



Corporate Asset Sub (Finance) Committee

Date: TUESDAY, 15 SEPTEMBER 2020

Time: 1.45 pm

Venue: VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

Members:

Deputy Jamie Ingham Clark (Chairman)	Michael Hudson
James de Sausmarez (Deputy Chairman)	Jeremy Mayhew
Rehana Ameer	Deputy Joyce Nash
Randall Anderson	Deputy Philip Woodhouse
Dominic Christian	Sheriff Christopher Hayward
Marianne Fredericks	Shravan Joshi
Alderman Alison Gowman	

Enquiries: Chris Rumbles
christopher.rumbles@cityoflondon.gov.uk

Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:

<https://www.youtube.com/watch?v=VsGGpd9of8I&feature=youtu.be>

This meeting will be a virtual meeting and therefore will not take place in a physical location following regulations made under Section 78 of the Coronavirus Act 2020. A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

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 22nd July 2020.

For Decision
(Pages 1 - 8)

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

Report of the Town Clerk.

For Information
(Pages 9 - 10)

5. **WORK PROGRAMME FOR FUTURE MEETINGS**

Joint report of the Town Clerk and City Surveyor.

For Information
(Pages 11 - 12)

6. **CLIMATE ACTION STRATEGY**

Report of the Town Clerk & Chief Executive.

For Information
(Pages 13 - 20)

7. **BUSINESS PLAN 2020-25 / QUARTER 1 2020/21**

Report of the City Surveyor.

For Information
(Pages 21 - 28)

8. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER - SEPTEMBER UPDATE**

Report of the City Surveyor
(N.B. – To be read in conjunction with the non-public appendix at item 20)

For Information
(Pages 29 - 32)

9. **2019/20 ANNUAL ENERGY PERFORMANCE REPORT & 2020/21 QUARTER 1 UPDATE**

Report of the City Surveyor.

For Information
(Pages 33 - 38)

10. **THE HERITAGE ESTATE PORTFOLIO - OVERVIEW**

Report of the City Surveyor.

For Information
(Pages 39 - 42)

11. **REVIEW OF THE CYCLICAL WORKS PROGRAMME (CWP)**

Report of the City Surveyor.

For Decision
(Pages 43 - 50)

12. **BARBICAN HIGHWALKS - PLANNED MAINTENANCE OF THE PUBLIC REALM**

Report of the Director of Community and Children's Services.
(N.B. – To be read in conjunction with the non-public appendix at item 21)

For Decision
(Pages 51 - 56)

13. **SECURITY UPDATE (VERBAL UPDATE)**

Update of the City Surveyor.

For Information

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

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

16. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Part 2 - Non-Public Agenda

17. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 22nd July 2020.

For Decision
(Pages 57 - 62)

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

Report of the Town Clerk.

For Information
(Pages 63 - 64)

19. **REPORT OF NON-PUBLIC ACTION TAKEN BETWEEN MEETINGS**

Report of the Town Clerk.

For Information
(Pages 65 - 68)

20. **CITY SURVEYOR'S RISK REGISTER: NON-PUBLIC APPENDIX**

To be read in conjunction with item 8: City Surveyor's Department Risk Register.

For Information

21. **BARBICAN HIGHWALKS - PLANNED MAINTENANCE OF THE PUBLIC REALM: NON-PUBLIC APPENDIX**

Non-public appendix to be read in conjunction with item 12.

For Information

22. **COMBINED HEAT AND POWER SYSTEM - UPDATE ON CITIGEN COMMERCIAL NEGOTIATIONS**

Report of the City Surveyor.

For Information
(Pages 69 - 72)

23. **POWER PURCHASE AGREEMENT FOR OFFSITE RENEWABLE ELECTRICITY - CONTRACT AWARD REPORT**

Joint report of the Chamberlain and the City Surveyor.

For Information
(Pages 73 - 78)

24. **MAJOR PROJECTS - - BIDS FOR OPERATIONAL PROPERTY 2021/22 BY CITY SURVEYORS**

Report of the City Surveyor.

For Decision
(Pages 79 - 84)

25. **GUILDHALL EVENT SPACES AV REPLACEMENT / UPGRADE**

Report of the Remembrancer.

For Decision
(Pages 85 - 94)

26. **COMPUTER AIDED FACILITIES MANAGEMENT SYSTEM REPLACEMENT**

Report of the City Surveyor.

For Decision
(Pages 95 - 100)

27. **CITY OF LONDON OPERATIONAL TENANTS SEPTEMBER QUARTER (REPORT TO FOLLOW)**

For Decision

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

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

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CORPORATE ASSET SUB (FINANCE) COMMITTEE

Wednesday, 22 July 2020

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at
Committee Room 2 - 2nd Floor West Wing, Guildhall on Wednesday, 22 July 2020 at
1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)
James de Sausmarez (Deputy Chairman)
Rehana Ameer
Randall Anderson
Marianne Fredericks
Alderman Alison Gowman
Michael Hudson
Jeremy Mayhew
Deputy Joyce Nash
Sheriff Christopher Hayward
Shravan Joshi

Officers:

Dianne Merrifield	- Chamberlain's Department
Paul Wilkinson	- City Surveyor
Peter Young	- City Surveyor's Department
James Gibson	- Chamberlain's Department
Rebecca Muscat	- Town Clerk's Department
James Rooke	- City Surveyor's Department
Alison Bunn	- City Surveyor's Departments
Jonathon Poyner	- Barbican Centre / GSMD
Dorian Price	- City Surveyor's Department
Ian Hughes	- Department of the Built Environment
Natalie Evans	- Chamberlain's Department
Sam Collins	- Chamberlain's Department
Paul Friend	- City Surveyor's Department
John Galvin	- City Surveyor's Department
Peter Collinson	- City Surveyor's Department
Julian Kverndal	- City Surveyor's Department
Chris Rumbles	- Town Clerk's Department
Chloe Rew	- Town Clerk's Department
Cornell Farrell	- Barbican Centre
Jonathon Cooper	- City Surveyor's Department
Peter Collinson	- City Surveyor's Department
Fran Leedham	- JLL Consultant

The Town Clerk provided an update to the membership of the Sub-committee since publication of the agenda confirming Shravan Joshi and Chris Hayward had been appointed by Property Investment Board in place of Edward Lord and John Chapman.

1. **APOLOGIES**

Apologies were received from Joyce Nash.

The Chairman welcomed all to a first meeting of Corporate Asset Sub-committee in six months, noting this had been reflected in a very full agenda.

The Chairman extended an additional welcome to Shravan Joshi and Chris Hayward, both of whom were attending their first meeting. The Chairman also extended his thanks to Edward Lord and John Chapman for their valued service to the Sub-committee.

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

No declarations of interest were made.

3. **MINUTES**

The Chairman referred to a small typographical error on page 5 referring to the Director of Community Services, with the addition of Children needed in the title.

Resolved, that the public minutes and non-public summary of the previous meeting held on 29th January 2020 are approved as an accurate record, subject to the above change.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

The Sub-Committee considered a report of the Town Clerk which provided information of outstanding actions from previous meetings.

The Chairman noted there were two items that remained ongoing.

RECEIVED

5. **REPORT OF ACTION TAKEN BETWEEN MEETINGS**

The Sub-committee received a report providing details of recent decisions taken by the Town Clerk, in consultation with the Chairman and Deputy Chairman.

The Chairman remarked on how the detailed report reflected that the Sub-committee had not met formally for six months, with the previous Deputy Chairman and himself having been kept busy throughout this period. The Chairman took the opportunity to thank the former Deputy Chairman for his valued support over the last year.

The Chairman referred to a report that he had requested for the next meeting that would allow an opportunity to consider potential improvements to the

Cyclical Works Programme and look at how urgent items can be delivered within 12 months rather than over 3 years as per the current programme. This item would be added to the carry forward actions to ensure the Sub-committee does not lose sight of it.

RECEIVED

6. **WORK PROGRAMME FOR FUTURE MEETINGS**

The Sub-Committee considered a joint report of the Town Clerk and City Surveyor providing information on the Work Programme for future meetings.

