



Corporate Asset Sub (Finance) Committee

Date: WEDNESDAY, 5 JUNE 2019
Time: 1.45 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Deputy Jamie Ingham Clark (Chairman)
Dominic Christian (Deputy Chairman)
Randall Anderson
Nicholas Bensted-Smith
John Chapman
Marianne Fredericks
Alderman Alison Gowman
Christopher Hayward
Michael Hudson
Deputy Wendy Hyde
Jeremy Mayhew
Deputy Joyce Nash
James de Sausmarez
Deputy Philip Woodhouse

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Lunch will be served for Members in the Guildhall Club at 1pm

NB: Part of this meeting may be subject to audio or visual recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **DECLARATIONS BY MEMBERS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**
To agree the public minutes and summary of the meeting held on 4 April 2019.

For Decision
(Pages 1 - 6)
4. **SUB COMMITTEE TERMS OF REFERENCE**
To note the Sub Committee's terms of reference.

For Information
(Pages 7 - 8)
5. **PUBLIC OUTSTANDING ACTIONS**
Report of the Town Clerk.

For Information
(Pages 9 - 12)
6. **WORK PROGRAMME FOR FUTURE MEETINGS**
Joint report of the Town Clerk and City Surveyor.

For Information
(Pages 13 - 14)
7. **CYCLICAL WORKS PROGRAMME 2018/19 QUARTER 4**
Report of the City Surveyor.

For Information
(Pages 15 - 20)
8. **ADDITIONAL REPAIRS AND MAINTENANCE PROGRAMME 2018/19 QUARTER 4**
Report of the City Surveyor.

For Decision
(Pages 21 - 24)

9. **CITY SURVEYOR'S BUSINESS PLAN 2018/19 QUARTER 4**
Report of the City Surveyor.
- For Information**
(Pages 25 - 32)
10. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER 2018/19 QUARTER 4**
Report of the City Surveyor.
- For Information**
(Pages 33 - 36)
11. **ANNUAL ENERGY PERFORMANCE REPORT 2018/19**
Report of the City Surveyor.
- For Information**
(Pages 37 - 42)
12. **HERITAGE AT RISK REGISTER ANNUAL REPORT**
Report of the City Surveyor.
- For Information**
(Pages 43 - 46)
13. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
14. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
15. **EXCLUSION OF THE PUBLIC**
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the remaining 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.

For Decision

Part 2 - Non-Public Agenda

16. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 4 April 2019.
- For Decision**
(Pages 47 - 52)
17. **NON PUBLIC OUTSTANDING ACTIONS**
Report of the Town Clerk.
- For Information**
(Pages 53 - 54)

18. **WALBROOK WHARF ELECTRICAL INFRASTRUCTURE UPGRADE**
Report of the City Surveyor.

For Decision
(Pages 55 - 66)
19. **APPENDIX 5 TO CITY SURVEYOR'S BUSINESS PLAN 2018/19 QUARTER 4 (SEE ITEM 9)**

For Information
20. **POWER PURCHASE AGREEMENT FOR OFFSITE RENEWABLE ENERGY**
Joint report of the City Surveyor and the Chamberlain.

For Information
(Pages 67 - 74)
21. **LONDON GATEWAY ACCOMMODATION**
Report of the Interim Director of Consumer Protection and Markets Operations.

For Information
(Pages 75 - 82)
22. **URGENT ACTION BETWEEN MEETINGS**
Report of the Town Clerk.

For Information
(Pages 83 - 84)
23. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
24. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

Part 3 - Confidential Agenda

25. **CITY SURVEYOR'S STAFFING MATTERS**
Report of the City Surveyor.

For Information

CORPORATE ASSET SUB (FINANCE) COMMITTEE **Thursday, 4 April 2019**

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 4 April 2019 at 1.45 pm

Present

Members:

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

Officers:

Alison Bunn	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
John Galvin	- Performance Management Officer
Richard Jeffrey	- Comptroller and City Solicitor's Department
Mike Kettle	- Community and Children's Services Department
Hazel Lerigo	- Chamberlain's Department
Andrew Little	- Chamberlain's Department
Richard Litherland	- City Surveyor's Department
Dianne Merrifield	- Chamberlain's Department
Martin Newton	- Town Clerk's Department
Jonathon Poyner	- Barbican Centre
Dorian Price	- Guildhall Manager
Laura Simpson	- Town Clerk's Department
Paul Wilkinson	- City Surveyor
Sue Williams	- Bursar, City of London Freeman's School
Peter Young	- City Surveyor's Department

1. APOLOGIES

Apologies for absence were received from Alderman Alison Gowman, Christopher Hayward, Deputy Jamie Ingham Clark, Jeremy Simons and Deputy Philip Woodhouse.

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

No declarations of interest were made.

3. **MINUTES**

RESOLVED – That the public minutes and non-public summary of the previous meeting held on 30 January 2019 be 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.

It was noted that item P02/2019 had now been closed.

RECEIVED.

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. It was noted that the energy performance quarter 4 report would be submitted to the June meeting.

RECEIVED.

6. **CITY SURVEYOR'S PROPOSED BUSINESS PLAN 2019/2024**

The Sub-Committee had before them the City Surveyor's report on his department's final high-level business plan for 2019/24.

RESOLVED – That the City Surveyor's Department's final high-level business plan for 2019/24 be approved.

7. **EV CHARGE POINTS FOR TRANSITION TO A ZERO-EMISSION FLEET**

The Chamberlain reported on the EV charge points for transition to a zero-emission fleet.

RESOLVED – That

- (a) progression to Gateway 4a be approved;
- (b) a £5,000 budget to proceed to the next gateway (internal staff costs) be authorised;
- (c) the £157,500 total estimated cost of the project be noted; and
- (d) the installation of electric vehicle (EV) charging points at key corporate facilities be supported to enable departments to implement the new zero emission fleet targets.

8. **ADDITIONAL REPAIRS AND MAINTENANCE PROGRAMME - QUARTERLY REPORT**

The City Surveyor reported on the additional repairs and maintenance programme – quarterly progress report.

RESOLVED – That

- a) the progress on the 2016/17 Additional Repairs and Maintenance Programme at 31 December 2018 be noted;
- b) approval be given to the provision of the 2016/17 Additional Repairs and Maintenance Programme budget into 2019/20 for the projects, totalling £221,550, listed below:-
 - £95,000 for a security project at the Mansion House (ref. C017AW019L)
 - £25,000 for a boundary wall project at Keats House (ref. R157AW001L)
 - £48,000 for conservation works to churchyard railings and boundary walls (ref. R167AW002L & R167AW003L)
 - £23,400 for conservation works to the City Wall (ref. R087AW014L)
 - £20,150 for works to the Policy Chairman's accommodation (ref. C157AW002L)
 - £10,000 for works at St Botolph Street bridge (ref. R087AW001L); and
- c) the Cyclical Works Programme Peer Review Group identifies projects from the Cyclical Works Programme 2019/20 reserve list to utilise the balance on the Additional Repairs and Maintenance Programme 2016/17 fund after the existing projects are completed.

9. **CITY SURVEYOR'S BUSINESS PLAN 2018/19 - Q3 OUTCOME**

Members considered the City Surveyor's business progress report 2018/19 – quarter 3. It was noted that (i) progress on KPI.6 - space utilisation – may be delayed to 2019/20 due to additional complexity; and (ii) that due to staff resourcing, KPI.2 - Asset Management Plans - may prove difficult to achieve in the current year.

RECEIVED.

10. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER 2018/2019 - Q3 OUTCOME**

The Sub-Committee had before them the City Surveyor's risk register update.

RECEIVED.

11. **CORPORATE FM GENERAL UPDATE**

The City Surveyor updated Members on corporate facilities management. The following was raised:-

- It was noted that the award of the new lift and escalator contract was anticipated to be concluded shortly. The Sub-Committee requested clarification on what was covered by this contract and the Chairman asked that this issue be added to the outstanding public actions **(P03/2019)**. The City Surveyor undertook to confirm details.
- A Member raised concerns at recent access problems caused by new security fobs around Guildhall complex.
- It was noted that the first meeting of the local FM and Security Network had attracted a number of local businesses and that it was intended to expand the network.

