Surveyor's Department	<i>Report to be received by the Board after the 2020 MIPIM conference</i>	<i>June 2020</i>
7/2019/P	11 th September 2019	The Chair requested Officers develop proposals for improving air quality within buildings the City of London Corporation manages.	City Surveyor's Department (James Rooke)	<i>Officers have met with Skanska, CoL AQ team and Co-opted Member Claudine Blamey to progress this action.</i>	

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Committees: Property Investment Board – For decision Policy and Resources Committee – For decision	Date(s): 11/12/2019 12/12/2019
Subject: BID Strategy	Public
Joint Report of: City Surveyor and Director, Built Environment	For Decision
Report author: Simon McGinn, City Surveyors Department	

Summary

In December 2017, the Policy and Resources Committee agreed a set of criteria that the City Corporation should have regard to when considering whether to support the future development of formal Business Improvement Districts (BIDs) within the City. In September 2019, the Policy and Resources Committee approved the BID Proposals to allow Cheapside (second term) and Aldgate (first term) to progress to ballot in January 2020. Recently, two new voluntary business partnerships have been established in Fleet Street and the eastern cluster, both with the view of becoming a formal BID in due course. The Property Investment Board (PIB) agreed in July 2019 to be a paying partner of the emerging Fleet Street voluntary business partnership but requested that the City Corporation consider the adoption of a formal BID strategy to inform the development of future BIDs in the City. This report sets out a suggested strategy framework in Paragraph 6 of the report for the future development of BIDs in the City of London.

Recommendation(s)

Policy and Resources Committee is asked to:

- Agree the BID strategy framework set out in Paragraph 6 of the report.

Property Investment Board is asked to:

- Agree to consider requests to become joint funding partner for the life of a voluntary partnership only where significant assets managed by Property Investment Board are in the partnership area, and where its involvement will aid the establishment of a BID for the area.

Main Report

Background

1. In December 2017, the Policy and Resources Committee agreed a set of criteria that the City Corporation should have regard to when considering whether to support the future development of formal BIDs within the City. The considerations relate to:
 - a. Whether there was a demonstrable need for a BID as opposed to any other form of partnership initiative.
 - b. Is there strong private sector support for a BID and has the business partnership been established for up to 2 years prior to seeking to promote a BID.
 - c. Can the partnership demonstrate the BID proposal is viable to achieve the aims of the businesses in the area.
 - d. Has the response to any perception analysis achieved a return rate of at least 40%.
 - e. That the City Corporation is the formal BID Proposer.
2. In September 2019, the Policy and Resources Committee approved the BID Proposals to allow Cheapside (second term) and Aldgate (first term) to progress to ballot in January 2020.
3. Formal voluntary business partnerships have now been established in the Fleet Street area and for the eastern cluster where a combination of businesses and property owners have agreed to be paying partners for a two-year term to take forward the development of a partnership to inform the future promotion of a BID for the area. At its meeting in July 2019, PIB agreed to be a funding partner in the Fleet Street partnership in recognition of the key property assets held as part of the Fleet Street Estate. The total contribution is for £20k for this financial year and £20k for 2020/21 from the City Fund local risk budget. A similar request to be a paying partner will be made to PIB regarding membership of the eastern cluster partnership given our property assets at Leadenhall Market. Prior to considering this request, PIB has requested a formal strategy be developed for consideration relating to the future development of BIDs in the City.
4. The City Corporation has previously supported the development of business partnerships to varying degrees. For Cheapside, the City Corporation was much more hands on in driving the establishment of the partnership to support the regeneration opportunities that presented themselves on the back of the development of a new shopping centre at One New Change - we agreed to support the cost of paying for the executive team to run the partnership prior to it becoming a formal BID. For both Aldgate and Fleet Street, some limited funding has been provided from CPAT's local risk budget to support the initial establishment of the partnership and the development of a business plan that has been utilised to bring paying partners on board.

Current Position

5. Provided the City Corporation is satisfied that the criteria in Paragraph 1 have been met, we would be supportive of the development of formal BIDs within the Square Mile, subject to a successful ballot outcome. Across the UK and in London, BIDs are now recognised as a vehicle to promote ongoing regeneration of areas through engagement with business communities. BIDs vary in how they are set up in terms of governance and their focus which is often distinct, responding to different communities and priorities. There are varying approaches to how BIDs are promoted and their governance structure and whether it is a property BID, in addition to an occupier BID. This report seeks to outline a strategy framework for BIDs, to set out how the City Corporation can best support and manage the future development of BIDs in the Square Mile. Appendix 1 sets out the key areas for consideration in relation to the development of the strategy framework which should be considered in conjunction with the previously identified criteria set out in Paragraph 1.

Proposals

6. BIDs are becoming more prevalent across the UK with over 320 UK wide and 66 within London. Given the diverse nature of BIDs, it is considered that the City Corporation adopt a strategy framework to inform the approach to be taken as new business partnerships are established and progress to a more formal BID.

The points below set out the strategy framework:

- a. The City Corporation support the establishment of voluntary business partnerships as a precursor to the development of a formal BID. The City Property Advisory Team provide limited seed funding up to a maximum of £5k to aid the set-up of the partnership. The Property Investment Board will consider requests to become a joint funding partner for the life of the voluntary partnership only where it holds significant assets and where its involvement will aid the establishment of a formal BID for the area.
- b. For the City to be supportive of the promotion of a BID within the Square Mile, the City Corporation should be the BID Body and BID Promoter.
- c. For the City to be supportive of a BID there should be a demonstrable need for a BID.
- d. For the City to be supportive of a BID, there should be strong private sector support for a BID and the business partnership should have been established for up to 2 years prior to seeking to promote a BID.
- e. For the City to be supportive of a BID, the partnership should be able to demonstrate the BID proposal is viable to achieve the aims of the businesses in the area.
- f. For the City to be supportive of a BID, the response to any perception analysis should achieve a return rate of at least 40%.
- g. The City Corporation should retain a flexible approach to supporting property owner BIDs in conjunction with occupier BIDs, where there is

- clear need to generate income relating to key infrastructure related projects that would be difficult to fund through just an occupier BID.
- h. It will be down to each individual BID to determine whether there are benefits to sharing the administrative services and it is considered the City should remain flexible in considering what is appropriate.
 - i. Executive management of the BID, whether it be a dedicated CEO with a support team or through a consultancy team, will be dependent on the needs of the BID. Each potential BID should consider the delivery needs prior to ballot and determine the best model for taking forward the BID Proposal.
 - j. Boundaries between BIDs should be contiguous with adjacent BID areas, where practicable.
 - k. Not all areas of the City will be appropriate for a BID.
 - l. Cross borough BIDs are supported provided that the City is the BID Body for that part of the BID that falls within the City boundary.
 - m. Residential communities should be engaged with directly by BIDs to ensure inclusivity.
 - n. Bid Levy Rules will be determined to accord with the practice generally adopted elsewhere in London, notably the levy will be no greater than 1% of rateable value, minimum thresholds will be applied for when the levy will be applied along with capped contributions and the levy will be applied to each hereditament.