The Chairman explained that the report presented standing items at future meetings and confirmed that a reset of the Cyclical Works Programme would be added to the list of items.

RECEIVED

7. **ASSET MANAGEMENT - PROGRESS REPORT**

The Chairman confirmed that he would consider this item and the following one together.

Sub-committee received a report of the City Surveyor providing an update on progress with implementation of the 17 asset management recommendations approved by Finance Committee and Corporate Asset Sub-committee in April 2019.

The City Surveyor confirmed that out of 17 asset management recommendations six had now been fully implemented, with 11 partially implemented pending further conditionality in aligning these to the Target Operating Model and Governance Review. A next step would be to embed recommendations more fully and seek direction from the Sub-committee on further implementation, with this presenting a link to the next item on the agenda.

RECEIVED

8. **CORPORATE PROPERTY ASSET MANAGEMENT STRATEGY PRESENTATION**

The City Surveyor presented on the existing Corporate Property Asset Management Strategy (CPAM), potential scope and review process for a revised strategy and talked through a range of options to consider and provide feedback on before reporting back in October with a proposed final strategy seeking approval.

The Chairman acknowledged there would be resourcing challenges as the strategy progressed and suggested that where savings were to be achieved and that there would be an opportunity to seek funding costs through the next capital bid round.

Members discussed the proposals noting these had been presented to the Sub-committee for the first time today. There was agreement to hold an informal meeting of the Sub-committee in September to allow an opportunity to drill down further into the proposals. A number of additional areas were highlighted where the strategy would need to align. These included Climate Action Strategy, Fundamental Review, Governance Review, Target Operating Model, Corporate Plan and also ensuring the strategy aligned to the City Corporation's overall strategic objectives.

The City Surveyor accepted a need to provide links as suggested and acknowledged further work was needed to make the strategy easier to understand.

Following discussion, the Chairman agreed to invite all Members to the informal meeting of the Sub-committee in September. It would then be for Members to choose whether to attend.

The update to the Corporate Property Asset Management Strategy was noted.

9. **CITY SURVEYOR'S BUSINESS PLAN 2019/2020 Q4**

The Sub-committee received a report providing details of progress in quarter 4 2019 – 24 Business Plan.

RECEIVED

10. **CITY SURVEYOR'S RISK REGISTER 2019/20 Q4**

The Sub-committee received a report providing a quarterly update on the management of risks within the City Surveyor's Department.

A Member referred to SUR SMT 012 – Management of City Bridges and River Walls straddling two areas and noted a Service Level Agreement (SLA) had been agreed and was being implemented. The Member raised concern with Member oversight of the SLA and asked to see a copy of this to understand how it would work.

The City Surveyor explained that the SLA focussed on operational delivery of existing commitments and had been introduced as an interim measure pending the conclusion and findings of the wider review of Bridge House Estates. It was not a matter of policy or strategy at this point.

RECEIVED

11. **SUSTAINABLE BUILDINGS STRATEGY PRESENTATION**

The Town Clerk clarified that further to publication of the agenda it had been agreed that this item would need to be considered in the non-public part of the agenda and would be for decision.

12. **CORPORATE FACILITIES MANAGEMENT - UPDATE REPORT**

The Sub-committee received a report of the City Surveyor updating on key workstreams being undertaken by the Corporate Property Facilities

Management Team before the Covid-19 pandemic and also highlighting works being undertaken in response to the pandemic.

A Member thanked Officers for all their work in ensuring YMCA was in a position to be able to accommodate rough sleepers. The Member referred to a recent visit to the site and a problem that had been identified with radiators permanently giving off heat. The City Surveyor agreed to arrange a visit to the site and for the issue to be resolved.

RECEIVED

13. **SECURITY UPDATE**

The Sub-committee received a report of the City Surveyor updating on key security issues across the Corporate Estate.

RECEIVED

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

The Sub-Committee received a report of the Managing Director of the Barbican Centre proposing a final carry forward of the Capital Cap to 2020/21.

The Managing Director explained the proposal was looking to close out the old Capital Cap system before moving and aligning to the Cyclical Works Programme at the City Corporation.

Resolved, that:-

- Approval be given to the carry forward of £109,375.18 (ex. VAT) to 2020/21.

15. **GUILDHALL WEST WING BARRIERS GW6 OUTCOME REPORT**

The Sub Committee received a report of the City Surveyor providing an update to the conclusion of the project and seeking approval that the project be closed.

Resolved, that approval be given to closure of the project.

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

A Member acknowledged the number of staff that had remained in the workplace throughout the Covid-19 pandemic and also the significant number of office staff that were continuing to work from home. The Member expressed concern that there appeared to be lack of a plan to reopen the workplace and accommodate a phased return.

The City Surveyor assured the Sub-committee that considerable planning had already taken place in looking at revised capacity options in each area of the estate and in developing a methodology for moving people in and out of sites safely, whilst also ensuring appropriate track and trace measures were in place.

The City Surveyor further explained that all staff returning to the workplace would need to undertake an individual risk assessment before they return. The situation remains that where staff are able to work from home safely that they should continue to do so; feedback received from a number of corporate companies indicate many were not looking to bring staff back until the new year.

The City Surveyor stressed that the health of City Corporation employees must be the primary consideration when taking any decision to bring staff back into the workplace. The City Corporation had continued to adhere to Government and Public Health guidance throughout the pandemic with health experts providing input to Covid-19 Gold Group and allowing informed decisions to be taken.

The update was noted.

17. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no additional items.

18. EXCLUSION OF THE PUBLIC

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

19. NON-PUBLIC MINUTES

The non-public minutes of the previous meeting held on 29th January 2020 were approved as an accurate record.

20. OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS

The Sub-Committee noted a report of the Town Clerk which provided information of non-public outstanding actions from previous meetings.

21. REPORT OF NON-PUBLIC ACTION BETWEEN MEETINGS

The Sub-committee received a report of the Town Clerk providing details of recent non-public decisions taken between meetings.

22. NON-PUBLIC APPENDIX: CITY SURVEYOR'S RISK REGISTER 2019/20 Q4

The Sub-committee received a non-public appendix relating to the City Surveyor's Risk Register.

23. CITIGEN (VERBAL UPDATE)

The Sub-committee received a verbal update of the City Surveyor in relation to Citigen.

24. 20 / 21 ALDERMANBURY - ROUND 2 TENDER RETURNS UPDATE

The Sub-committee considered a report of the City Surveyor relating to 21 /20 Aldermanbury.

25. **GSMD CAPITAL CAP UPDATE**
The Sub-committee considered a report updating on Guildhall School of Music and Drama's Capital Cap programme.
26. **80 FENCHURCH STREET HIGHWAY DISPOSAL**
The Sub-committee considered a report of the City Surveyor updating on 80 Fenchurch Street Highway Disposal.
27. **65A BASINGHALL STREET**
The Sub-committee considered a report of the City Surveyor updating on 65a Basinghall Street.
28. **GW2 GREAT HALL INTERNAL HEALTH AND SAFETY RESTORATION WORKS**
The Sub-committee considered a report of the City Surveyor relating to the Great Hall Internal Health and Safety Restoration Works.
29. **BAYNARD HOUSE CAR PARK**
The Sub-committee considered a joint report of the Director of the Built Environment and City Surveyor relating to Baynard House Car Park.
30. **POWER PURCHASE AGREEMENT (PPA) FOR OFFSITE RENEWABLE ELECTRICITY - PROCUREMENT STAGE 1A MID TENDER PROGRESS REPORT**
The Sub-committee received a report of the Chamberlain updating on a power purchase agreement for offsite renewable electricity.
31. **GUILDHALL AND WALBROOK WHARF - MAJOR PROJECTS UPDATE**
The Sub-committee received a report of the City Surveyor updating on Guildhall and Walbrook Wharf major projects.
32. **COMMITTEE ROOMS AUDIO VISUAL EQUIPMENT**
The Sub-committee received a report of Chamberlain updating on audio visual equipment for Committee Rooms.
33. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

A Member raised a question concerning the Guildhall Masterplan.
34. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

At this point in the meeting the Sub-committee considered a report and presentation on a Sustainable Buildings Strategy that had been moved from the public part of the agenda.
35. **CONFIDENTIAL MINUTES**

The confidential minutes of the meeting on 29th January 2020 were approved as an accurate record.