RECEIVED.

- 12. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
A Member raised the question of inadequate provision of baby changing facilities at Guildhall. The Chairman asked that this be added to outstanding public actions **(P04/2019)**.
- 13. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no urgent items.
- 14. EXCLUSION OF THE PUBLIC**
RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the remaining 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.
- 15. NON-PUBLIC MINUTES**
The non-public minutes of the previous meeting held on 30 January 2019 were approved as an accurate record.
- 16. OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
The Sub-Committee noted a report of the Town Clerk which provided information on outstanding actions from previous meetings.
- 17. ASSET MANAGEMENT SERVICE BASED REVIEW**
The Sub-Committee had before it the report by the City Surveyor on the Asset Management Service Based Review.
- 18. ISLINGTON ARTS FACTORY**
Members considered the Director of Community and Children's Services' report on the Islington Arts Factory.

19. **ACCOMMODATION AND WAYS OF WORKING - VACATION OF WALBROOK WHARF**
The City Surveyor reported on accommodation and ways of working – vacation of Walbrook Wharf.
20. **OLD FREEMEN'S ASSOCIATION - LEASE FOR CLUBHOUSE**
The Headmaster of the City of London Freemen's School reported on the Old Freemen's Association update on progress and a proposed lease for a clubhouse.
21. **20/21 ALDERMANBURY - DELEGATED AUTHORITY**
The City Surveyor submitted a report regarding delegated authority for a future gateway 4 decision relating to 20/21 Aldermanbury.
22. **WAIVER REPORT - SUBSCRIPTION CONTACT TO IHS GLOBAL LTD AS SOLE SUPPLIER**
The City Surveyor and the Director of the Built Environment reported on a waiver to award a subscription contract to IHS Global Ltd.
23. **CITIGEN FUTURE OPTIONS**
Items 23 and 24 were considered concurrently and Members received reports on the Combined Heat and Power System – future options study and negotiations with Citigen.
24. **CITIGEN NEGOTIATIONS UPDATE**
As referred to above, item 24 was considered as part of item 23.
25. **ACTION BETWEEN MEETINGS**
The Sub-Committee received an update on delegated and urgent action taken under Standing Order 41.
26. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
There were no questions.
27. **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.
28. **CONFIDENTIAL MINUTES**
The confidential minutes of the previous meeting held on 30 January 2019 were approved as an accurate record.

The meeting ended at 3.08 pm

Chairman

Contact Officer: Martin Newton
martin.newton@cityoflondon.gov.uk

Corporate Asset Sub-Committee Terms of Reference

The Corporate Asset Sub Committee is responsible for the effective and sustainable management and strategic plans for the City of London Corporation's operational property portfolio; this includes the monitoring of capital projects, acquisitions and disposals, and the upkeep, maintenance and, where appropriate, furnishing for operational properties (including the Guildhall Complex). In addition, the Sub Committee is responsible for strategies, performance, and monitoring initiatives in relation to energy usage, and for monitoring and advising on bids for Heritage Lottery funding.

Composition

- Chairman and Deputy Chairman of the Finance Committee
- Chairman and Deputy Chairman of the Sub-Committee
- A maximum of Five additional Finance Committee Members
- Three members of the Policy and Resources Committee
- Three members of the Property Investment Board.

(Should any vacancies remain following the first meeting of each of these Committees, these will be made available to all Members to the Court of Common Council, to be appointed by the Finance Committee)

Chairmanship

- Chairman – To be nominated by the Chairman of the Finance Committee for approval by the Finance Committee.
- Deputy Chairman – To be appointed by the Chairman of the Sub-Committee for approval by the Finance Committee.

Terms of Reference

- To be responsible for the effective and sustainable management of the City of London Corporation's operational property portfolio, to help deliver strategic priorities and service needs, including;
 - agreeing the Corporate Asset Management Strategy;
 - responsibility for reviewing and providing strategic oversight of the Corporation's Asset Management practices and activities and advising Service Committees accordingly;
 - responsibility for reviewing and providing strategic oversight of the Corporation's Facilities Management practices and activities and advising Service Committees accordingly;
 - To maintain a comprehensive Property Database and Asset Register of information which can be used in the decision making process;
 - In line with Standing Orders 53 (Asset Management Plans) and 55 (Disposal of Surplus Properties) and the duties set out within legislation, including the Localism Act 2011 and the Housing and Planning Act 2016, to monitor the effective and efficient use of all operational property assets; and
 - Oversight of the management of operational leases with third parties, occupation by suppliers and those granted accommodation as benefits-in-kind.
 - In accordance with Standing Orders 56 and 57, the sub Committee can make disposals of properties which are not suitable to be retained as investment property assets

- To be responsible for the upkeep, maintenance and, where appropriate, furnishing for operational properties (including the Guildhall Complex) which do not fall within the remit of another Service Committee;
- To monitor major capital projects relating to operational assets to provide assurance about value for money, accordance with service needs and compliance with strategic plans;
- To recommend to the joint meeting of the Resource Allocation Sub-Committee and the Efficiency and Performance Sub-Committee the annual programme of repairs and maintenance works (including surveys, conservation management plans, hydrology assessments and heritage landscapes) planned to commence the following financial year, and to monitor progress in these works (when not included within the Project procedure).
- To be responsible for strategies, performance and monitoring initiatives in relation to energy;
- To monitor and advise on bids for Heritage Lottery funding.

Corporate Asset Sub-Committee – Carry Forward Public Actions

(Closed actions removed from list)

	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress update
P01/2019	30.01.19	<u>Mansion House External Cleaning and Lighting</u> Court had received an update on Mansion House at its December meeting and a further report would come before the Sub-Committee in June or July.	Jessica Lees	June / July 2019	Update report to CASC June or July 2019.

Corporate Asset Sub-Committee – Carry Forward Public Actions

(Closed actions removed from list)

P03/2019	04.04.19	<u>New Lift and Escalator Contract</u> Clarification required on what was covered by this contract.	Alison Bunn		Current Situation The City Surveyor’s Department hold a lift and escalator contract which covers all corporate property, investment property and public lifts, this ends on the 30 th June 2019. This is held by Apex and is entirely separate to our Building, Repairs and Maintenance Contract which is held by Skanska Construction. Future Situation The new contract has been split into three lots: Lot 1 will be for the corporate property, investment property and public lifts expect the Millennium Inclinator and will be managed by CSD Lot 2 will for the Millennium Inclinator and will be managed by CSD Lot 3 will be for Housing and will be managed by the Barbican Housing team
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Corporate Asset Sub-Committee – Carry Forward Public Actions

(Closed actions removed from list)

P04/2019	04.04.19	<u>Inadequate Baby Changing Facilities at Guildhall</u>	Dorian Price		<p>It has previously been agreed with the Access team that this is not the right approach (to add baby changing facilities into disabled toilet facilities) as there is insufficient room to provide both facilities to the required standard. There are currently three independent baby changing facilities in the Guildhall Complex (2 in Guildhall Art Gallery and 1 in the Livery Hall). However, as a result of a further review with the Access Advisor (04/04/19), Guildhall FM are investigating the new accessible toilet located in the West Wing Member/Visitor lavatories and cloakroom and will install a further baby changing facility in the (new and larger) accessible toilet.</p> <p>The estimated timeline for installation of the new baby changing facility will be end May 2019.</p>
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Corporate Asset Sub-Committee –Work Programme 2019