Corporate & Strategic Implications

- 7. The development of BIDs in the City aligns with 9 of the 12 Outcomes of the Corporate Plan 2018-2023.

Financial Implications

- 8. As advised in previous reports, all funding generated from the BID would be collected and administrated by the City Corporation. The staff cost associated to the levy collection and administration of invoicing and budget management will be paid for from the BID levy. As the billing authority, the City is required to hold a BID ballot. The associated costs to the Corporation for running any BID ballots are currently estimated at about £3000, which to date have been covered by the Electoral Services Team as part of their budget. As the BID Body, this is considered to be appropriate and the Electoral Services Team will continue to pay for the cost of this from their budget.
- 9. CPAT would seek to support the establishment of future voluntary partnerships by providing seed funding where necessary, up to a maximum of £5k from its local risk budget.

Conclusion

- 10. Subject to successful ballot outcomes in January 2020, the City will have two established BIDs in Cheapside and Aldgate. In addition, there are two voluntary

business partnerships that are established for the Fleet Street and the eastern cluster areas that in time will seek to become a formal BID. BIDs as a model are a key vehicle for engaging with communities to promote ongoing regeneration of areas. BIDs evolve with specific and often differing needs although there are key areas of commonality. The proposed BID strategy recognises areas of commonality of approach but also advocates appropriate flexibility in areas to recognise the unique nature of BIDs.

Appendices

- Appendix 1 – Key areas for consideration in developing the BID Strategy
- Appendix 2 – Map of BID and voluntary business partnership areas in the City

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APPENDIX 1

Areas for consideration in developing the BID Strategy

Voluntary partnerships and promotion of BIDs

- 1** The City Corporation has moved away from the initial Cheapside model where it actively promoted the development of a voluntary business partnership to support regeneration of the area and paid the significant costs associated with the running of the partnership. Recently, as was the case with Aldgate and Fleet Street, the City Corporation has provided limited seed funding to support the initial set up of the partnership. In the case of Fleet Street this amounted to £2,000 funded through the CPAT local risk budget. This funding has been utilised to support engagement with local businesses to identify the appetite for developing a voluntary business partnership and to secure agreement to fund the development of the partnership to promote the delivery of a BID for the area. A “not for profit” limited liability company has been established for each voluntary partnership which allows appropriate fiscal management.
- 2** In addition to this limited funding, there has been a request to the Property Investment Board to become one of the paying partners where the City Corporation has significant property assets in the area, which has been the case for the Fleet Street Partnership (Fleet Street Estate) and a request will be made for the Eastern Cluster partnership (Leadenhall Market)
- 3** CPAT, in delivering its role in supporting the needs of business, provides ongoing support to the development of the business partnerships and ensures there is appropriate engagement with stakeholders and ward Members in the development of partnership and will continue to prepare reports for consideration by the relevant Committees. Once a formal BID has been established CPAT will attend Board meetings in conjunction with a nominated Member representative to inform the delivery of the BID Proposal.
- 4** Continued financial support by CPAT on a limited basis (up to a maximum of £5k from its local risk budget) to establish a voluntary partnership is considered appropriate. Where the City has significant property holdings, support by PIB as a paying partner for the initial 2 years of a partnership is also considered to be appropriate, although this will need to be considered on the merits of the specific partnership, the size of City Corporation ownerships and the benefits of supporting future regeneration of the area.

City Corporation as BID Proposer

- 5** A BID is normally proposed by a business rate payer or a person or company whose purpose it is to develop the BID area, or that has an interest in the land in that area. This provides the most flexible way of delivering a BID as there would be no need for the BID to be constrained by the local authority procurement regulations. Prior to the Cheapside BID, the BID Regulations were amended to

allow a local authority to become the BID Proposer promoting the BID, and the BID Body responsible for delivering the BID objectives. Due to the City's unique franchise, the Remembrancer is of the view that the City Corporation should remain the body responsible for supporting the needs of businesses and that there should not be a separate BID company representing business needs. The City Corporation is uniquely positioned to support the needs of business and has successfully engaged with businesses to develop BID Proposals and supported implementation of the proposals in collaboration with a BID Board. It is considered that the City Corporation should continue to be the BID Body responsible for implementing BID Proposals for those areas that fall within the City boundary.

Occupier BIDs / Property BIDs

- 6 In 2014, the Business Improvement District (Property Owners) (England) Regulations took effect to allow a separate BID for property owners but only in London in areas where there is an established occupier BID. A property owner BID is created through a ballot of those property owners that would be subject to the levy. Geographically the BID area can't sit beyond the BID boundary of the occupier BID, but it can be in a smaller area within the footprint of the occupier BID boundary. There are two property owner BIDs established in London, the New West End Company (NWECC) and Heart of London Business Alliance (HOLBA).
- 7 The creation of a property owner BID in parallel to the occupier BID provides the opportunity to increase the revenue received from levy payers so can enhance the impact on the scale of projects undertaken by the BID. NWECC and HOLBA adopt differing approaches in how the projects are identified and delivered with NWECC having a specific property owner board with specific property owner projects. HOLBA has an integrated property and occupier board with shared spending priorities.
- 8 A key reason there are only two property owner BIDs is because establishing such a BID can be complex in terms of determining who the levy is charged to within the ownership hierarchy (freehold / long lease) and it being difficult to map ownership where it is both fragmented and difficult to identify the correct levy payer. This is a cost incurred by the occupier BID who has then to research and map out all the ownerships.
- 9 Key to the decision of whether to promote a property owner BID is what issues a specific BID area wants to address. If there are large and significant projects that an area wants to deliver, then the costs of such projects may require a level of funding that can't be provided by the levy received from an occupier BID. NWECC for example has many enhancement projects that they are seeking to deliver which come at some cost that are borne by the property owner BID. Most BIDs have a unique identity and focus, and it will not always be necessary or desirable for a property owner BID to be promoted. Cheapside Business Alliance (CBA) has sufficient funds to support the delivery of the key themes set out in the BID Proposal but a future eastern cluster BID may wish to develop a far more

extensive list of projects that require increased levels of funding and in such cases it may be appropriate to promote a property owner BID to support the development and delivery of such projects. It is therefore considered that the City Corporation should retain a flexible approach to supporting property owner BIDs where there is clear need to generate income relating to key infrastructure related projects.