The meeting ended at 3.43pm

Chairman

Contact Officer: Chris Rumbles
christopher.rumbles@cityoflondon.gov.uk

Corporate Asset Sub-Committee – Carry Forward Public Actions

	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress update
P05/2019	05.06.19	<u>Sub Committee Terms of Reference</u>	Peter Young	At time of AMSBR amendments to terms of reference	ONGOING: Officers to report back on whether the terms of reference provide for advising on all bids for Heritage Lottery funding – noted that any clarification of Sub Committee terms of reference could be made at time of other future amendments arising from outcome of AMSBR.
P06/2020	Barbican Estate Highwalk	Report back on budget provision of £50k leaving a funding gap for maintenance of the highwalk. Report to address how to fill this funding gap.	Paul Murtagh	1 st April 2020	COMPLETE Report on agenda 15.0920
P07/2020	Cyclical Works Programme	Report to be presented at next meeting in September to consider potential improvements to CWP and how urgent items can be delivered within 12 months rather than over three years as per the current programme.	Alison Bunn	15 th September 2020	COMPLETE Report on agenda 15.09.20.

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Corporate Asset Sub-Committee

Work Programme September 2020 - January 2021

COMMITTEE DATE	15/09/2020	18/11/2020	tbc/01/2021
SUSTAINABLE MANAGEMENT OF THE CORPORATION'S OPERATIONAL PROPERTY PORTFOLIO			
Corporate Property Asset Management Strategy		Draft Strategy for 2020-25	
City Surveyor's Business Plan	Business Plan 2020/21 Q1 outcome report		Business Plan 2020/21 Q2 outcome report
City Surveyor's Risk Register	Risk Register 2020/21 Q1 report		Risk Register 2020/21 Q2 report
Facilities Management	Security update	Security update	Security update
Portfolio management information		Annual report on Operational Property Portfolio	
Operational Property Review (note individual assets will be reported as declared surplus by service committees) and other disposals		Woodredon Farm disposal update	
Sustainability			
UPKEEP, MAINTENANCE AND FURNISHING OF OPERATIONAL PROPERTIES NOT WITHIN THE REMIT OF ANOTHER SERVICE COMMITTEE			
	CWP Q1/2 2020/21 progress report		

COMMITTEE DATE	15/09/2020	18/11/2020	tbc/01/2021
TO MONITOR MAJOR CAPITAL PROJECTS RELATING TO OPERATIONAL ASSETS			
RECOMMENDING THE ANNUAL PROGRAMME OF REPAIR AND MAINTENANCE WORKS			
	Cyclical Works Programme for 2021/22 Bid report Cyclical Works Programme - options for improvement		
RESPONSIBILITY FOR STRATEGIES, PERFORMANCE AND MONITORING INITIATIVES IN RELATION TO ENERGY			
	Citigen update report Energy Performance 2019/20 Q4 report Energy Performance Q1 2020/21 report	Citigen update report Energy Performance Q2 2020/21 Report	
MONITORING AND ADVISING ON BIDS FOR HERITAGE LOTTERY FUNDING			
	Heritage Estate Review		

Committee	Date
Property Investment Board with Corporate Assets Sub Committee (<i>For Information</i>)	19 August 2020
Resource Allocation Sub Committee (<i>For Decision</i>)	7 September 2020
Planning & Transportation Committee (<i>For Information</i>)	8 September 2020
Procurement Sub Committee (<i>For Information</i>)	9 September 2020
Open Spaces Chairs (<i>For Information</i>)	9 September 2020
Projects Sub Committee (<i>For Information</i>)	15 September 2020
Corporate Asset Sub Committee (<i>For Information</i>)	15 September 2020
Property Investment Board (<i>For Information</i>)	16 September 2020
Resource Allocation Sub Committee (<i>For Decision</i>)	18 September 2020
Port Health & Environmental Services Committee (<i>For Information</i>)	22 September 2020
Finance Investment Board (<i>For Information</i>)	23 September 2020
Policy & Resources Committee (<i>For Decision</i>)	24 September 2020
Court of Common Council (<i>For Decision</i>)	8 October 2020
Subject Climate Action Strategy	Public
Report of The Town Clerk & Chief Executive	
Report Author Damian Nussbaum, Director of Innovation & Growth	For Decision

Summary

This paper contains a scoped and costed Climate Action Strategy for the City of London Corporation, to be considered by the Policy & Resources Committee in September and the Court of Common Council in October 2020. It presents:

- i. **Appendix 1:** An executive summary of the proposed Climate Action Strategy;
- ii. **Appendix 2:** Action sets by committee; and
- iii. **RASC Confidential Appendix 3:** Resource Allocation Sub Committee only with an approach to funding the strategy.

The proposed strategy has three, interlinked primary objectives for the City Corporation and the Square Mile: to support the achievement of net zero emissions, to build resilience and to champion sustainable growth.

Climate Action is an extension of our work to advance London and UK as centre for excellence in green finance. Championing sustainable growth is therefore already core to the work done across the City Corporation. It is also an integral part of our work under the Responsible Business Strategy (2018-23). This paper therefore focuses on the other two primary objectives:

- Net zero: mitigating the impact of climate change by achieving net zero emissions for the City Corporation and the Square Mile; and

- Resilience: ensuring our buildings and public realm are resilient to the more extreme weather conditions that are going to occur.

Founded on science-based targets, rather than simply a call to action, the proposed strategy sets out a vision and goals for the next two decades. The City Corporation would be committing to:

- 1. Achieve net zero emissions by the end of:**
 - **2025 for the City Corporation's direct emissions**
 - **2040 in the City Corporation's wider value chain**
- 2. Achieve net zero in the Square Mile's direct and indirect emissions, excluding those resulting from investment activity.**
- 3. Further reduce climate-related risks by strengthening climate resilience of the Square Mile and the City Corporation's assets to extreme weather conditions and rising sea levels.**

To do this, we will cut the emissions associated with our direct activities such as buildings, and business. We will also tackle indirect emissions that are associated with our purchased goods and services, and our investments and other parts of our value chain. We will optimise the role of our open spaces and the public realm in removing carbon and as places for people and nature. We will work with our partners across the Square Mile to build upon our efforts to increase climate resilience and reduce risks posed by climate change. And we will maximise how net zero and resilience mutually reinforce each other, especially with respect to buildings.

The Climate Action Strategy introduces a new and permanent way of working for the City Corporation, where all decision-making integrates considerations of the risks and opportunities associated with climate change. It reinforces existing City Corporation strategies and will be pivotal to achieving the outcomes at the heart of the Corporate Plan (2018-23). As much as the overarching strategy addresses the next 20 years, the baselines, action plan and targets will be reviewed and refreshed every five years to drive transparent performance tracking and accountability. Learning on which actions and interventions are most efficiently driving impact will be incorporated on a more frequent basis.

Through this strategy, we will secure and strengthen our market position globally as a financial centre. Locally, we will ensure the competitiveness of our buildings, investment properties and public spaces as attractive places to work, live, study and visit, both now and in the future.

Though focused on tackling climate change, the strategy's impact will be wider. It will support the economy. It will enhance the physical environment and open spaces. And it will benefit individuals through creating jobs and improving air quality. More immediately, it will also ensure that the City Corporation has a strong platform to present at the Green Horizon Summit in November, one year ahead of the United Nations annual climate meeting, COP26.

Recommendations

Planning & Transportation Committee, Resource Allocation Sub Committee, Procurement Sub Committee, the Open Spaces Chairs, Projects Sub Committee, Corporate Asset Sub Committee¹, Port Health & Environmental Services Committee and Finance Investment Board are recommended to:

- i. Note the report, the draft strategy at **Appendix 1** and the action sets by committee at **Appendix 2**.