Committee Date	04/04/2019	05/06/2019	11/07/2019	25/09/2019	07/11/2019
Sustainable Management of the Corporation's Operational Property Portfolio					
Corporate Property Asset Management Strategy	Asset Management SBR update report		New strategy for 2019-23 report	Asset Management SBR Progress update report	
City Surveyor's Business Plan	Business Plan 2018/19 Q3 outcome report Proposed Business Plan for 2019/2024	Business Plan 2018/19 Q4 outcome report		Business Plan 2019/20 Q1 outcome report	Annual Guildhall Finance 2019/20 update
City Surveyor's Risk Register	Risk Register 2018/19 Q3 report	Risk Register 2018/19 Q4 report		Risk Register update report	
Facilities Management	Corporate FM General update report		FM SBR update report		Corporate FM update
Portfolio management information			Unfunded Capital Maintenance on Operational Property Portfolio	Annual report on changes to portfolio	
Operational Property Review (note individual assets will be reported as declared surplus by service committees) and other disposals					
Upkeep, maintenance and furnishing of operational properties not within the remit of another Service Committee.					
		AWP Q4 Progress Report 2018/19 CWP Q4 Progress Report 2018/19		CWP Q2 Progress Report 2019/20	
To monitor major capital projects relating to operational assets					
		Guildhall Projects update			
Recommending the annual programme of repair and maintenance works					
				CWP Bid report 2020/21	
Responsibility for strategies, performance and monitoring initiatives in relation to energy					
	Energy Performance 2018/19 Q3 report	Energy Performance 2018/19 Q4 report	Energy Performance 2019/20 Q1 report	Energy Performance 2019/20 Q2 report	Energy Performance 2019/20 Q3 report

Committee Date	04/04/2019	05/06/2019	11/07/2019	25/09/2019	07/11/2019
Monitoring and advising on bids for Heritage Lottery Funding					
		Heritage at Risk Register Annual Report	National Lottery Funding Monitoring report		

Committee: Corporate Asset Sub Committee – For Information	Dated: 5 June 2019
Subject: Cyclical Works Programme 2018/19 Quarter 4	Public
Report of: The City Surveyor report ref CS 191/19	For Information
Report author: Chris Hartwell, City Surveyor's Department	

Summary

This report provides an overview of the progress and expenditure of the current Cyclical Works Programmes (CWP 17/18 and CWP 18/19) at the end of Q4 2018/19.

The programmes last for three years. CWP 17/18 comprises 436 individual projects with a total value of £11.9m, CWP 18/19 comprises 577 projects with a total value of £11.4m. The programmes are intended to deliver prioritised cyclical maintenance works (i.e. replacement or refurbishment of buildings, plant and equipment based on condition assessed at the end of normal useful service life and operational need) across the corporate operational estate, including The Barbican Centre and the Guildhall School of Music and Drama.

Governance of the CWP is overseen by your Committee and executed by the CWP Peer Review Group. There is provision in the governance arrangements to allow projects to be promoted into the programme in case of urgent need. Since the last report, one project has been promoted as urgently required.

Overall progress is satisfactory with almost £6.7m spent or committed on CWP17/18, or 57% of the total at the half-way mark, and CWP 18/19 progress has maintained momentum with £3.8m spent or committed (34% of total) during the first year.

Recommendations

Members are asked to receive this report, note changes to the programme and the overall progress.

Main Report

Background

1. There is need to conduct planned refurbishment and replacement of buildings and their associated equipment in addition to routine serving and repairs. Resources being limited, such works need to be prioritised across the entire corporate operational estate. The Cyclical Works Programmes consider the requirements of each and prioritises individual projects in the context of the whole to ensure that the City's overall property maintenance objectives are met.

- Governance arrangements for the CWP were agreed by your Committee in September 2016 (report ref CS 248/16). A separate description of the project prioritisation process is provided in report CS 492/17. The governance arrangements provide a mechanism for projects to be promoted into the programme.
- Since the last report, one substantial (>£50k) project has been promoted as being urgently required:

C038CW056L	63 Charterhouse St: Structural Beam Repair.	£88,000
C088CW102L	Sundial Court: Refurbishment of ventilation system	£80,000
C088CW103L	Sundial Court: Fire Stopping	£60,000
C178CW290L	Parliament Hill Fields Lido: Repairs to water leak	£118,716

The projects are being funded from saving made on other projects in the programme.

Current Position

- CWP 2017/18 progress is summarised in the table below. A fuller picture based on the fund and area of service can be found in Appendix A.

Cyclical Works Programme 2017/18 Progress

TABLE 1: TOTAL PROGRAMME PROGRESS TO DATE AT 31/03/19						
Fund / Service	Total Budget	Total Actual Spend	Further Committed	Total Cost	Balance Un-committed	Total Progress
	£000's	£000's	£000's	£000's	£000's	%
2017/18 Programme						
City's Cash	6,493	3,070	372	3,442	3,051	53%
City Fund	4,144	2,464	143	2,607	1,536	63%
Guildhall Admin *	1,312	573	139	712	600	54%
TOTAL	11,948	6,107	655	6,761	5,187	57%

*£139k transferred to Capital projects

TABLE 2: SPEND AGAINST 2018/19 TARGETS TO DATE AT 31/03/19

Fund / Service	Total Budget £000's	Budget 2018/19 £000's	Actual Spend 2018/19 £000's	Spend Against Target %
2017/18 Programme				
City's Cash	6,493	2,596	1,358	52%
City Fund	4,144	2,277	1,693	74%
Guildhall Admin	1,312	617	304	49%
TOTAL	11,948	5,490	3,355	61%

- The 2017/18 CWP programme consists of 436 projects with a total value of £11.9m.
- The current position is that an actual spend of £6.1m has been achieved and orders for a further £655k of work have been placed. Progress is good at the half-way stage with 57% complete by value spent or committed. Actual spend, however, was below expectations.
- Reasons include the time taken to establish a package of approximately £1m of work for delivery by the City's maintenance contractor Skanska, to maximise co-ordination with other maintenance activities, re-phasing to suit operational requirements (e.g. £300k of redecorations at GSMD) and difficulties in procuring a specialist package of fire alarm works at the Barbican Centre. Though there are indications that internal resources are stretched, confidence in successful completion of the programme remains high.
- The status of the 2017/18 programme may be summarised as follows:

Complete	In Hand	Not Yet Started	Total
191	100	145	436

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- CWP 2018/19 progress is summarised in the tables below. More detail based on fund and area of service is at Appendix B

TABLE 3: TOTAL PROGRAMME PROGRESS TO DATE AT 31/03/19

Fund / Service	Total Budget	Total Actual Spend	Further Committed	Total Cost	Balance Un-committed	Total Progress
	£000's	£000's	£000's	£000's	£000's	%
2018/19 Programme						
City's Cash *	5,833	1,409	837	2,246	3,586	39%
City Fund**	4,101	731	338	1,070	3,031	26%
Guildhall Admin	1,429	213	310	522	906	37%
TOTAL	11,362	2,353	1,485	3,838	7,523	34%

* £80k transferred to Capital Projects ** £345k transferred to Capital Projects

TABLE 4: SPEND AGAINST 2018/19 TARGETS TO DATE AT 31/03/19				
Fund / Service	Total Budget	Budget 2018/19	Actual Spend	Spend Against Target
	£000's	£000's	£000's	%
2018/19 Programme				
City's Cash	5,833	2,051	1,409	69%
City Fund	4,101	754	731	97%
Guildhall Admin	1,429	176	213	121%
TOTAL	11,362	2,981	2,353	79%

10. The 2018/19 CWP programme comprises 577 projects with a total value of £11.4m. The current position is that £2.35m has been spent and a further £1.49m committed giving total progress of about 34% the programme, which is slightly ahead compared with previous programmes at the first year point. While actual spend was £628k less than expected, for reasons similar to those described at para 9, confidence in successful completion of the programme remains high.

11. The status of the 2018/19 programmed may be summarised as follows:

Complete	In Hand	Not Started	Total
141	215	221	577

Corporate & Strategic Implications

12. Cyclical Works Programmes set out to deliver three of the key objectives in the Corporate Property Asset Management Strategy.

- SO.1 – Operational assets remain in a good, safe and statutory compliant condition.
- SO.2 – Operational assets are fit for purpose and meet service delivery needs.
- SO.3 – Capital and supplementary revenue programmes are affordable, sustainable and prudent and that the limited available resources are directed to the highest corporate priorities.

Conclusion

13. Progress on both programmes is good.

Appendices

- Appendix A – 2017/18 Cyclical Works Programme
- Appendix B – 2018/19 Cyclical Works Programme

Report Author

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Agenda Item 8

Committee:	Date:
Corporate Asset Sub Committee	5 June 2019
Subject: Additional Repairs and Maintenance Programme 2018/19 Quarter 4	Public
Report of: City Surveyor Report ref CS 190/19	For Decision

Summary

The report provides an overview of the progress and expenditure of the three-year 2016/17 Additional Repairs & Maintenance Programme (AWP) at the end of the financial year 2018/19.