Governance and resource

- 10 Across the UK, various governance management structures have been put in place from a complete outsource model through to a full service “in house” approach as adopted at NWEK and HOLBA. The City to date has adopted the outsourcing model where consultants to run the CBA have been procured in accordance with procurement regulations. It is generally considered important for the “face” of the organisation to be either a business member of the board if there is a management outsource or the CEO if there is an “in house” management arrangement. An “in house” arrangement tends to employ a significant number of team members, in teams of up to 20 staff supporting the delivery of the BID Proposal and is considered appropriate should the scale of the BID and the nature of the delivery projects require significant resource. For smaller BID areas such as Cheapside the staffing levels are much smaller with typically no more than three staff delivering all aspects of the BID Proposal. Each type of management solutions brings with it particular benefits which are specific to the needs of the BID. It is considered that there should not be one solution for all future BIDs in the City and that each potential BID should consider the delivery needs prior to ballot and determine the best model for taking forward the BID Proposal. Any solution would need to be subject to compliance with local authority procurement regulations.
- 11 Many of the today’s BIDs now seek to reduce costs through appointing a cross BID executive team to help reduce the costs associated in running a BID. Whilst this is now more common practice among adjacent BIDs it is not necessarily desirable given the need to be as relevant as possible to a given area. So, for example, Cheapside will have significantly different issues to address than those of the Aldgate Connect BID, as will, in the future, Fleet Street have with the eastern cluster. It will be down to each individual BID to determine whether there are benefits to sharing the administrative services and it is considered the City should remain flexible in considering what is appropriate.

BID area and demographic

- 12 Appendix 2 identifies the four areas that are currently subject to a formal BID ballot or have established a voluntary business partnership. In considering future boundaries it would be good practice to ensure that where BIDs are established in adjacent areas, the boundary to each area is, where possible, contiguous with the boundary of the adjoining BID area to ensure that there are no gaps so as not to exclude businesses. The City Corporation has historically directly sought to promote the establishment of a business partnership to promote the regeneration of an area (Cheapside /Aldgate) in accordance with policies contained in the Local Plan or as most recently is the case with Fleet Street and

the eastern cluster, been approached by businesses / property owners who seek support in setting up a partnership. The definition of future partnership / BID areas is one that evolves as the partnership becomes established through discussions with various stakeholders in an area. Whilst there are clear benefits of being within a BID this has normally been driven by a strong desire from the community to promote ongoing regeneration of areas and it will not always be appropriate to all parts of the City.

- 13 Typically, a BID area is wholly within a local authority boundary but in 2013 government introduced Cross-Boundary Business Improvement Districts enabling BIDs to operate across local authority boundaries. Such BIDs recognise that regeneration of areas and its communities do not necessarily conform to local authority boundaries and in certain cases a cross borough BID is appropriate. This model was agreed for the Aldgate Connect BID Proposals going to ballot in January 2020. This is considered to be acceptable provided that the BID is in agreement that the City is the BID Body for that part of any BID that falls within the City boundary. It should be noted that for cross-boundary BIDs such as at Aldgate, this means that there are two BID Bodies and two BID areas. However, both BIDs collaborate closely under a shared name to provide a shared identity and deliver economies of scale.
- 14 Residential communities, whilst not paying a levy can be represented through various strands of activity such as employment and training opportunities, community events and platforms such as privilege cards and should be engaged with directly by future BIDs to ensure inclusivity.

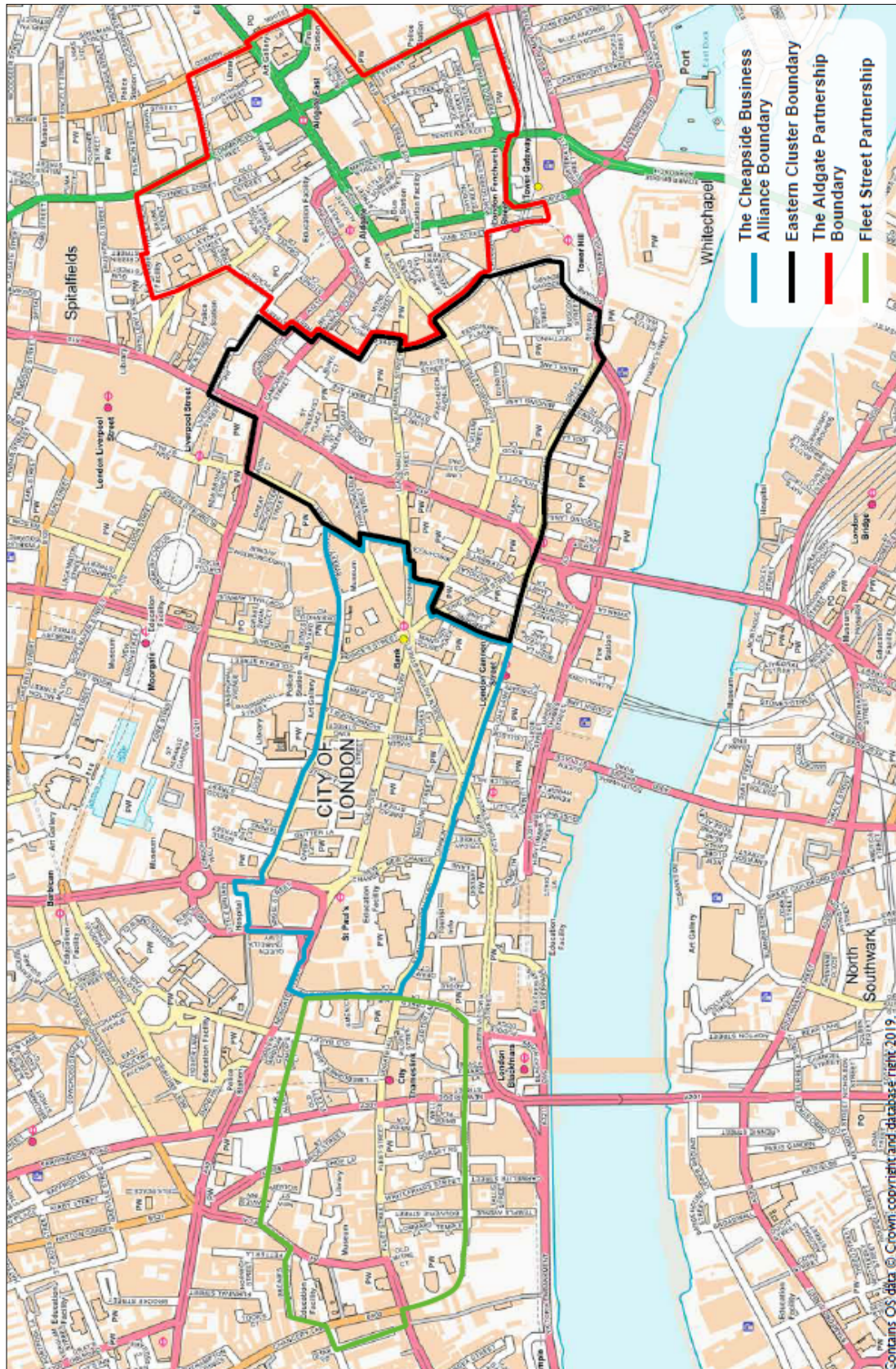
BID Levy

- 15 The approach for arriving at an appropriate levy income for an area, although not prescribed in the BID Regulations, tends to be standard for most areas. A BID proposer establishes a set of 'BID Levy Rules' (BLR) that define what level of levy will be collected and from whom. In determination of the BLR consideration needs to be given to:
 - a. Bid levy multiplier – the rate at which to charge. Most BIDs charge a levy of 1% on rateable value.
 - b. A threshold setting out the minimum rateable value of the premises before contributions are sought – this ensures that the smaller businesses do not need to pay a levy
 - c. A capped contribution so that larger businesses will not be liable for a disproportionately large BID levy.
 - d. Whether businesses with multiple hereditaments in an area should be subject to multiple or single levy payments
- 16 In determining the above, it is important to bear in mind that any levy will be the subject of approval through a majority vote at ballot, so any proposal needs to demonstrate best value and be set at a rate that does not discourage businesses from supporting a BID for their area. For BIDs outside the City, there are varying approaches to the BLR where the contribution by businesses are not capped and a levy is charged for each hereditament occupied by businesses. The City