Resource Allocation Sub Committee only is also recommended to:

- ii. Consider the options for funding the additional budget required to deliver the strategy, shown at **Confidential Appendix 3**, and decide which to recommend to the Policy & Resources Committee for approval.

Main Report

Background

1. In June 2020, Policy & Resources Committee agreed that a Climate Action Strategy should be presented to the Committee in September, and the Court of Common Council in October, for approval. Building on a series of studies which reported in June/July, there has been intensive work over the summer to develop the strategy, so that it is impactful, affordable and deliverable.
2. The City Corporation's approach to developing this strategy has been set out in previous public papers and is summarised in the executive summary of the strategy at **Appendix 1**.

Current position

3. The baseline position, describing current and projected resilience risks, emissions sources and carbon removal capacity for the City Corporation and Square Mile, was shared with Members at a briefing in May and is also summarised in the executive summary of the strategy at **Appendix 1**.
4. With enormous financial pressures, affordability is critical. Initial indications pointed to additional spending of £100m-£120m for the remaining four years of the Medium-Term Financial Plan (MTFP). Over the summer, departments across the City Corporation have worked at pace to strengthen the financial modelling, strip out costs and both reprioritise and align with existing programmes. Members have also looked at how to achieve the outcomes while managing cost and risk. As a result, the additional envelope for the MTFP amounts to an annual cost of £15m capital and £2m revenue. (N.B. These

¹ Property Investment Board reviewed the information presented here at their 19 August meeting and agreed the actions associated with the Investment Property Estate.

figures were being finalised at the time of submission and will be confirmed in the confidential appendix on funding options.)

5. There is also a major financial upside. These capital investments will also bring major reductions in energy costs. In the case of the owned/operated properties, this will drive down future revenue requirements, as less money is spent on energy. This has the potential to save £3.5m per annum in future revenue costs. Equally, on the investment property estate, the reduction in energy costs amounts to £2m per annum. This offers an opportunity to enhance yields/values. Given time lags, these reductions are excluded from the funding options.

Options

6. Funding options are set out in **Confidential Appendix 3**, for consideration for Resource Allocation Sub Committee, only, so that it can put forward its recommendation to Policy & Resources Committee.

Proposals

7. Proposed actions for the first five years of the strategy are set out at **Appendix 2** to inform relevant committees before these are put to Policy & Resources Committee for decision.

Public and stakeholder engagement

8. The engagement plan, approved by Policy & Resources Committee in June 2020, has three phases. Phase 1 – April to June 2020 – involved workshops with expert officers and external technical experts, written submissions from stakeholder groups and a survey of businesses about their climate action plans.
9. Phase 2 – mid-July to the end of August 2020 – broadened out the opportunity to share views to the wider public by means of an online survey on a dedicated web portal. Its purpose was to check levels of priority and the feasibility of potential options with our stakeholders and to gather contact details and followers in preparation for phase 3. At the time of drafting, over 2600 people had responded to the survey. 16% were residents, 44% were workers, 20% were visitors, 4% were students and 8% work at the City Corporation. 77% said climate change should be extremely important to the City Corporation. More information is available on request.
10. Phase 3 will commence with the launch of the strategy following approval by the Court of Common Council and continue for the duration of the strategy. Its purpose is to support implementation and local action.

Next steps

11. The governance timetable is set out in the title box of this report. If Policy & Resources Committee and the Court of Common Council approve and endorse this strategy, the cross-departmental officer team will firm up detailed action

plans and key performance indicators for the first period of the strategy, taking us up to 31 March 2025 . The first step is to ensure the financials and actions are embedded in departmental budgets and Business Plans.

12. Governance and accountabilities will also be firmed up within the revised governance arrangements and operating model, which will also underpin a comprehensive approach to capability. This offers opportunities to work more effectively across the City Corporation and improve how we drive performance. Funding will be released as and when sufficient controls – clear targets, transparency on outcomes and accountability – are demonstrably in place. And we will report annually on progress.

Corporate & Strategic Implications

13. Strategic Implications – This strategy complies with the latest climate science necessary to meet the goals of the Paris Climate Agreement (2015) and is complementary to London-wide and national efforts to reduce emissions and improve resilience of our communities and urban spaces. This includes the draft London Plan, GLA London City Resilience Strategy 2020, the London Councils' Leaders' commitment to a 'green recovery', the UK Committee on Climate Change, Climate Risk Assessment 2017 and National Adaptation Programme, as well as the landscape of policies set out by government.
14. It is integral to achieving economic, societal and environmental outcomes in the Corporate Plan, 2018-23. As stated above, it builds upon existing strategies and policies, including: The Responsible Business Strategy 2018-23, the Responsible Investment Policy, the City Procurement Strategy 2020-24, the Local Plan 2015, the draft City Plan 2036, the Transport Strategy 2018-43, the Air Quality Strategy 2015-20, the Climate Mitigation Strategy, the Carbon Descent Plan, the Transition to a Zero Emission Fleet Policy, the Renewable Electricity Policy & Sourcing Strategy and related campaigns, such as Plastic Free City. It is aligned to ongoing reviews of our financial and property investment portfolios and is influencing the development of the Bridge House Estates Strategy 2020-45 which is proceeding in parallel through governance.
15. Financial Implications – The additional envelope for the MTFP amounts to an annual cost of [£15m] capital and [£2m] revenue. Proposals on Climate Action beyond this MTFP will be brought to Members in the usual way, and savings made following investment in this first period should offset future investment requirements.
16. Resource Implications – Implementing the strategy will require changes in capability, capacity and culture. This will include expertise and skills sets in some areas that the City Corporation does not currently have. But it will be critical to the deliverability of the strategy that there is not only the funding for the capital works, but the capability to manage these projects successfully. Resource and capability requirements are being built into the new operating model. Any additional resources are included in the funding calculations or will be absorbed into existing budgets.

17. Risk Implications – This strategy is primarily focused on addressing risks to the competitiveness and physical environment of the Square Mile. These relate to unavoidable climatic events impacting critical infrastructure and natural resources, financial risk from decreased value of assets or opportunity loss and reputational risks from both operational failure and failing to adapt to UK and global decarbonisation commitments. Residual risks relate to successful implementation. These will be explored by means of a ‘deep dive’ discussion at Audit & Risk Management Committee on 1 October 2020, to provide additional assurance to the Court.
18. Legal Implications – There are no legal implications at this stage as recommendations are compliant with legislation, including the City Corporation’s obligations under the UK Climate Change Act (revised 2019), which has enshrined in law both a target of net zero emissions by 2050 and requirements for measures for climate adaptation (improved resilience). It is however highly likely that contracts and contract changes will result from the proposed actions.
19. Equalities Implications – A Test of Relevance was undertaken on the options put forward for consideration to Resource Allocation Sub Committee in June 2020. The purpose was to identify any potential detrimental impact on the nine protected groups defined in the Equality Act 2010. It showed that people in at least one of the following five protected groups - age, disability, race, pregnancy/maternity and gender - would be likely to benefit from actions set out in this strategy. This is due to the emphasis on improvements in air quality, the public realm and indoor comfort and on reducing fuel poverty. The widening of pavements would be expected to lead to an enhanced feeling of safety for all. No negative impacts were identified. Equalities analysis will be carried out throughout implementation so that any negative impacts can be mitigated and opportunities for positive impacts exploited.
20. The public survey included standard demographic questions to enable equality analysis. No statistically significant differences in feedback from the groups was identified. In terms of reach, 6% of visits to the website and survey used the Bengali translated site. Due to the timing and ongoing disruption at educational facilities, under 25 representation was low. This will be addressed in phase 3.
21. Security Implications – There are no security implications arising from the recommendations in this report.
22. Climate Implications – This section will be added to all committee papers seeking decisions going forward.

Conclusion

23. The Climate Action Strategy offers the City Corporation a unique opportunity to act decisively in responding to climate change – a key challenge of our time – while managing costs. The strategy has the potential to be a defining cross-Corporation policy. Founded on science-based targets, rather than simply a call to action, it will ensure that the City Corporation has a credible approach to climate action that is impactful, affordable and deliverable. This will allow us to protect our physical and financial assets for decades to come. It also positions the City to seize the opportunities presented by the transition to a low-carbon economy.