The programme for 2016/17 totals 269 projects with a budget of £5.248m over the life of the programme. Total cost of the programme was £4.906m, excluding the £221,550 previously agreed for carry-over into 2019/20.

One project expected to complete in 18/19 (ornate metalwork in London Central Markets) was not completed because of delays that project suffered due to access restrictions caused by neighbouring construction works being undertaken by Crossrail and Thames Water. Bar that, and projects your committee has already agreed will be carried into 2019/20, the programme is complete. While some final accounts remain to be agreed, current figures indicate that savings over the programme total £342,018.

Recommendations

Members are asked to approve the:-

- a) provision of £192,300 from the 2016/17 AWP budget into 2019/20 for project C037AW006L, LCM ornate metalwork maintenance finishes;
- b) provision of £100,000 from the 2016/17 AWP budget into 2019/20 to allow settlement of final accounts when agreed; and
- c) carry over of savings on this programme into the 2019/20 CWP to fund cyclical works currently on the reserve list.

Main Report

Background

1. The Additional Repairs & Maintenance Programmes (AWP) have been derived from the Forward Maintenance Plans to maintain the Corporation's operational estate in "fair to good" condition. Each AWP programme has a three-year delivery window. This report covers the remaining year of the 2016/17 programme at the end of the second quarter of financial year 2018/19.
2. The AWP has been replaced by the Cyclical Works Programme (CWP) from 2017/18. Progress on the CWP is reported half-yearly.
3. This report is based on spend figures as at 31/03/2019. An analysis of the overall programme to date is set out in the appendix to this report.

Current Position

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

TABLE 1: TOTAL PROGRAMME PROGRESS TO DATE AT 31/03/19						
Fund / Service	Total Budget	Total Actual Spend	Further Committed	Total Cost	Balance Un-committed	Total Progress
	£000's	£000's	£000's	£000's	£000's	%
2016/17 Programme						
City's Cash**	2,831	2,394	281	2,675	156	94%
City Fund	1,574	1,379	40	1,419	155	90%
Guildhall Admin *	843	792	20	812	31	96%
TOTAL	5,248	4,565	341	4,906	342	93%

* £203,784 budget transferred to Capital from AWP

**£74,375 budget transferred to Capital from AWP

TABLE 2: SPEND AGAINST 2017/18 TARGETS TO DATE AT 31/03/19				
Fund / Service	Total Budget	Budget 2018/19	Actual Spend 2018/19	Spend Against Target
	£000's	£000's	£000's	%
2016/17 Programme				
City's Cash	2,831	1,555	1,088	70%
City Fund	1,574	565	330	58%
Guildhall Admin	843	141	90	64%
TOTAL	5,248	2,261	1,508	67%

2016/17 Programme

5. The 2016/17 AWP programme consists of 269 projects with a total value of £5.248m. One project that was expected to complete in 2018/19 (C037AW006L, LCM ornate metalwork maintenance finishes, budget £200,000) was specified and procured but delivery was delayed because of neighbouring works by Crossrail and Thames Water. Those obstructions have now eased and the works can now progress. Bar that project and the seven projects previously approved for carry over into 2019/20, the programme is complete.
6. Actual spend appears substantially behind target. The shortfall is primarily made up of £221,550 for projects previously deferred to 2019/20, plus £192,222 ordered but not delivered on the ornate metalwork project at LCM and savings of £342,018 (showing as “Left to Spend” at the Appendix) on projects completed across the programme.
7. The status of the programme is summarised in the table below:

TABLE 3 End of Programme Summary			
Item	Description	Status	Comment
Projects Carried Over	C017AW019L, C157AW002L, R157AW001L, R167AW002L, R167AW003L, R087AW014L, R087AW001L	In hand	All for delivery by end of 2019
C037AW006L	Main Market, General, Metalwork Maintenance Finishes (Ornate)	Order Placed	Carry over to 2019/20 now requested
Remainder	159 Projects	Complete	

Corporate & Strategic Implications

8. The Additional Works Programme sets out to deliver three of the key objectives in the Corporate Property Asset Management Strategy.
 - SO.1 – Operational assets remain in a good, safe and statutory compliant condition.
 - SO.2 – Operational assets are fit for purpose and meet service delivery needs.
 - SO.3 – Capital and supplementary revenue programmes are affordable, sustainable and prudent and that the limited available resources are directed to the highest corporate priorities.

Conclusion

9. Progress on the 2016/17 programme is regaining track, and the remaining budget provision will be prioritised to ensure completion in 2018/19 financial year.

Appendix

- 2016/17 Additional Works Programme

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Committee(s): Corporate Asset Sub (Finance) – For Information Property Investment Board – For Information	Date: 05 June 2019 12 June 2019
Subject: City Surveyor's Business Plan 2018/19 Quarter 4	Public
Report of: The City Surveyor (CS 198/19)	For Information
Report author: John Galvin/ Faith Bowman, City Surveyor's Department	

Summary

This report provides details of progress in Quarter 4 2018/19 against the 2018-21 Business Plan, an update on the commercial property market, and a financial statement.

At the end of the year, the City Surveyor's Department achieved 14 of its 21 Key Performance Indicators (KPIs). Six measures did not meet their target, two being recorded as amber and four as red. One further item (performance against the MSCI benchmark) will be reported in quarter one.

The City Surveyor's Department continued to manage the City of London's property assets in a challenging environment, and the six indicators not meeting target reflects these challenges.

However, these difficulties were offset by achievements, some of which are detailed below.

The 2018/19 outturn reveals that against a latest local risk budget of £31.2m, the City Surveyor was £501k overspent (1.6%). This outcome is £492k lower than the forecast year end overspending at Quarter 3 of £993k.

Recommendation(s)

That Members note the content of this report.

Main Report

Background

1. In line with the City Corporation's performance management approach, this is a quarterly report on the progress made during Quarter 4 against the 2018-21 Business Plan.

Current Position

2. This report provides the latest budget information which is set out in Appendix A. Summary charts of performance in Appendix B and Appendix C provides a more detailed table of the department's Key Performance Indicators (KPIs). Market Commentary has been included 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 the department is also presented at this meeting.

Notable Achievements

5. The department continues to perform well. Some notable achievements are detailed below, and a full list is available upon request.
 - Acquisition of the Chartered Insurance Institute property and Barking Reach Power Station.
 - Restructure of the Guildhall Complex Operations and of the Energy Management Team.
 - The RIBA award shortlisting for Great Arthur House.
 - Delivery of Europe's fastest, free-to-use, outdoor Wi-Fi network
 - Continued out-performance of the MSCI benchmark over a ten-year timeframe.

Financial Statement

6. The 2018/19 outturn reveals that against a latest local risk budget of £31.2m, the City Surveyor was £501k overspent (1.6%). This outcome is £492k lower than the year-end overspend forecast at Quarter 3 of £993k and represents the efforts of the City Surveyor to bear down on costs and bring the budget back towards breakeven by year-end.
7. The principal areas of overspend were on the Guildhall complex and on the Departmental divisions of service.
8. For the Guildhall complex the overspend comprised of additional expenditure on employee costs, energy, and on repairs and maintenance at the Guildhall complex. The extra staffing costs relate mainly to additional security staff, where the team has filled vacant posts to reduce overtime and temporary staff charges. The energy costs reflect the 30% increase in market energy prices from October 2018 which has been outside the department's control. The extra repairs and maintenance spend is due to a higher level of essential reactive maintenance and more essential works being undertaken than had been anticipated in the budget. Some of this overspend is structural but this is not considered to be a problem for 2019/20 as Members approved a budget uplift for the complex of nearly £1m as part of the overall 2019/20 budget for the City Corporation.
9. The departmental budget was also overspent, principally due to a shortfall in professional fee income as a result of fewer major deals this year, and to additional employee costs arising from agency staff and from recruitment costs. The City Surveyor is examining ways to try and avoid a similar overspend in

2019/20 but much is dependent on market performance. Members will be kept advised of any issues in the quarterly monitoring reports.