Corporation's current approach is to cap the levy payment and to limit it to a single payment for each business. Whilst it is still considered reasonable to determine an appropriate cap for the largest levy payers, the issue of only having a single payment for each business regardless of the number of hereditaments occupied has caused an issue to the Revenue Team that collect the levy as it requires significant manual intervention by COL staff. Further roll out of this approach would negate advantages gained from switching to an automated process which allows all bills to be dispatched directly from the printers without the need to have them returned to the COL office. Given the prevalence of this type of arrangement for BIDs outside the City, the application of the BID levy to each business hereditament is considered to be acceptable.

APPENDIX 2

Map of BIDs and voluntary business partnerships in the City



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Committee(s): Property Investment Board – For Information Corporate Asset Sub (Finance) – For Information	Date(s): 11 December 2019 29 January 2020
Subject: City Surveyor's Business Plan 2019-24 Quarter 2 2019/20	Public
Report of: The City Surveyor (CS 496/19)	For Information
Report author: John Galvin / Faith Bowman Business Performance and Improvement	

Summary

This report provides details of progress in quarter 2 (July – September) 2019/20 against the 2019-24 Business Plan, an update on the commercial property market, and a financial statement.

Of the seventeen Key Performance Indicators (KPIs) that are being monitored, fourteen were assessed as green (on target). Three further indicators will be assessed throughout out the year.

Recommendation

Members are asked to note the content of this report.

Main Report

Background

1. In line with the City Corporation's performance management system, this is a quarterly report on the progress made during quarter 2 compared to the 2019-24 Business Plan.

Current Position

2. This report provides the latest budget information which is set out in Appendix A and performance indicator table in Appendix B. Furthermore, charts that your committee are particularly interested in are included in Appendix C. A summary of the property market is provided in Appendix D.
3. In addition, you receive regular monitoring reports covering Rent Reviews, Lease Renewals, Arrears, Vacancies and Delegated Decisions. These provide key indications of the current market situation, particularly for directly managed properties.
4. A separate monitoring report on the risks within our department is also presented at this meeting.

Financial Statement

5. The 2019/20 quarter 2 figures reveal that, against a latest budget of £34m, the City Surveyor is forecasting an overspend on local risk of £795,000 (2.3%) at year-end. This includes £301,000 of the overspend from 2018/19 brought forward to be found by the City Surveyor in 2019/20
6. There are three principle areas of overspend at year end:
 - City Fund Estate, due to a compensation payment made for the early surrender of a lease at 15/17 Eldon Street, and to additional business rates at 1-7 Whittington Avenue due to voids;
 - Departmental, due to reduced fee income from property deals and the City Surveyor overspend in 2018/19 being carried forward;
 - City Cash operational properties, due to a continually high level of reactive repairs and maintenance works. The underspend on City Fund reactive works at year end is anticipated to largely disappear due to additional reactive works anticipated at Central Criminal Court.
7. The City Surveyor is continually reviewing how this overspend can be recovered in 2019/20 and steps have been put in place to bring the budget back into balance by year-end. These include freezing recruitment of some vacant posts and adopting measures to confine reactive repairs to urgent or high-risk items. The current year end overspend forecast on reactive repairs (mainly on City's Cash properties) is based on recent trends, before the measures to restrict spend were put in place. It is hoped that they will have a significant effect and progress will be reported at quarter 3.
8. On a more positive note, rental income, which is budgeted under central risk, is forecast to be £7.3m higher than the Original Budget for 2019/20. This extra income is principally on Bridge House Estates.

Overall Progress

9. A RAG status¹ is used to summarise the progress of the performance indicators on a quarterly basis. The table below provides an 'at a glance' status report for the City Surveyor's KPIs at the end of quarter 2.

	Green	Amber	Red	TBC	N/A
Corporate Asset Sub Committee	12	0	0	0	0
Property Investment Board	10	0	0	0	3
Overall ²	14	0	0	0	3

10. Of the seventeen KPIs being monitored, fourteen were assessed as being on target (green). Three indicators will be assessed throughout the year.

¹ Red = High Risk of Failure or Not Achieved; Amber = Some Concern; Green = On Target or Achieved.

² Some KPIs relate to both PIB and CASC. Therefore, row indicating KPIs overall is not a total of the PIB and CASC rows.

Conclusion

This report provides an update at quarter 2 against the department's Business Plan KPIs. Performance is positive overall, with no measures falling behind target.

Appendices

- Appendix A – Budget Monitoring Statement
- Appendix B – Key Performance Indicator Table
- Appendix C – Headline Performance Charts
- Appendix D – Market Commentary

Background Papers

The City Surveyor – Business Plan Progress Report quarter 1 (CS 368/18)

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Budget Monitoring Statement Quarter 2 2019/20

Appendix A Page 1 of 1

LOCAL RISK BUDGET	Latest Approved	Quarter 2	Total Expenditure	(Under) / Over	Projected Outturn	(Under) / Over	Note
Quarter 2	Budget	Profile	to Quarter 2	Spend for Period	At Quarter 2	Spend	
	£000	£000	£000	£000	£000	£000	
City Surveyor							
City Fund							
City Fund Estate & Leadenhall	2,887	309	418	109	3,128	241	1
CPAT & City Centre	557	328	321	(7)	557	0	
Walbrook Wharf	1,056	505	447	(58)	1,004	(52)	2
Mayor's & City of London Court	23	12	19	7	34	11	
Recoverable Projects	0	0	0	0	0	0	
Lower Thames St Roman Bath	8	4	3	(1)	6	(2)	
R&M & MI Work for other departments	1,441	720	615	(105)	1,415	(26)	3
Corporate FM cleaning & security	110	52	66	14	131	21	
	6,082	1,930	1,889	(41)	6,275	193	
City's Cash							
City's Cash Estate	3,846	819	802	(17)	3,846	0	
Departmental	10,103	4,996	4,942	(54)	10,434	331	4
Mayoralty & Shrievalty-	93	35	30	(5)	99	6	
R&M & MI Work for other departments	2,173	1,086	1,149	63	2,343	170	5
Corporate FM cleaning & security	632	305	317	12	635	3	
	16,847	7,241	7,240	(1)	17,357	510	
Bridge House Estates							
Bridge House Estates	2,156	665	792	127	2,146	(10)	6
Tower Bridge Corporate FM cleaning	258	100	134	34	268	10	
	2,414	765	926	161	2,414	0	
Guildhall Administration							
Guildhall Complex	8,645	4,542	4,255	(287)	8,737	92	7
	8,645	4,542	4,255	(287)	8,737	92	
Total City Surveyor Local Risk	33,988	14,478	14,310	(168)	34,783	795	