Appendices

1. The Draft Climate Action Strategy (2020-2040) Executive Summary
2. Action Sets by Committee
3. Confidential Funding Options (for Resource Allocation Sub Committee only)

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Committee(s): Corporate Asset Sub (Finance) Committee – For Information Property Investment Board – For Information	Date(s): 15 September 2020 16 September 2020
Subject: Business Plan 2020-25 Quarter 1 2020/21	Public
Report of: The City Surveyor (CS 300/20)	For Information
Report author: John Galvin / Faith Bowman Business Performance and Improvement	

Summary

This report provides Members of Property Investment Board (PIB) and Corporate Asset Sub (Finance) Committee (CAsC) details of progress in quarter 1 (April to June) 2020/21 against the 2020-25 Business Plan. It provides Members with an update on the commercial property market and a financial statement.

This report also provides an update to the end-of-year 2019/20 Progress Report (CS 203/02) in relation to KPI. 2 Energy efficiency and KPI. 17 Outperformance of MSCI return benchmarks.

At the time the Business Plan 2020-25 was approved by committees (PIB in December 2019 and CAsC in January 2020), it was envisaged to monitor all the seventeen Key Performance Indicators (KPIs) using the Red Amber Green (RAG) assessments. The Covid-19 pandemic has altered our capacity to accurately target set three of our measures in relation to the investment estate.

Of the seventeen KPIs that are being monitored, five were assessed as green (on target) and five indicators were amber (marginally behind target). Three items will not have a RAG assessment made, and four further measures will be assessed throughout out the year.

The amber indicators were the following:

- KPI. 1 – Asset realisation (CAsC)
- KPI. 3 – Space utilisation (CAsC)
- KPI. 5 – Adherence to budgetary spend profiles (PIB and CAsC)
- KPI. 9 – Capital project Gateway reports (PIB and CAsC)
- KPI. 16 – Delivery of strategic utility infrastructure

The City Surveyor is currently forecasting a year-end overspend of £301k on a budget of £32.732m (0.9%). This is as a result of a shortfall in professional fee income, fundamental review savings being placed on hold awaiting the target operating model, and the 2019/20 departmental overspend being brought forward.

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 1 (April – June) compared to the 2020-25 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.
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. This includes a specific appendix on risks relating to Covid-19.

Financial statement

5. The monitoring statement attached at Appendix A reveals that, against a total local risk budget of £32.732m for the year, the City Surveyor is forecasting an overspend of £301k (0.9%).
6. This is principally due to a reduction in professional fee income due to fewer property deals during the pandemic, an overspend on salaries due to agreed fundamental review savings being put on hold awaiting the City Corporation's new target operating model, and the brought forward overspend from 2019/20. These costs have, in part, been offset by savings driven by Covid-19 – particularly the closure of the Guildhall and other operating properties.
7. The City Surveyor is examining his budgets with a view to eliminating the deficit by year end.
8. Members should note that the Covid-19 is having an adverse impact on rental income for the year. The City Surveyor is updating his rental forecasts to be presented to the September Property Investment Board. This will provide more information on the likely financial impact.

Market commentary

9. For the occupier market, JLL reported that central London office take up in the first three months of the calendar year totaled 1.7 million sq ft which was 22% below the 10-year average (2.2 million sq ft) for these months and 25% below the same period in 2019. This reduction was partly due to a slow-down in economic activity after the new year, but also due to the run up to the UK Covid-19 lockdown, as sentiment was poor following the first lockdown in Italy from February 2020.
10. The impact of Covid-19 can be clearly seen in Collier's take up figures for April to June 2020 which were 65% down year-on-year. The vacancy rate only increased marginally from 4.80% for January to March to 5.30% for April to June which compares to the 10-year quarterly average of 5.7%. However, since lock-down there has been a noticeable increase in tenant space being released back to the market. This trend is likely to continue but it is hoped that shortages of speculative supply will dilute the impact.
11. In respect of the retail sector a significant number of tenants are struggling to pay rent on existing sites and unsurprisingly are not expanding at the current time. An increase in the number of retail businesses entering administration was seen during March to June, a trend which is expected to continue.
12. Whilst there was a rebound in the central London office investment market at the start of 2020 following the Conservatives election victory, this has been promptly overshadowed by Covid-19. According to Avison Young, £2.40bn was transacted in January to March 2020 which was 22% below the 10-year average and 12% below the same period last year. Investment volumes for April to June were significantly reduced at £682m, 81% down on the long-term average, reflecting the impact of Covid-19. There is evidence of a flight to safety as the limited pool of investors still in the market seek assets with long leases or let to the government.
13. JLL's Prime City yield is 4.00%, which compares with the West End prime yield of 3.50%. Prime rents in the City are £65psf - £75psf, the West End £105psf- £115psf, City Fringe £60psf - £70psf and Docklands £45psf - £50psf.

Business Plan progress reporting

Quarter 4 2019/20 update

14. In the quarter 4 update (CS 203/02) two measures were flagged to be reported to Committee a period in arrears.
 - A. KPI. 2 – Energy efficiency (CAsC)
Reduction of 4.1% in quarter 4, compared to a year-end reduction target of 4%.
Green

Smithfield Market was the main contributor to the energy reduction, supported by reductions at Guildhall Complex, Central Criminal Court, Street Lighting and Milton Court.

B. KPI. 17 – Outperform Morgan Stanley Capital Index (MSCI) benchmark (PIB) Green

Whilst an indicative assessment was made in July, the final figures have now been published by MSCI.

Estate	Total Fund Return (Year to March 2019) %	Benchmark Return %	MSCI Universe Return %	Income Return for the Estates %	Capital Growth for the Estates %
“House Fund” (provisional)	8/9	2.2	-1.1	-	-
Bridge House Estates	11.6	2.2	-1.1	3.2	8.2
City’s Estate	8.3	2.2	-1.1	3.3	4.9
City Fund	6.1	2.2	-1.1	3.6	2.5

The House Fund, City’s Estate, Bridge House Estates and City Fund all outperformed the MSCI Benchmark (Greater London Property) and the UK Universe (All UK Property) annual total return.

This compares with the annual returns on MSCI UK Equities at -19% and JPM 7-10 Years Government Bonds Index at 6.4%.

Quarter 1 2020/21 update

Coronavirus

15. Ordinarily the department would report a RAG status against all its seventeen KPIs. This is based upon performance against target, or expected, performance. The Covid-19 pandemic has altered our capacity to target set many of our measures, particularly in relation to the investment estate. The current level of uncertainty is such that it is not possible to accurately predict what ‘good’ performance looks like.

16. Whilst many KPIs will be impacted by Covid-19, the ones that will not be RAG assessed this year are as follows:

A. KPI. 11 – Rental forecasts

At the time of publishing this report the rental forecast numbers were still being finalised. This is due to the additional complexity as a result of Covid-19. Figures will be separately to PIB in September.

B. KPI. 12 – Minimise arrears

Arrears have increased to 24.87% including deferrals of 14.99%. For the period this was a better result than many of our industry peers.

C. KPI. 13 – Minimise voids

Voids are reported twice a year. As of 1 June, the void figure was 2.94%.

17. Members will note the inclusion of the thematic Covid-19 risk register as part of your regular Risk report. This includes a specific risk relating to the impact on our investment property returns.

Performance

18. A 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 1.

Status ¹	Green	Amber	Red	No RAG	N/A
Corporate Asset Sub Committee	5	5			3
Property Investment Board	3	3		3	3
Overall ²	5	5		3	4

19. Of the seventeen KPIs being monitored, ten KPIs were affected by Covid-19. Whilst there has been significant attention on the impact to the investment property estate, activities such as project delivery, asset utilisation, and budget spend have also been affected. This is reflected in the number of KPIs that are currently recorded as being off target.