10. The overspend on these two areas was in part offset by one-off savings on the City Fund Estate. As part of the plan to balance the budget, three cyclical works projects were largely deferred. These comprised lift works at 31 Worship Street and two projects at Leadenhall Market: refurbishment of some office space and emergency roof works which, following receipt of a full survey, were found capable of being incorporated into the main cyclical works project. Savings were also made due to lower voids in the period. This led to lower professional fees and advertising expenses. These savings were, in part, offset by lower dilapidation income due to lower tenant turnover. Subject to resources being identified, it is proposed to undertake the deferred projects in 2019/20.
11. Under Financial Regulation 2.2, any deficit on the total of a Chief Officer's local risk budgets is required to be carried forward and recovered from within the department's budget allocation for the following year. The City Surveyor's overall local risk budget for 2019/20 will therefore be reduced by the £501k overspend, and the City Surveyor is currently examining the business to identify potential areas of savings. The actions taken will be reported to Members in the Estimates Report presented to committees in the Autumn 2019.
12. On a more positive note, rental income, shown under central risk, exceeded the budget for the 2018/19 year with a final outturn of £136.3m some £6m more than the latest budget of £130.3m. The final outturn included over £6m of backdated rent collected.

Overall Progress

13. A Red-Amber-Green¹ (RAG) status 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 4.

Status ¹	Green	Amber	Red	TBC	N/A
Corporate Asset Sub Committee	11	2	4	0	0
Property Investment Board	13	0	3	1	0
Overall ²	14	2	4	1	0

14. Of the 21 KPIs being monitored, 14 were judged as being on target (green) and six measures were behind target – two amber and four red. One further measure (performance against the MSCI benchmark – PIB) will only be available in the Quarter 1 update.

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.

15. The following six measures failed to meet their respective target as at the end of the reporting year:

Reference	Title	Committee	Outturn	Target
KPI. 2	Delivery of strategic asset plans	CASC	Phase 2 still being developed (red)	Phase 2 report to CASC
KPI. 3	Service Based Review savings	CASC and PIB	£725k savings delivered (red)	£884k savings by 31/03/2019
KPI. 5	Energy Consumption	CASC	2.5% reduction (amber)	3.75% p.a. reduction on average
KPI. 6	Space Utilisation (Guildhall)	CASC	Current average at 7.8m ² (amber) pending Walbrook Wharf moves	Average Area (NIA) per FTE - 7m ² by end 2018/19
KPI. 7	Contract Performance Compliance	CASC	87% (red)	Achieve > 90% agreed SLAs and KPIs
KPI. 10	Adherence to Budgetary Spend Profiles	CASC and PIB	84% of projected spend delivered (red)	To deliver between 95% and 105% of projected spend

A. KPI. 2 – Delivery of strategic asset plans (PIB / CASC) – Red
Target – report to CASC on Phase Two by the end of the year.

The Phase Two scope has been agreed, but engagement, collating data and preparation of new plans has not yet been achieved. This has been due to ongoing staff vacancies, engagement with the newly completed Phase One asset management plans, and other income generating priorities.

B. KPI. 3 – Service Based Review (SBR) Savings (PIB / CASC) – Red
Target - Delivery of £884k savings by end of the year. This comprised of:

- £400k BRM contract
- £40k deletion maintenance post at Walbrook Wharf
- £9k Central Criminal Court maintenance restructure
- £235k Barbican/GSMD FM restructure
- £200k Guildhall security

Most of the above savings have been successfully delivered and budgets have been adjusted accordingly. Of the £884k target for this year, £725k was successfully delivered.

The 9k target relating to the Central Criminal Court (CCC) maintenance restructure for 2018/19 was not delivered. Over two years (including 2017/18) this restructure was designed to deliver £85k savings for the organisation. The City Surveyor's Department is supporting the CCC to meet this target.

The £200k Guildhall security target has not been met in its entirety (£150k outstanding). Following the budget setting process, the delivery model was changed – outsourcing to better resourced in-house provision with less overtime – and the full quantum of savings could not be made. Finance Committee agreed to provide an additional £150k to the department to account for this change in approach.

C. KPI. 5 – Energy Consumption (CASC) – Amber
Target – 40% reduction on 2008 baseline by 2026 (3.75% per annum)

The 2018/19 annual performance shows an overall decrease of 2.5% in weather corrected energy consumption. Compared to the 2008 baseline, the Corporation has seen an absolute 19.4% reduction in energy consumption, and 16.5% when weather corrected.

The Guildhall complex was the main contributor to the energy reduction, supported by reductions at New Spitalfields Market, the Central Criminal Court and the City of London School. This was partly countered by significant increase in energy consumption at the Freeman's School, GSMD Milton Court and Tower Bridge.

D. KPI. 6 – Space Utilisation (CASC) – Amber
Target – Net Internal Area (NIA) per FTE - 7m² by end 2018/19

This has not been achieved by year end. Current average at 7.8 m², but further project to relocate Walbrook Wharf occupiers to Guildhall North wing and achieve new letting at Walbrook Wharf have both been approved by Members, with delivery anticipated in Quarter 2 in 2019/20, subject to funding availability and mechanical and engineering surveys.

E. KPI. 7 Property contract performance compliance (CASC) – Red
Target - 90% of KPIs achieved

The Quarter 4 performance is 87%, which is an improvement from the previous score of 79.7%.

The failings are due to continued poor performance from our lift contractor and failure by the mechanical and engineering contractor to upload planned preventative maintenance (PPM) information within the required timeframes.

The current security provider has had failings with its provision of mobile patrols, but this was corrected in the last month of the quarter.

Both the Security and Lift contractors are legacy companies who were unsuccessful in the tender process and are now being managed out.

- F. KPI. 10 Adherence to Budgetary spend Profiles (CASC/PIB) – Red
Target – actual capital project spend achieves between 95% and 105% of the revised budget.

Outturn was 84.2%.

The spend profile based on proposed capital schemes was £112,487,877. The final spend was £94,659,992 which equates to an underspend of £17,827,885 or 15.8%. Underspends on Cyclical Works Programme (CWP) and Capital Projects has been somewhat offset by an overspend on the Guildhall.

For the CWP, progress has been made in designing, specifying and procuring works, but delivery has been slower than expected in the last quarter. This has been largely due to necessary rephasing to avoid or minimise operational disruption, and to agree programmes with appointed contractors.

A number of Capital Projects have been delayed or placed on hold, which has resulted in the capital budget underspend. Examples include security enhancement projects (both City Fund and City Cash), 123/124 New Bond Street and the Finsbury Circus Gardens. As the last of these projects attests, numerous factors can influence project delivery, and items such as the delay to the delivery of TfL Crossrail, these are often outside the control of the department.

Data Quality Assurance

16. The City Surveyor is satisfied the data collected for the governance of projects, monitoring of the department's business plan and other objectives is consistent, high quality, timely, comprehensive and supports good decision making within the department.

Conclusion

17. The City Surveyor's Department has continued to effectively manage the City of London's property assets in a challenging environment.

Appendices

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

Background Papers

The City Surveyor's Business Plan 2018-21

The City Surveyor – Business Plan Progress Report Quarter One (CS 368/18)
The City Surveyor – Business Plan Progress Report Quarter Two (CS 478/18)
The City Surveyor – Business Plan Progress Report Quarter One (CS 368/18)
The City Surveyor – Business Plan Progress Report Quarter Three (CS 069/19)
The City Surveyor’s Department – Notable Achievements

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Committee(s): Corporate Asset Sub (Finance) Committee – For information Property Investment Board – For information	Date(s): 05 June 2019 12 June 2019
Subject: City Surveyor's Departmental Risk Register 2018/19 Quarter 4	Public
Report of: The City Surveyor (CS 197/19)	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 A). Since the last report to this Committee, the key changes to the departmental risks are as follows:

- **SUR SMT 004** – Inability to deliver savings required by the Service Based Reviews (SBR)
 Current risk score 2 (green)
 Budgets have now been adjusted to account for all SBR activity, therefore this risk has been removed.
- **SUR SMT 005** – Recruitment and retention of property professionals
 Current risk score 8 (Amber)
 This score has decreased from the previous period due to the department's ability to provide Market Forces Supplements (MFS) to some staff.
- **SUR SMT 011** – Management of City Bridge and River Wall Risks
 Current risk score 6 (Amber)
 This risk has been newly identified and reflects the possibility that some risks are not being accurately identified or managed.