Notes on significant variances

- The overspend at quarter 2 is largely due to an unanticipated compensation payment for early surrender of lease at 15/17 Eldon Street. The forecast overspend increases due to some additional void costs, principally business rates at 1-7 Whittington Avenue, being incurred by year-end.
- The savings achieved in quarter 2 and year-end are due to a vacant post and lower than anticipated reactive repairs and maintenance works. This is partly offset by a consequential reduction in service charge from the lower levels of works.
- The underspend at quarter 2 is due to lower than anticipated reactive repairs and maintenance expenditure. This underspend reduces by year-end due to additional reactive work anticipated at the Central Criminal Court.
- The underspend at quarter 2 is due to savings in employee budgets as a result of vacancies. This more than offsets a shortfall in fee income from property deals. This turns into an overspend at year-end partly due to continual shortfall on fees, but predominately due to the carry-forward of the City Surveyor's overspend from the last financial year.
- Higher than anticipated reactive repairs and maintenance works explain the overspend both at quarter 2 and year-end. The City Surveyor has introduced measures to focus reactive spend only on essential works in order to reduce the anticipated year-end overspend.
- The quarter 2 overspend can be attributed to repairs and maintenance spend on cyclical works running ahead of profile. The budget will catch up with these works by year-end where a near breakeven position is anticipated.
- Savings on energy and slippage on repairs and maintenance schemes are the principal reasons for the underspend at quarter 2. These savings are both anticipated to reduce by year-end leaving an anticipated overspend at year end due to additional security costs.

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Key Performance Indicators												
Ref	Title	Target	Group	Committee	Q1		Q2		Q3		Q4	
					Actual	RAG	Actual	RAG	Actual	RAG	Actual	RAG
KPI.1	Asset realisation	£45.3m	CPG	CASC	on target	green	£8.9m	green				
KPI.2	Energy Consumption	Min 4%	OG	CASC	2.00%	green	2.50%	green				
KPI.3	Space Utilisation*	Min 5%	CPG	CASC	on target	green	on target	green				
KPI.4	Property contract Performance Compliance	>90%	OG	CASC	83.00%	amber	90.00%	green				
KPI.5	Adherence to Budgetary Spend Profiles	95% to 105%	All	PIB; CASC	12.00%	green	29.37%	green				
KPI.6	Capital Project - Delivery - defects on completion*	<20%	PPG	PIB; CASC	n/a	n/a	3.00%	green				
KPI.7	Capital Project - Project Status	<20%	PPG	PIB; CASC	15.00%	green	15.00%	green				
KPI.8	Capital Project- Health & Safety*	80%	PPG	PIB; CASC	n/a	n/a	80.0%	green				
KPI.9	Capital Project- Gateway Reports	>70%	PPG	PIB; CASC	53.00%	amber	100.00%	green				
KPI.10	Capital Project - Site sustainability waste management	>90%	PPG	PIB; CASC	93.00%	green	92.00%	green				
KPI.11	Rental Forecasts	£136m	IPG	PIB	on target	green	on target	green				
KPI.12	Minimise Arrears	<2%	IPG	PIB	1.16%	green	1.12%	green				
KPI.13	Minimise voids*	<5%	IPG	PIB	3.15%	green	n/a	n/a				
KPI.14	Outperform MSCI**	exceed ben	IPG	PIB	n/a	n/a	n/a	n/a				
KPI.15	Customer satisfaction survey**	Baseline	IPG	PIB	n/a	n/a	n/a	n/a				
KPI.16	Delivery of Strategic utility infrastructure	on schedule	CPAT	PIB; CASC	on target	green	on target	green				
KPI.17	Supporting the retention and inward investment of businesses	on schedule	CPAT	PIB; CASC	on target	green	on target	green				
	*reported bi annually											
	** reported annually											

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Headline Performance Charts Qrt2