20. Overall, there were five indicators that were amber for the period. These relate to:

A. KPI. 1 – Asset realisation (CAsC)

Current performance at £1.6m against an end-of-year target of £45.3m.

Amber

Covid-19 has impacted lease events and planned disposals. Rental support and attention being provided to existing tenants (560 tenancies across portfolio).

B. KPI. 3 – Space utilisation (CAsC)

Current performance is off-target to meet the end-of-year target of £3,620/FTE.

Amber

The end-of-year target on this measure represents a reduction of 5% on the cost per full time equivalent (FTE) member of staff from the 2019/20 figure of £3,826/FTE.

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.

As a result of the March 2020 Covid-19 lockdown, the Guildhall complex was completely vacated for much of Q1 (except for approximately 20 keyworkers). As the City Corporation continues to navigate towards the end of lockdown period, the City Corporation will continue to review how we manage the phased return to the office and to improve its utilisation.

C. KPI. 5 – Adherence to budgetary spend profiles (PIB and CAsC)

Current performance is off-target to meet the end-of-year target to meet between 95% to 105% of projected spend.

Amber

Due to the Covid-19 lockdown, and the subsequent adherence to social distancing, some projects have had delayed commencement or delivery. For the Additional and Cyclical Works Programmes, over 70 projects are now back onsite. Contractors have been keen to recover lost revenue from March and April, so we should see accelerated progress.

Guildhall and Corporate Facilities Management spend has been less than anticipated as many City buildings have been closed or working at reduced capacity resulting in less reactive repairs being undertaken.

D. KPI. 9 – Capital project Gateway reports (PIB and CAsC)

57% complete against a target of over 70%.

Amber

The lower than anticipated presentation of Gateway reports to Committee is a direct result of Covid-19. Over the period, several Gateway 6 (Outcome) reports were scheduled to be presented to Committee. However, in line with Corporate guidance, these “for information” reports were delayed until the remote Committee process was embedded. These reports should clear over the coming months.

E. KPI. 16 – Delivery of strategic utility infrastructure

Off-target against end-of-year project targets.

Amber

Due to changes in the market, it is now unlikely that the 150 locations will be rolled out with new small cells. Instead, Cornerstone is reviewing proposals to enhance existing 240 locations with new technology to serve all four mobile networks. These physical changes to street furniture may pose visual considerations and will need approval from the Streets & Walkways Committee. The earliest expected start date for this work is quarter 4 2020/21.

Conclusion

21. This report provides an update at quarter 1 against the department’s Business Plan KPIs. The department is dealing with several challenges as a result of Covid-19 and is endeavouring to maintain and maximise its performance over this testing period. The commitment of staff over the last six months should be commended.

Appendices

- Appendix A – Budget monitoring statement
- Appendix B – Key Performance Indicator table
- Appendix C – Headline performance charts

Background Papers

The City Surveyor – Business Plan Progress 2019-24 Quarter 4 Update (CS 203/02)

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Agenda Item 8

Committee(s): Corporate Asset Sub (Finance) Committee – For information Property Investment Board – For information	Date(s): 15 September 2020 16 September 2020
Subject: City Surveyor's Departmental Risk Register – September Update	Public
Report of: The City Surveyor (CS 301/20)	For Information
Report author: Faith Bowman / John Galvin City Surveyor's Department	

Summary

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

The City Surveyor department currently has four amber risks on its Departmental Risk Register (Appendix 1). Furthermore, the department is managing three additional risks – two red, and one amber – in response to Covid-19 (Appendix 2).

The City Surveyor Department manages the repairs and maintenance risks associated with the City Bridges (Appendix 3), which currently notes three red risks.

Finally, the department is managing one additional red risk which is non-public (Appendix 4).

The red risks currently being managed by the department in response to Covid-19 are:

- CVD19 SG PROP 01 – Impact on investment portfolio
Current risk score 16 (Red)
- CVD19 SG PROP 02 – Property projects
Current risk score 16 (Red)

The red risks pertaining to the City Bridges are the following:

- 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 Department to effectively monitor and manage risks arising from our operations.

Main Report

Background

1. The Risk Management Strategy 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 risk register on a quarterly basis.
2. This report separates the overall departmental risk register (Appendix 1), the departmental responsibilities in relation to Covid-19 (Appendix 2), and the repairs and maintenance items in relation to the City Bridges (Appendix 3). There is a further risk which has been included separately due to being non-public (Appendix 4).
3. Risks are reviewed regularly by the department's Senior Management Team (SMT) in line with the organisation's Risk Management Framework (RMF). Risks are assessed on a likelihood-impact basis, and the resultant score is associated with a traffic light colour.

Current Position

4. The City Surveyor departmental risk register currently contains four amber risks. The details of each of these are included in Appendix 1. This is a reduction of two compared to the previous report (presented to the July Committees).
5. In response to coronavirus, the City of London Corporation has instituted several thematic governance groups to co-ordinate the organisation's response and risks associated with Covid-19. The City Surveyor department has three risks being monitored by this group (Appendix 2).
6. The information presented in Appendix 2 is that following the updates of 13 August. This includes two red risks, and one amber risk. These risks are also being reported through to Audit and Risk Management Committee on a regular basis.
7. 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 3.

Changes since last review

8. In relation to the departmental risks (Appendix 1), the key changes since the last review was presented to Committee are:

A. SUR SMT 001 – A fall in property performance

This risk was deactivated from the departmental risk register as the major property performance issue relates to Covid-19. This is contained on the Covid-19 thematic register (CVD19 SG PROP 01 – Impact on investment portfolio). For the short-term SUR SMT 001 will be deactivated whilst the focus and attention of the department is on the impact of coronavirus on the investment estate.

B. SUR SMT 005 - Recruitment and retention of property professionals

This risk has been reduced and de-escalated from the departmental risk register to the Group level. Currently, there are lower rates of turnover, and a general downswing in the market will result in heightened demand should the department need to recruit externally. This item will continue to be monitored at Group level.

C. SUR SMT 014 - Backlog maintenance

Current risk score 8 (amber)

The risk score has reduced from 12 (amber) to 8 (amber). This is as result of the updated Corporate Property Asset Management Strategy presentation to CAsC on 22 July

The department is looking to procure a 'next generation' CAFM (Computer Aided Facilities Management) system. The adoption of such a system will enhance the department's capacity to plan forward maintenance on a condition basis. Implementation will reduce the risk in the medium-term.

9. The department continues to manage the thematic Covid-19 risks (Appendix 2). These are assessed in line with new information and guidance. The risks in this group have recently reduce from four to three.

A. CVD19 SG PROP 05 FM – Team and Contractor Resilience

This has been de-escalated to the Operations Group risk register. All current mitigation actions have been completed and risk score reduced to the target level. This will be re-escalated in the future if required.

10. The department also manages the risks associated with repairs and maintenance on the City Bridges (Appendix 3).

A. SUR CB 009 – City Bridges: Overweight vehicles

Current risk score 8 (amber)

The above risk is being managed at a Group level, and its group-level scoring would not ordinarily warrant this risk being reported to Committee. However, it has recently come to the attention of the City Corporation that Transport for London (TfL) is considering removing all but busses, cycles and taxis from London Bridge. This may increase the number of heavy vehicles crossing Tower Bridge. This is only a proposal at this stage but should TfL progress with this item there will be an increased risk of structural damage to Tower Bridge. The City Corporation is making representations to TfL to better understand their proposals.

Heatmap

11. 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 public departmental risks (right). This relates to the information presented in

Appendix 1 (departmental), Appendix 2 (Covid-19) and Appendix 3 (City Bridge) risks. A comparison with the those presented at the last report (June) is included as the table on the left. Note that this is not tracking individual risks over time, rather it is a snapshot comparison of our overall risk profile.

12. Members will note the reduction in the total number of risks from June (13) to August (10). This reflects the changes identified in paragraphs 8 and 9 above.

	Minor	Serious	Major	Extreme
Likely			4	
Possible		2	3	
Unlikely		1	2	1
Rare				

Table 1: June 2020 Risk Heatmap

	Minor	Serious	Major	Extreme
Likely			4	
Possible		1	1	
Unlikely			3	1
Rare				

Table 2: August 2020 Risk Heatmap

Conclusion

13. 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 and the organisation's RMF.