The City Surveyor's Department also manages the repairs and maintenance risks associated with the City Bridges. This register (Appendix B) 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(s)

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

Main Report

Background

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

Current Position

2. 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.
3. 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.
4. 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 A.
5. 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 B. 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)

Red Risks

6. The three red risks currently being managed all relate to the City Bridges. Mitigation actions are largely in place for these risks. This includes a process of regular monitoring, maintenance and follow-up on actions as these are identified.
7. The City Surveyor's Department continues to work with colleagues in the Department of the Built Environment (DBE) with quarterly meetings scheduled. We are currently in the process of finalising a formal Service Agreement in order to better manage the information flows between the two departments. The finalisation of this agreement has been delayed due to the support that DBE has been providing to the on-going inquest into the 2017 London Bridge attack.

Changes since last review

8. The key changes since the last review was presented to Committee:

- A. **SUR SMT 004** – Inability to deliver savings required by the Service Based Reviews
 - Current risk score 2 (green)
 - Budgets have now been adjusted to account for the Service Based Review savings. This risk has now been removed.
- B. **SUR SMT 005** – Recruitment and retention of property professionals
 - Current risk score 8 (Amber)
 - This score has decreased from the previous period due to the department's ability to provide Market Forces Supplements (MFS) to some staff, and letters have been sent to impacted individuals. Whilst this has reduced the likelihood risk, it is still being closely monitored. Two members of staff have recently left the Corporate Property Group for private practice and this supports the continued amber rating on this item.
- C. **SUR SMT 011** – Management of City Bridge and River Wall Risks
 - Current risk score 6 (Amber)
 - The City Bridge Trust and Bridge House Estates are undertaking a governance review through an officer Task and Finish Group. This will also consider the appropriate location for risk ownership. In the interim this department continues to work with the Department of the Built Environment to improve our management of these risks.
 - However, until a high-performing relationship is in place between the two departments there is an increased possibility that risks associated with both the City Bridges and the River Walls are not accurately identified or efficiently managed. This risk has been created to reflect this potential event.
 - As noted in bullet 7 above, work is on-going to finalise the Service Agreement between both departments. This has been agreed in principle, but the finalisation of the document has been delayed due to resource constraints.

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 A – City Surveyor's Departmental Risk Register
- Appendix B – City Bridge top risks

Background Papers

- The City Surveyor – Risk Update (CS 353/18)
- The City Surveyor – Risk Update (CS104/19)

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Committee:	Dated:
Corporate Asset Sub-Committee (CASC)	5 th June 2019
Subject: Annual Energy Performance Report 2018/19	Public
Report of: The City Surveyor	For Information
Report author: Mansi Sehgal, Corporate Energy Manager	

Summary

This report presents the 2018/19 Annual Energy Performance Report with the results of the energy consumption for CoL operational sites and an update on the annual trend to meet the energy reduction targets set out in the Corporation’s Carbon Descent Plan.

The weather corrected energy consumption for the CoL operational sites **decreased 2.5%** in 2018/19 compared to 2017/18. The Guildhall Complex was the main contributor to the energy reduction, supported by reductions at New Spitalfields Market, Central Criminal Court, Barbican Arts Centre and City of London School. This was partly countered by significant increases in energy consumption at CoL Freeman’s School, GSMD Milton Court and Tower Bridge.

The annual performance up to 2018/19 indicates a 19.4% reduction in absolute energy consumption, translating to a 16.5% reduction when corrected for the weather against the 2008/09 baseline. This is short of the target by ~1.5% for a 18% reduction in weather corrected energy consumption by 2018/19 in order to be on course for a 40% reduction by 2025/26.

Recommendation

That the Sub Committee receive the report as information.

Main Report

Performance update

1.1 The weather corrected energy consumption for Apr-18 to Mar-19 was 2.5% lower than the consumption over Apr-17 to Mar-18, as presented in Table 1 below. Appendix 1 presents the performance of the top 30 sites which account for ~98% of the consumption.

1.2 Table 1. Performance comparison by site group: 2018/19 with 2017/18

Group	2017/18	2018/19 up to Q4	Diff. kWh	Diff. %
Walbrook Wharf	1,933,581	1,699,369	-234,211	-12.1%
GHC	19,650,648	17,318,337	-2,332,310	-11.9%
CoL Boys	3,412,625	3,123,012	-289,613	-8.5%
Police	6,202,265	5,855,872	-346,393	-5.6%
Courts	8,561,132	8,239,862	-321,270	-3.8%
M&CP*	29,936,343	29,271,739	-664,604	-2.2%
TC	1,425,386	1,389,152	-36,234	-2.5%
BAC	17,420,016	17,096,058	-323,957	-1.9%
BE	6,003,994	6,007,297	3,302	0.1%
CoL Girls	2,224,762	2,244,760	19,998	0.9%
Mansion House	2,199,224	2,306,203	106,979	4.9%
OS	7,588,232	8,037,101	448,869	5.9%
GSMD	7,390,072	7,867,222	477,149	6.5%
CoL Freeman's	4,316,320	4,874,703	558,383	12.9%
City Surveyor's	28,816	37,349	8,532	29.6%
Total	118,293,417	115,368,037	-2,925,380	-2.5%