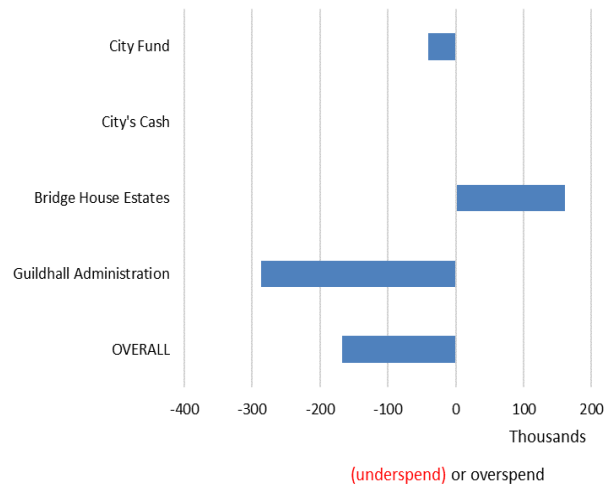


Figure 1 Quarter 2 variance against profiled local risk budget

Appendix C
Page 1 of 1

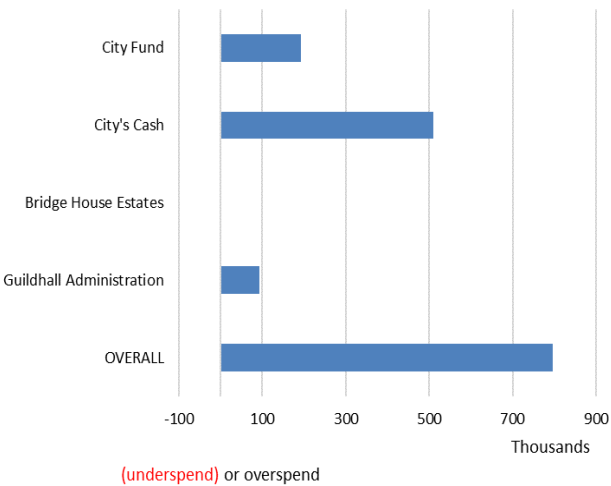


Figure 2 Projected local risk outturn variance as at quarter 2

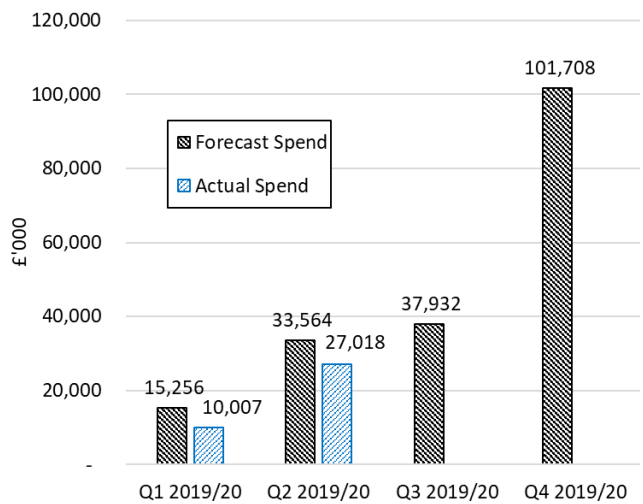


Figure 3 All project spend, forecast v actual as at quarter 2

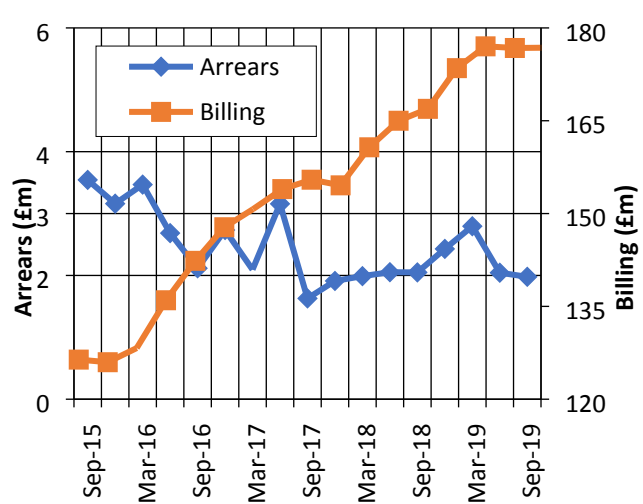


Figure 4 (Investment Properties) Commercial tenants' arrears compared to annual rolling billing run.

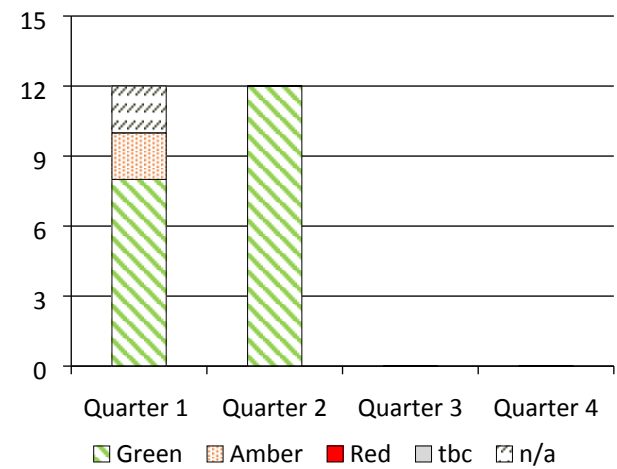


Figure 5 Performance of KPIs linked to Corporate Property (Corporate Asset Sub Committee)

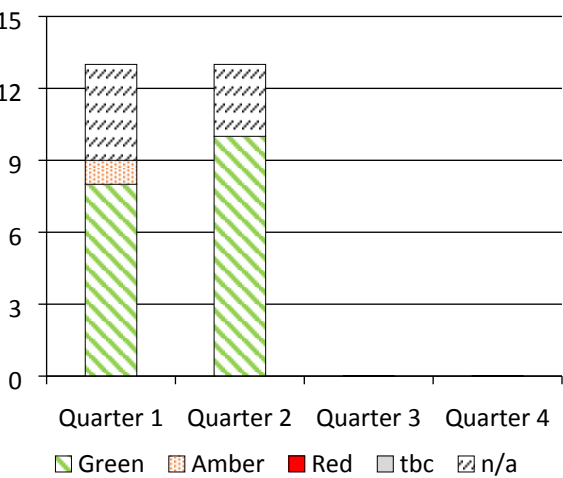


Figure 6 Performance of KPIs linked to Investment Property (Property Investment Board)

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1. The prospect of Brexit has prompted a strategy of 'wait and see' for some investors over the first half of calendar 2019, contributing to lower investment volumes. However, London remains one of the largest, liquid, and most transparent markets globally and ranks third globally for cross-border office volumes in quarter 2, according to Real Capital Analytics.
2. Total office investment turnover in London fell to £1.69 billion during the quarter, with 40 properties transacting, compared to £5 billion during quarter 1 and £5.2 billion in quarter 2, 2018.
3. The slowdown in investment activity has in part been fuelled by a lack of assets for sale; long-income assets on the market are few and far between. Furthermore, vendors have been seeking premiums due to the lack of quality stock whilst investors continue to seek Brexit linked discounts. The mismatch between the expectations of sellers and buyers is likely to persist. Prime yields in the City remain at 4.25% and 3.75% in the West End.
4. Prime rents in the City Core rose to £72.50psf, from £70psf in quarter 1, underpinned by falling availability and strengthening demand levels. West End prime rents remain at £107.50psf, as do City Fringe at £75.00psf, however Docklands prime rents have risen to £49.50psf from £48.50psf.
5. Stock levels are now the lowest they have been since the start of 2016, which has driven vacancy rates down to 4.9%. Despite this, rent free periods have remained at 24 months on a typical 10-year lease. The professional and corporate sectors have been the most active, accounting for 35% of total market activity, followed by flexible offices (19%) and financial services (15%).
6. Looking ahead at the supply pipeline, total under construction levels in the City are currently 6.7 million sq ft, of which 36% is already committed, leaving just 4.3 million sq ft of speculative space under construction. 5.4 million sq ft under construction is due to complete in the next 12 months, of which 42% is committed. This leaves just 3.1 million sq ft of speculative space coming through, which equates to approximately 12 months of supply, assuming average levels of new and refurbished take-up. Occupiers are being driven by the quality of space on offer and to an extent are location agnostic, but there are those who will pay a premium to secure space in a specific location. Stronger than expected economic growth since the referendum, coupled with robust job creation levels in London's tech, professional and finance and banking sectors are helping to underpin demand, with most occupiers seemingly keen to 'get on with life', irrespective of how Brexit concludes.

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Committee(s): Property Investment Board – For information Corporate Asset Sub (Finance) Committee – For information	Date(s): 11 December 2019 29 January 2020
Subject: City Surveyor's Departmental Risk Register update	Public
Report of: The City Surveyor (CS 500/19)	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.

Currently the department has zero red risks and five amber risks on its Departmental Risk Register (Appendix 1). Since the last report to this Committee, the key changes to the departmental risks are as follows:

One risk has been added to the departmental risk register;

- SUR SMT 014 – Backlog Maintenance
Current risk score 12 (Amber)

The City Surveyor's Department also manages the repairs and maintenance risks associated with the City Bridges. This register (Appendix 2) notes the three red risks, which are:

- SUR CB 003 – City Bridges: Substantial vessel strike
Current risk score 16 (Red)
- SUR CB 006 – City Bridges: Wanton damage / terrorism
Current risk score 16 (Red)
- SUR CB 007 – City Bridges: Tunnelling for the Thames Tideway Tunnel
Current risk score 16 (Red)

Recommendation

Members are asked to:

- Note the report, and the actions taken within the City Surveyor's Department to effectively monitor and manage risks arising from our operations.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department. The Property Investment Board (PIB) and Corporate Asset Sub

(Finance) Committee (CAsC) have determined that they will receive the City Surveyor's risk register on a quarterly basis.