Appendices

- Appendix 1 – Departmental risk register
- Appendix 2 – Covid-19 thematic risk register
- Appendix 3 – City Bridge top risks
- Appendix 4 – Non-public risk

Background Papers

- The City Surveyor – The City Surveyor's Departmental Risk Register – June Update (CS 202/20)

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Agenda Item 9

Committee:	Dated:
Corporate Asset Sub-Committee (CASC)	September 15th 2020
Subject: 2019/20 Annual Energy Performance Report & 2020/21 Quarter 1 Update	Public
Report of: The City Surveyor	For Information
Report author: James Rooke, Assistant Director, Energy & Sustainability	

SUMMARY

This report presents the 2019/20 annual energy performance for CoL operational sites (part A), and an update on 2020/21 quarter 1 (part B).

The annual result for 2019/20 was a **4.1%** reduction in energy consumption from 2018/19 when corrected for the impact of weather, exceeding the 3.1% annual target. Compared to the 2008/09 baseline the energy consumption reduced by 20.3% in absolute terms, and **17.7%** when corrected for the weather.

The quarterly result for Q1 2020/21 was a **36%** reduction in energy consumption compared to Q1 2019/20. This unprecedented reduction was mostly due to the reduction in building activities and operations as a result of the coronavirus lockdown.

Recommendations

- Members are asked to note the contents of this report.
- Energy Team to present a report at the next CASC meeting on the energy implications of covid-19.
- Energy Team to produce a formal report covering CO₂ emissions, energy consumption and cost to CASC on an annual basis with a management and resource plan.
- Members are asked to acknowledge the need to replace the current Energy Management software at a cost of £50k., noting that the cost will be met from the City Surveyor's local risk budget.

MAIN REPORT

Performance update

PART A: 2019/20 Annual Energy Performance

1.1 Long-term: chart 1 below, presents an update on the long-term performance against target, and the interim performance up to Q1 20/21 (dotted lines). The annual result for 2019/20 was a **4.1%** reduction in weather corrected energy consumption from 2018/19, exceeding the 3.1% annual target.

Compared to the 2008/09 baseline, the energy consumption reduced by **20.3%** in absolute terms, and 17.7% when corrected for the weather.

Table 1 presents the performance of the top 5 and bottom 5 performing sites in terms of energy consumption. Appendix 1 provides a further comparison of the top 30 consuming sites and the slides to accompany the report.

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

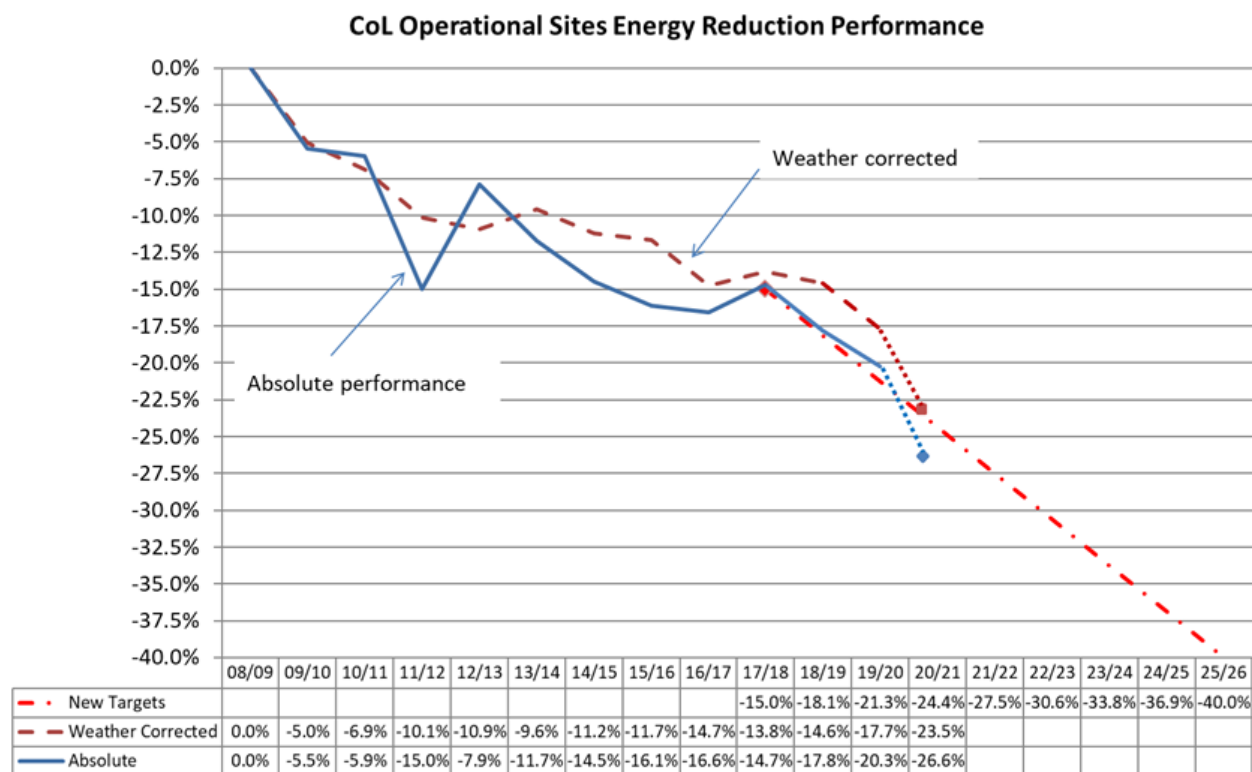


Table 1. Energy comparison by top 5 and bottom 5 sites: 2019/20 with 2018/19

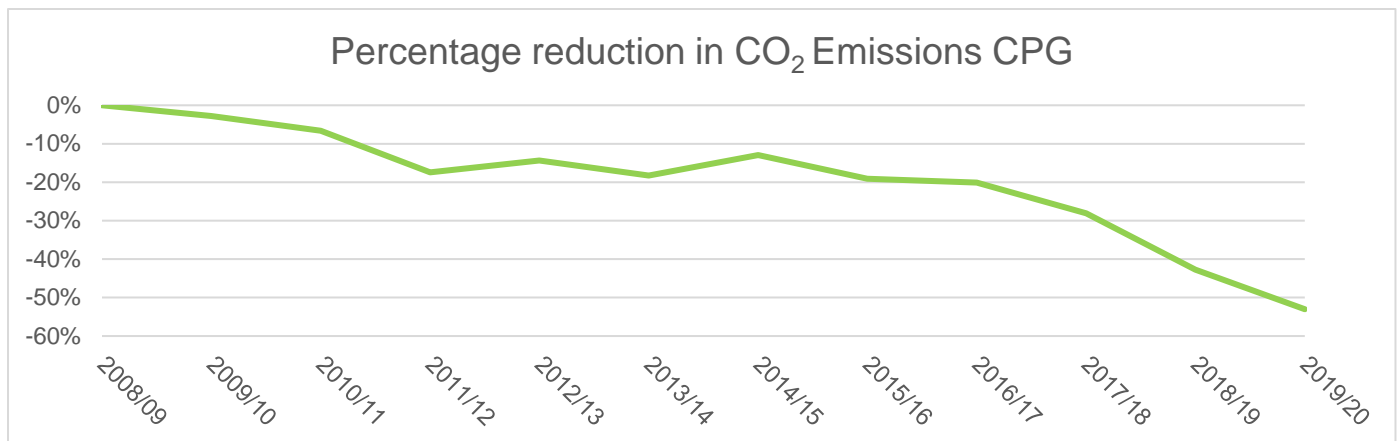
Weather corrected rolling 12-month comparison: 12 months to Mar-20 (2019/20) compared to 12 months to Mar-19 (2018/19)				
Site Name	2018/19	2019/20	kWh Diff.	Diff. %
Top 5				
Smithfield Mkt	18,249,797	14,234,816	-4,014,981	-22.0%
Central Criminal Court	7,804,714	6,845,054	-959,660	-12.3%
GSMD - Milton Court	3,876,988	3,057,846	-819,142	-21.1%
Streetlighting	3,622,410	3,146,017	-476,393	-13.2%
Guildhall Complex	17,567,524	17,201,304	-366,219	-2.1%
Bottom 5				
Barbican Arts Centre	17,439,653	20,565,547	3,125,894	17.9%
Billingsgate Mkt	3,579,389	3,799,925	220,536	6.2%
Walbrook Wharf	1,726,608	1,902,766	176,158	10.2%
New Street (21)	1,807,820	1,902,878	95,058	5.3%
CoL School for Girls	2,250,299	2,340,477	90,178	4.0%

1.2 2019/20 summary: Smithfield Market was the main source of energy reduction, with contributions from the Central Criminal Court and Street Lighting and CoL Police accommodation changes. Barbican Art Centre was the main source of increased energy consumption.