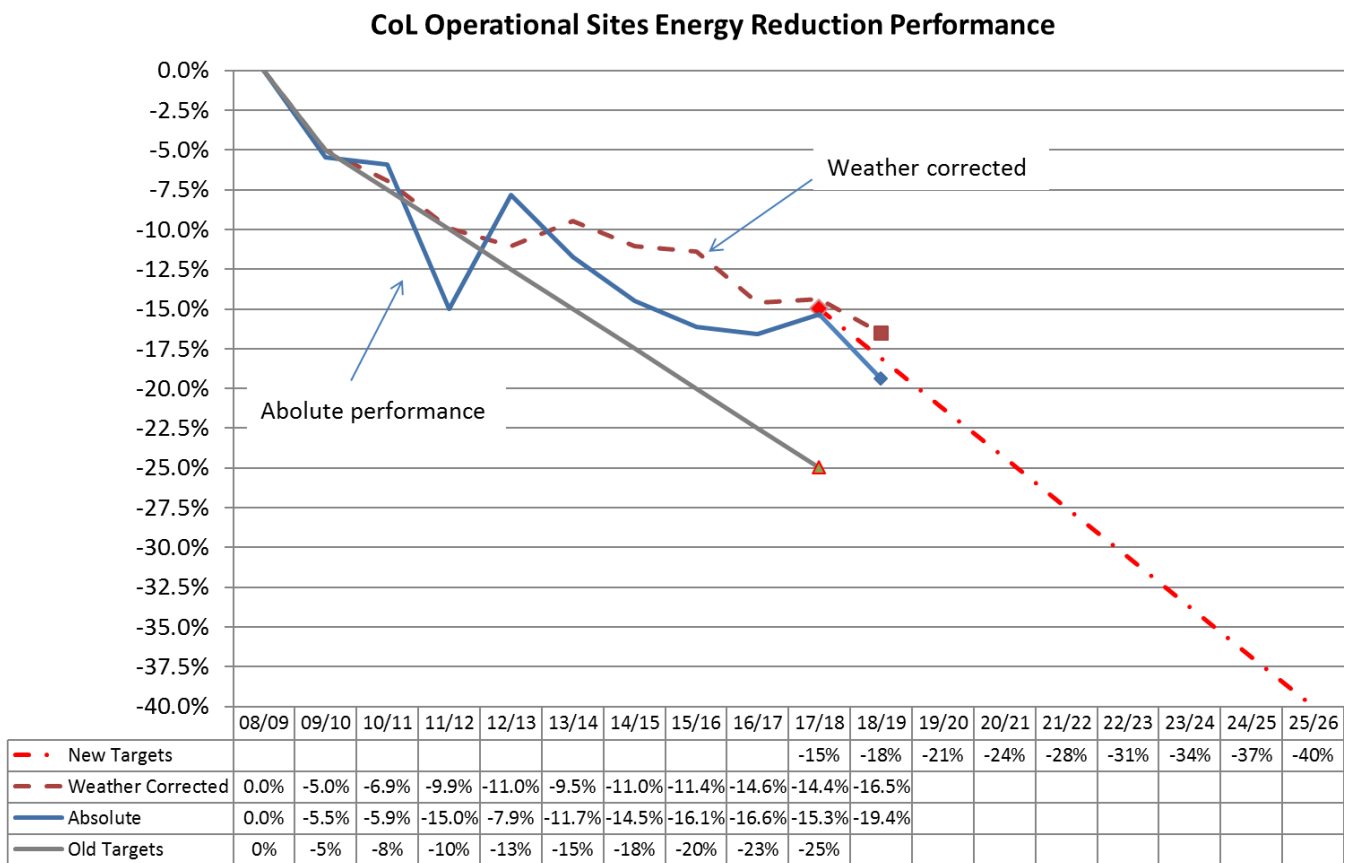
*includes tenant's consumption

- 1.3 **Guildhall Complex (GHC):** over half the energy reduction at GHC relates to the gas steam generators whose consumption has reduced by 40% due to a combination of site FM actions to minimise unnecessary usage (especially over the summer period) and partly due to cessation of generation for half of the site due to plant faults. The Energy Team have worked closely with site FM to implement improvements to the BEMS control of the HVAC. This has contributed to an overall reduction of heat consumption of 11% and electricity consumption of 3.5%. Further savings are being achieved as the Energy Team continue to optimise the building controls which will be accelerated through the support of a new BEMS specialist from Jun-19. The Energy Team are progressing opportunities for future options for site-wide cooling and humidification, improved sub-metering, and investment into ventilation plant upgrades.
- 1.4 **Walbrook Wharf:** overall energy consumption was down mainly due to a reduction in gas consumption as a result of the workshop space heating system being replaced. This was countered by an increase in electricity due to temporary heating in use. Electricity use of the main office block has reduced, likely due to occupancy changes. In the next few months, we are expecting a rise in the energy consumption is likely to increase in the short-term as site occupancy increases and Veolia commence their electric vehicle charging.
- 1.5 **LCM (Smithfields):** cooling consumption was significantly higher over the unseasonably warmer summer period but continued to be higher over the autumn. The Energy Team investigated and adjusted BEMS controls and this has shown a 30% reduction in cooling consumption since implemented. Smithfields electricity consumption has reduced ~3.5%, mainly driven by improvements to the car park ventilation control initiated by the Energy Team and further supported by new LED lighting and resolving HVAC maintenance issues. These savings were partly offset by a 10% increase in electricity for the Poultry & General market due to new tenant refrigeration. The Energy Team have identified significant further savings potential relating to the zoned and seasonal control of heating and cooling and will be working closely with the site to achieve these.
- 1.6 **New Spitalfields Market:** an 8% reduction in electricity consumption at New Spitalfields is probably a temporary reduction related to reduced tenant refrigeration equipment, and further reductions from this source are unlikely to carry forward into 2019/20.

- 1.7 **Barbican Arts Centre (BAC):** the site has seen significant reductions in energy consumption across its services and areas. Based on typical weather conditions cooling consumption is down 8% due to site FM improvements to control settings. Excluding the Exhibition Halls, the electricity consumption is down ~5% again related to improved cooling control but also new efficient ventilation fans/motors for the Concern Hall, Catering and library and replacement pneumatic air compressors. The closure of the Art Gallery for refurbishment has also partly contributed to this reduction. The HVAC controls at the Exhibition Halls are past their economic life and systems are now unable to function efficiently and require regular manual intervention which remains barrier to energy reductions. The Energy Team are working with site FM to progress a range of measures including LED lighting, pump and motor/fan upgrades, and further control strategy improvements.
- 1.8 **GSMD (Silk St. & Milton Ct. & Sundial Ct.):** the heating consumption has been significantly higher over the last year, especially for Milton Ct. (up 32%) due to occupant requests for higher space temperatures and longer heating hours. Electricity consumption increased by ~3% overall, mainly related to the John Hose Annexe and Silk St. Cooling consumption for Milton Ct. has been reducing significantly over recent months, probably due to control improvements undertaken by BAC FM. The Energy Team have completed several audits of the sites and are progressing measures including LED lighting, ventilation motors, and BEMS control strategy improvements.
- 1.9 **Central Criminal Court (CCC):** heating oil consumption reduced by 20% following an ongoing lower trend since Apr-18 when site FM actions, supported by the Energy Team, have been taken to improve the operation of the old boiler boilers with further improvements in progress. This has been supported by an energy audit of the CCC and specific steam system survey. LED lighting upgrades, improved BEMS settings, and chiller controls are being considered. As the phased refurbishment continues, energy should reduce, but significant reductions will only come once older heating and cooling plant is decommissioned at the end of the programme.
- 1.10 **Mansion House:** energy consumption increases relate to HVAC maintenance issues; some have now been resolved. The Energy Team are working with site FM to progress issues around the seasonal control of the chillers and the control strategy for the ventilation plant.
- 1.11 **Freemen's:** most of the increased energy relates to the new swimming pool, but also significantly higher heat consumption for Philp House due occupation changes to support site redevelopment. An energy audit has been completed by the Energy Team and measures for LED lighting and improved building control are being considered. The Energy Team will also be working with the site to improve HVAC control settings.
- 1.12 **CoL Boys:** Gas consumption reduced by 17% related to new gas boilers and improved heating control. An energy audit has been completed by the Energy Team and measures for LED lighting, ventilation motor controls, and improved building control are being considered.
- 1.13 **CoL Girls:** overall electricity consumption was slightly higher, mainly a result of increase off-peak heating which will be investigated. The Energy Team have provided an energy audit for the school and work particularly focused on a more efficient swimming pool plant.
- 1.14 **CoL Police:** in line with the accommodation changes, there were reductions at Snowhill and Wood St. and increases at Bishopsgate. It should be noted that currently the department's consumption excludes 21 New Street, which is being occupied from 2018 for about 8 years during the accommodation changes.

- 1.15 **Tower Bridge:** Gas consumption doubled, possible relating to the new gas boilers providing increased heating services. The Energy Team will investigate the heating control to see if any improvements can be made. The main electricity consumption decreased by 15% probably as the result of electric heating being replaced by the new gas boiler system.
- 1.16 **London Metropolitan Archive (LMA):** electricity for the offices reduced by ~8% and appears to relate to improvements to the comfort cooling systems. However, there was increased electricity consumption within the archives, and data indicates excessive usage over Jan-19 which the Energy Team will investigate. The Energy Team have undertaken an audit of the LMA and are considering an improved zoned HVAC solution for the archives.
- 1.17 **CoL Cem. & Crem.:** the main cremators consumed slightly less gas this last year. There was an increase in electricity consumption for the workshops, probably related to increased electric vehicle charging.

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



Conclusion

2.1 The 2018/19 annual performance shows an overall decrease of 2.5% in weather corrected energy consumption compared to 2017/18. This is ~0.5% short of the annual target for a ~3% reduction per year. Compared to the 2008/09 baseline the performance up to 2018/19 indicates a 19.4% reduction in absolute energy consumption, translating to a 16.5% reduction when corrected for the weather. This is short of the target by ~1.5% for a 18% reduction in order to be on course for a 40% reduction by 2025/26.

2.2 Please note, this annual report provides an update on all CoL operational sites. As previously agreed, future quarterly reports (Q1, Q2, Q3) will focus purely on the quarterly progress of the

top 30 sites which account for ~95% of the energy consumption. Appendix 1 provides an update on the performance for each of the top 30 sites for 2018/19 Q4.

- 2.3 Please also refer to Appendix 3 providing information on energy intensity metric and benchmarking that was presented at the last Property Investment Board (PIB) committee. It was agreed to support and prioritise the sub-metering project for Guildhall.
- 2.4 Finally, to make progress on the 40% energy reduction target by 2025 will require funding and support to prioritise energy efficiency opportunities identified for big consuming sites. At present, the Energy Team is developing a project pipeline needing investment worth £1.8m. Various funding routes are being explored including the Gateway report and Salix, an interest free loan available to public sector to carry out energy efficiency projects.