2. This report separates the overall departmental risk register (Appendix 1) and the key risks relating to the City Bridges (Appendix 2).

Current Position

3. The City Surveyor's risks are managed through a hierarchy of three levels. These are corporate risks, departmental risks, and group risks. Currently the department does not have any risks on the Corporate Risk Register.
4. Both departmental and group risks are reviewed regularly. This includes consideration of emerging risks or any change in risk score. Key changes to the departmental level risks have been noted below.
5. The City Surveyor's departmental risk register currently contains zero red risks and five amber risks. The details of each of these are included in Appendix 1.
6. The department also manages the repairs and maintenance risks associated with the City Bridges, of which there are currently three red risks. The details for these risks are included in Appendix 2. The three red risks relating to the City Bridges are as follows:
 - SUR CB 003 – City Bridges: Substantial vessel strike
Current risk score 16 (Red)
 - SUR CB 006 – City Bridges: Wanton damage / terrorism
Current risk score 16 (Red)
 - SUR CB 007 – City Bridges: Tunnelling for the Thames Tideway Tunnel
Current risk score 16 (Red)

Changes since last review

7. The key changes since the last review was presented to committee:

- A. SUR SMT 014 – Backlog Maintenance
Current risk score 12 (Amber)

This risk has been escalated from the Operations Group risk register.

The Cyclical Works Programme (CWP) bid for 20/21 has a reserve list of unfunded works of £26m, these works are essential to keep the operational properties in a good standard and ensure that service departments can maximise the use of assets.

Planned and preventative maintenance, such as that delivered through the CWP, reduces the requirement for reactive repairs. Therefore, the level of unfunded works, and the potential increase in this amount, could lead to increased reactive costs in future years.

B. SUR SMT 005 – Recruitment and retention of property professionals
Current risk score 6 (Amber)

As noted in the September reports, this risk has been removed from the departmental risk register and is being monitored at a group level.

8. Through the performance dashboard tool, Power BI, it is possible to create heatmaps of the department's risks. This is a graphical summary of the current Departmental risks (right) and a comparison with the those presented at the last report (September). Note that this is not tracking individual risks over time, rather it is a snapshot comparison of our overall risk profile. Since the September report, one risk has been removed, and one added, to the departmental register.



Figure 1: Departmental risk snapshot at September (left) and current

Conclusion

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

Appendices

- Appendix 1 – City Surveyor's departmental risk register
- Appendix 2 – City Bridge top risks

Background Papers

- The City Surveyor – Risk update – June (CS 197/19)
- The City Surveyor – Risk update – September (CS 372/19)

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SUR Departmental risks - detailed report EXCLUDING COMPLETED ACTIONS for committee

Report Author: Faith Bowman
Generated on: 04 November 2019



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<div>Page 35</div> CR SMT 001 Fall in property performance	<p>Cause: Unexpected change or unknown impact of macro-economic policy (global and local political and economic decisions, change in interest rate, exchange rate, taxation, etc.)</p> <p>Event: Business sentiment changes and U.K. / London becomes less attractive to investors / tenants.</p> <p>Impact: Business Plan objectives are not achieved with resultant negative impact on income, yields, voids and arrears.</p>	<div> <div>Likelihood</div> <div>Impact</div> </div>	12	<p>The strategy is to maintain a diverse portfolio that reduces the impact of this risk. This includes:</p> <ol style="list-style-type: none"> 1. Use (office, retail, industrial) 2. Location (City, Southwark, West End etc.) 3. Tenancies (Long term Head lease geared, FRI, directly managed) 4. Covenants (multinationals, SME) 5. Asset management (lease renewals, voids, arrears, etc) 6. Monitoring retail habits in change of building use <p>This risk links to CR26 Brexit - particularly on the “impact of Brexit on City Corporation income streams” action, owned by the Chamberlain.</p> <p>Target risk score updated following Member feedback</p> <p>Updated income generation ‘stretch’</p>	<div> <div>Likelihood</div> <div>Impact</div> </div>	3	31-Mar-2020	

03-Mar-2015 Nicholas Gill				targets need to be considered in light of constricted revenue budgets for maintenance / improvement, and from the re-allocation of some funds from the designated sales pool. 01 Nov 2019				Constant
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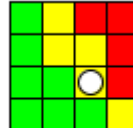
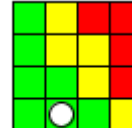

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 001c	Global and local economic and political decisions	SMT continues to closely monitor the position quarterly, including analysis of market reaction. This information is reported through to Property Investment Board regularly.	Nicholas Gill	01-Nov-2019	31-Mar-2020
SUR SMT 001d	Maintain a diverse mix of space, locations, and tenants to ensure the business has wide market appeal and is not reliant on particular business sector	IPG Management Team monitors development of property portfolio and tenant mix.	Nicholas Gill	01-Nov-2019	31-Mar-2020
SUR SMT 001e	Brexit Meetings	Weekly meetings are being undertaken, chaired by the Town Clerk, looking at risks associated with Brexit. This includes the potential impact on the property market	Paul Wilkinson	01-Nov-2019	31-Jan-2020

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 002 Insufficient budget to meet user and asset demand at Guildhall 10-Feb-2015 Peter Young	Cause Insufficient budget to meet the increase/intensification of use at Guildhall Event: Ineffective asset funding Impact: Poor working environments leading to increased dissatisfaction and lower employee productivity, increase in breakdowns and reactive costs	<div> <div>Likelihood</div> <div>Impact</div> </div>	12	The principal mitigation actions are related to forecasting and monitoring the allocation of financial and human resources. Whilst this risk reduces due to the uplift in budget for the Guildhall, this is balanced by the projected increase in FTE occupation of the space. This intensification of use will lead to increased demands on the building assets. 01 Nov 2019	<div> <div>Likelihood</div> <div>Impact</div> </div>	4	31-Mar-2020	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 002b	Guildhall Capital Projects Programme Delivery	Individual projects have been identified and prioritised and have now been submitted as part of the annual bid process. These bids will be considered by Resource Allocation Sub Committee.	Peter Young	01-Nov-2019	31-Mar-2020
SUR SMT 002d	Asset Information	Lack of structured information on buildings can lead to delays and additional professional fees. Initial exploration into opportunities into how this data could be brought into a single solution.	Ola Obadara	01-Nov-2019	31-Mar-2020
SUR SMT 002e	Fundamental Review of the Guildhall Complex	A wholesale review of the North Wing and West Wing was presented as an option to Members for consideration as part of the Fundamental Review. This action to be progressed depending on feedback from Members in the autumn with timescales to be determined.	Paul Wilkinson; Peter Young	01-Nov-2019	31-Dec-2019
SUR SMT 002f	Cross departmental working	Single point of contact for Profit and Loss to be created within the Remembrancer's Department. The possibility of a sinking fund for the site is also being explored. CSD will inform the Remembrancer's Department of requirements	Remembrancer's Department	04-Nov-2019	31-Mar-2020