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Committee(s)	Date:
Corporate Asset Sub-Committee	5 June 2019
Subject: Heritage at Risk Register (HARR) Report 2018	Public
Report of: City Surveyor (CS/184.19)	For Information
Report author: Susana Barreto, City Surveyor's Department	

Summary

Historic England publishes an annual register of statutorily protected heritage sites, which it regards 'most at risk of being lost through neglect, decay or inappropriate development'. The latest edition of the Heritage At Risk Register (HARR) was published in November 2018.

The City of London Corporation (the City) is involved with nine heritage assets listed in the 2018 edition of the HARR. When compared to last year's report, two assets have been removed, one asset has been added and one asset has worsened its registered trend. The majority of actions identified last year have been completed, however some were not possible due to stakeholder ownership complexity and also resource limitations.

This report explains the circumstances and issues for each asset and sets out the plans of action implemented to eventually remove those that the City wholly or partly owns from the HARR.

It is anticipated that one entry will be removed from the HARR in 2019.

Recommendation

Members are asked to:

- Note the contents of this report.

Main Report

Background

1. A very small proportion of the City's property portfolio, which includes 788 heritage assets, is currently notified in the HARR. Designation within HARR is helpful in leveraging advice from Historic England and priority access to funding.

Current Position

2. The City is involved with nine heritage assets listed in the 2018 edition of the HARR. When compared to last year's report, two assets have been removed, St Alphege Gardens and Kenley Common WWII fighter pens group of seven following completion of conservation works; one asset has been added (the Grotto in Wanstead Park); and one asset has worsened its registered trend (Kenley Common WWII fighter pens group of four).

3. From the list of nine assets registered in the 2018 edition of the HARR, only two are in the City's full control (90 Gracechurch Street and the Grotto). Seven of the entries in the HARR are partly owned or managed by third parties. Four of the entries in the HARR pertain to assets that are Parks or Conservation Areas, where parts are owned or managed by third parties, making removal from the HARR more difficult to achieve and in some cases impossible (Bunhill Fields Conservation Area).
4. The full text of the entries in the HARR for City's properties and a summary of issues and circumstances for each asset can be found in Appendix A, tables 1 and 2.
5. The following table sets out the plans of action to enable removal of these assets from future HARR: -

	<u>Assets</u>	<u>Condition/ Trend¹</u>	<u>Actions/ Strategy</u>
<u>Within the City</u>	St Mary Somerset Tower (Listed Building Grade 1) City's property but developer is responsible to look after the building	Fair	It is anticipated that this asset will be removed from the HARR in 2019, on the basis that the developer will complete the second phase of works as planned.
	London Wall All Hallows (Scheduled Monument) Church of England's property but the City is responsible to look after the churchyard	Declining	City to start conservation works in summer 2020, subject to resources (officers time and funding) and approval to work on a third-party property.
	Roman Wall 90 Gracechurch Street basement (Scheduled Monument) City's ownership and responsibility	Improving	City to keep monitoring. This asset will be removed from the HARR once conditions stabilise and remain acceptable for a period of at least 12 months.
<u>Outside the City</u>	Kenley Common WWII fighter pens (group of four) (Scheduled Monument) Multiple owners including the City.	Declining	City to liaise with Historic England to request revision of this entry to reflect the different property ownerships. (Historic England has confirmed that the Scheduled Monument owned by the City is not considered to be 'at risk'.)
	Wanstead Park (Registered Park & Garden Grade II*) Multiple owners including the City.	Declining	City to submit HLF bid on date tbc. (Note: The Wanstead Park Reservoirs have been identified as a high-risk cascade by the Environment Agency. This has led to the appointment of a Panel Engineer. The report on remedial action required will form the basis of a capital project that will include seeking funding from external sources such as HLF. The project is already identified at Gateway 1.)
	Wanstead Park Conservation Area (Conservation Area) Multiple owners including the City.	Deteriorating	
	The Grotto (Listed Building Grade II) City's ownership and responsibility	Poor	
	Bunhill Fields Conservation Area (Conservation Area) Multiple owners including the City.	Deteriorating	City to assist the Islington Council over inappropriate developments in the wider area.
	Ashted Park (Registered Park & Garden Grade II) Multiple owners including the City.	Improving	Continued ground maintenance strategy by the City and the Surrey Wildlife Trust

¹ Condition or Trend as reported in the HARR 2018.

Identified Risks

6. In order to prevent the addition of the London Wall Car Park and the Fort Gatehouse to future editions of the HARR, the works to these monuments were prioritised and will be undertaken in the later part of 2019 as part of the Cyclical Works Programme (CWP).
7. Following an incident in December 2018 when a small piece of stonework fell from above the doorway on the north side of the Great Hall (Guildhall), the City Surveyor is working with the Remembrancer to plan together conservation works for the Great Hall and other areas of the Guildhall complex (internal and external). It is anticipated that the extent of works will require a longer shut down period than that provided by the usual August recess. This is a preventative measure to ensure that this unique and important Grade 1 listed asset is preserved appropriately.

Corporate & Strategic Implications

8. Owners of listed buildings are under no statutory obligation to maintain their property in a good state of repair, although it is in their interests to do so. Local authorities can, however, take action to secure repair when it becomes evident that a building is being allowed to deteriorate. There are a number of provisions available to local planning authorities and Historic England to deal with different situations and stages in the enforcement process. Some of these relate specifically to listed buildings, because of their individual importance, and others to the more general amenity value of an area. The powers escalate as the problem escalates. A list of enforcement powers available to local authorities can be found in Appendix B.
9. If appropriate works are not undertaken to heritage assets, they will inevitably deteriorate further. A lack of suitable maintenance would permit further decay and increase repair costs. A failure to invest in these assets may also contribute to the eventual loss of these irreplaceable historic assets while posing a reputational risk to the City as well as health and safety risks.
10. The strategy to undertake works that will remove these assets from the HARR and prevent other assets being added to the HARR is part of the wider operational property portfolio maintenance and renewal programme, and part of the City's Asset Management Strategy 2017-18. For the effectiveness of this strategy the projects are being monitored on a case by case basis and, where there are concerns about the likelihood of additional listing, the works are prioritised. However, due to staff resource limitations, it is not possible to monitor the whole of the extensive Heritage Estate (788 assets) and anticipate all potential new additions to the HARR.
11. The City Surveyor continues to manage a planned programme of maintenance works across the Heritage Estate to mitigate the risk of other assets being added to future HARR. Heritage assets are included in the annual Cyclical Works Programme (CWP) bid process, competing against other Corporate Properties – however Heritage bids are usually high in the prioritisation list,

improving the chance of funding being approved. However, it should be noted that the City is in the process of undertaking a fundamental review of its services and therefore any future funding for these heritage assets is dependent on the outcome of this review.

12. It should be noted that the more affordable/easier to fix assets in the HARR, such as the remains of the City Wall are slowly being removed, but larger properties, such as Wanstead Park (including the Grotto) will require a combination of capital and Lottery funding to raise the substantial initial investment needed, together with continued CWP funding and Local Risk resources to maintain any restoration.

Conclusion

13. The strategy in place is still considered to be the appropriate balanced course of action in the context of maintaining the City's entire operational property portfolio, as incremental progress has been made developing asset management strategies and improving the assets' current condition in the past years. As a result of the work done in St Alphage Gardens and Kenley Common two assets have been removed from the HARR in 2018, and it is anticipated that St Mary Somerset Tower will be removed from the HARR in 2019.
14. Projects are being monitored on a case by case basis and, where there are concerns about the likelihood of additional listing, the works are prioritised.
15. From the list of nine assets registered in the 2018 edition of the HARR, only two are in the City's full control (90 Gracechurch Street and the Grotto). Seven of the entries in the HARR are partly owned or managed by third parties making removal from the HARR more difficult to achieve and in some cases impossible (Bunhill Fields Conservation Area).

Appendices

- Appendix A – City's heritage assets included in 2018 HARR
- Appendix B – List of enforcement powers available to local authorities

Background Papers

Heritage at Risk Register (HARR) Report 2017, dated 13 February 2018

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