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 014 Backlog maintenance 04 Nov-2019 Jason Bunn	<p>Cause: insufficient funds to manage the repair demands at operational properties (Budget available does not match the annual Cyclical Works Programme Bid List of requirements)</p> <p>Event: Maintenance demands for operational properties exceeds available funding.</p> <p>Impact: Reactive repairs budget used to meet maintenance demands, loss of income from events spaces, reputational impacts, long-term properties may cease to meet operational requirements (Reduced rental income, reduced capital value, increased breakdown of M&E services, reduced customer satisfaction, poor building use and efficiency)</p>	<p>Likelihood</p> <p>Impact</p>	12	<p>The Cyclical Works Programme (CWP) bid for 20/21 has a reserve list of unfunded works of £26m, these works are essential to keep the operational properties in a good standard. This unfunded works will result in an increase in the backlog of maintenance.</p> <p>The Fundamental Review has reduced the funds available to the CWP for 2020/21 by £1m, which will impact this risk.</p> <p>04 Nov 2019</p>	<p>Likelihood</p> <p>Impact</p>	4	31-Mar-2020	 New Risk

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 014a	Cyclical works Programme list	Presentation of the Cyclical Works Program to Members occurred in September, but is subject to available funding, and any changes as a result of the Fundamental Review.	Peter Young	04-Nov-2019	31-Oct-2020
SUR SMT 014b	Additional funding report may be required	Draft additional funding report to committee (next report due 2021).	Alison Bunn	04-Nov-2019	30-Sep-2020

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 010 Unable to meet the Carbon Decent Plan for 2026. 17 Dec-2018 Peter Collinson	Cause: Lack of resources – people and funds across organisation to deliver energy efficiency projects Event: Failure to reach Carbon Descent Plan Targets (40% reduction in 2008 energy consumption by 2026) Effect: Environmental damage, Failure to reduce expenditure, Reputational damage, Failure to achieve vision of the department, unable to meet ambition of the Corporate Plan.	Likelihood  Impact	8	Have 21% of target left . Vacant position for 1. Energy Engineer 2.Energy Reporting Manager 3.Corporate Energy Manager 4.Energy Project Manager Q2 2019/20 performance was positive. This indicates that, if sustained, the current reduction trajectory will meet the 2026 target. Further investment will be required to meet this trajectory 04 Nov 2019	Likelihood  Impact	2	31-Mar-2026	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 010a	Recruitment of posts above 1-4	Recruit roles 1-4. Role 2 in progress, Roles 1 and 3 under job evaluation, Role 4 pending funding approval.	Peter Collinson	01-Nov-2019	31-Jan-2020
SUR SMT 010c	Funding source and route for capital programme	Agreed delivery model and costs Phase 1 and 2 submitted for funding under fundamental review.	Peter Collinson	04-Nov-2019	31-Mar-2020

09-May-2019
Paul Wilkinson

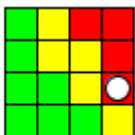


Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 012a	Regular meetings	Reports are being delivered and reviewed at Quarterly Structures meetings. This had not been happening previously. Next meeting has been booked for December, with meetings held in June and October.	Nicholas Gill; Peter Young	01-Nov-2019	30-Apr-2020
SUR SMT 012b	Service Agreement	Service Agreement drafted by CSD, and DBE have provided a more detailed response. This has now been agreed by members of the Bridges and Structures Meeting and awaiting formal sign off by respective Chief Officers in sequence.	Nicholas Gill; Peter Young	01-Nov-2019	30-Jun-2020

SUR City Bridges - detailed report EXCLUDING COMPLETED ACTIONS for committee

Report Author: Faith Bowman
Generated on: 04 November 2019



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
R CB 003 City Bridges: - Substantial vessel strikes 01-Nov-2018 Paul Wilkinson	Cause: Substantial Vessel strike Event: Structural damage to bridge Impact: Instability in bridge structure leading to possible collapse. Death / injury, disruption of traffic, reputational damage, additional costs to repair / replace	 Likelihood Impact	16	City Bridge Trust and Bridge House Estates are undertaking a governance review through an officer Task and Finish Group. The aspect of where risk ownership sits will be considered by this group. The Group is expected to report formally in 2020. In the interim discussions have taken place to put in place a Service Agreement between DBE and CSD to better manage responsibilities and information flow. A draft of this agreement is currently under discussion and should be finalised and in place by November. 30 Oct 2019	 Likelihood Impact	16	31-Mar-2020	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR CB 003a	Navigation controls	Navigation is controlled by the Port of London Authority and navigation lights fixed to bridges. Paul Monaghan is an on-going member of the River Crossings Liaison Group. This Group has recently appointed a new Chair, and meetings have recommenced. Paul Monaghan updates CSD at the quarterly meetings as to any actions, activities, or change in the risk status of this item.	Nicholas Gill; Peter Young	30-Oct-2019	31-Mar-2021

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR CB 006a	Counter Terrorism	<p>Sequence of joint workshops were hosted by TFL over July. These related to Threat Assessments for the bridges. The meetings involved TFL, the City Police, the MET Police and DBE. This investigated the risks associated with key bridges, with a different assessment made depending on the bridge.</p> <p>When TFL assess the overall risk, they applied a higher risk impact than the City currently assesses. However, this relates to the overall risk, rather than the element for which the City of London Corporation, and the City Surveyor's Department, is responsible.</p> <p>TFL and DBE will be holding a meeting relating to the threat assessments for the bridges. TFL will be taking the lead in terms of the response.</p> <p>Temporary mitigation by the Metropolitan Police remains in place, but this is not full Hostile Vehicle Mitigation..</p>	Nicholas Gill; Paul Monaghan; Peter Young	30-Oct-2019	31-Mar-2020
SUR CB 006b	Policing	The City of London Police receive funding from Bridge House Estates to provide policing to the City Bridges. Consideration to increase funding to the City of London Police from 01/04/2020.	Nicholas Gill; Paul Monaghan; Peter Young	30-Oct-2019	31-Mar-2020

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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR CB 007d	Tideway Tunnelling	The City's Engineer, Paul Monaghan is working with the Comptroller and City Solicitor through the Development Consent Order and negotiated protection for the river crossings and, in the case of Tower Bridge, reduced face loss. He and the engineering team are working with the planning lead, Ted Rayment, to ensure that these requirements are being met. Regular weekly, monthly and quarterly meetings take place with the respective parts of TTT. For support they have the existing commission with an external engineering consultant appointed for the inspection of river crossings.	Nicholas Gill; Peter Young	30-Oct-2019	31-Mar-2021
SUR CB 007e	Monitoring & Works	Monitoring is on-going on the bridge sites to ensure that risks are managed. Monitoring at Tower Bridge has been in place for circa three years. Millennium Bridge has had its tensioning adjusted to account for any movement.	Nicholas Gill; Paul Monaghan; Peter Young	30-Oct-2019	31-Mar-2021

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