1.3 CO₂ emissions: Since 2008/9 there has been a **53%** reduction in operational building related emissions. Whilst a significant proportion of this can be attributed to grid decarbonisation, the compounded savings in energy consumption have improved these further. The future potential for

decarbonising Citigen and decentralised heating will provide access to further CO₂ savings, complementing the downward trajectory of grid-based emissions. Additional investment in energy reduction and low/zero carbon technologies will be required to achieve the Carbon Descent Plan.

Chart 2: Percentage CO₂ reduction from CoL operational sites.



1.4 Smithfield Market: An annual reduction of **22%** was mainly achieved through Energy Team led improvements in BEMS strategies and daily monitoring, providing comfort conditions as efficiently as possible. Total electricity reduced 11%, heating reduced 42% and cooling reduced 61% when corrected for the weather. Since the start of the new Energy Team initiatives in 2018, the cumulative avoided energy costs are ~**£425k** (up to Feb-20). The Energy Team, Skanska and FM are working closely together to ensure this is a sustained improvement. The Phase 1 programme includes upgrading the Car Park lighting to LED. The Energy Team will be seeking invest-to-save funding towards system improvements which would payback within 5-years.

1.5 Central Criminal Court (CCC): saw an annual reduction of ~**12%** in energy usage. The Energy Team have worked with site FM to modify existing heating and implement new control system strategies. This contributed to a 25% reduction in oil and a 5% reduction in gas used for heating.

1.6 GSMD Milton Ct. energy decreased in 2019/20 by ~**21%**. Largely due to a 75% reduction in cooling supplied from Citigen. This is currently being investigated and is likely due to a network issue starving Milton Court of cooling.

1.7 Street Lighting. energy decreased ~**22%** in the last quarter of 19/20 contributing to an annual reduction of ~13%. This is a result of the LED rollout, which is almost complete.

1.8 Guildhall Complex (GHC): energy reduced in 19/20 by ~**2%**. The main changes in energy were:

- 15% decrease in North Wing/Great Hall/Old Library electricity through Energy Team led BEMS control improvements to ventilation and cooling and the LED upgrade of the Great Hall lighting.

The Energy Team are delivering more BEMS control improvements, with focus on the East Wing ventilation systems and primary heating control.

1.9 Barbican Arts Centre (BAC): energy increased ~**42%** in the last quarter of 19/20 contributing to an annual increase of ~18%. The main changes in energy were:

- 94% increase (+1187 MWh) in Exhibition Halls heating. Since Nov-18 up until the lock-down the heating consumption was far higher than historical norms. The main heating valve and control system appear responsible and require replacement.
- 67% increase (+1253 MWh) in Art Centre cooling due to a fault with the on-site electric chillers which supply the Art Gallery. Funding in principle has been agreed for the replacement of the chillers.

The Energy Team are working with FM to investigate the significant increases in energy consumption, including applying for invest-to-save funding towards site lighting upgrades which would payback within 5-years. BAC will revert to the Committee and provide an update for the next CASC.

- 1.10 Billingsgate Market:** energy in 19/20 increased by ~6%. Electricity increased by 5% following a new tenant equipment installation in Sep-18. Gas usage increased 8% over 19/20, likely due to heating control issues which the Energy Team are investigating.
- 1.11 Walbrook Wharf:** energy increased annually by ~10%. Gas increased in the depot workshop following the reinstatement of heating. Increased occupancy from new tenants also led to increases in gas use for main office heating.
- 1.12 New Street (21):** saw an annual increase of ~5% in energy use. This is likely related to the increased occupancy demands from accommodation consolidation. The Energy Team will work with FM to ensure heating systems are setup as efficiently as possible.

City of London School for Girls: annual energy increase of ~4%. Electricity consumption for the swimming pool heating decreased ~20% due to a plant failure in Jan-20. This was countered by ~9% increase in electricity mostly related to space heating. The Energy Team have been working with the site to improve the control settings and will investigate further.

1.13 Reduction Programme:

Projects: The Energy Team led 'Phase 1' project, consisting of 8 invest-to-save projects, was given funding approval in principal and was approved at Gateway 2 in Apr-20. Phase 2 is under development and will be accelerated by additional resource joining in September 2020. The projected savings value is £260k/year

Procurement: The energy team are managing a revised procurement approach which will reduce cost exposure risk through forward buying. This will be closely integrated with the proposed Power Purchase Agreement which is expected to deliver a significant NPV saving.

Standards: Following the JLL report on sustainable buildings we propose the development of a suite of design and portfolio standards to "bake in" sustainability. This will be more fully detailed in the phase 2 action plan of this piece of work.

Management:

i) *Operational Improvement:* Operational improvements through management and control continue and have delivered £400k avoided costs in the last 12 months

ii) *software:* It is highlighted that investment is needed to upgrade the current Energy Management Software, to improve, communication, data analysis and identify critical energy saving opportunities through enhanced exception reporting and analytics. This will also provide more accessible reporting for broader carbon and resource management.

iii) *Building Management Systems:* The energy team are working on developing a proposal for an enhanced building management system across the portfolio which will deliver benefits across energy, working environment and maintenance as the platform for a smart buildings solution.

PART B: 2020/21 Quarter 1 Performance Update

2020/21 Q1 and coronavirus implications: when compared to Q1 2018/19, Q1 (Apr-Jun) 20/21 showed a reduction of 36%. This unprecedented reduction was due to the reduction in building activities and operations as a result of the coronavirus lockdown.

The Energy Team have been working with Facilities Management and sites to remotely control the Building Management Systems, ensuring energy consumption is minimised while reducing the risks posed by covid-19 transmission. As buildings re-open and occupancy levels increase this will lead to higher energy consumption, and this could exceed normal levels due to the need for increased fresh air ventilation. The net energy balance for 2020/21 is uncertain under these unpredictable conditions, however the energy team are evolving a model and management plan for this.

Conclusion

The 4.1% reduction in 2019/20 exceeded the annual target. Significant savings were led by the Energy Team, in particular at Smithfield. However, the increasing consumption at Barbican Arts Centre is a challenge. The first quarter of 2020/21 saw an unprecedented 36% reduction on the same period the previous year. This was due to the lockdown, and the Energy Team have been assisting sites with minimising consumption whilst meeting the new covid-19 guidance. It is difficult to predict further pandemic impacts on energy consumption during the rest of 2020/21. The Energy Team are reviewing this and will communicate to key stakeholders in due course.

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Committees:	Date:
Corporate Asset Sub Committee – For Information	15 September 2020
Subject: The Heritage Estate Portfolio - Overview	Public
Report of: The City Surveyor	For information
Report author: Fiona McKeith, City Surveyor's Department Julian Kverndale, City Surveyor's Department	

Summary

The report provides an overview of the characteristics and challenges in relation to the City Surveyor's responsibility for the asset management of the City Corporation's extensive Heritage Estate of over 780 historic assets.

Recommendation

Members are asked to note the contents of this report.

Main Report

Background

1. The City's heritage asset portfolio tells the story of London from well before Roman times, through the Medieval ages to the twentieth century. The most ancient asset is the Tumulus on Hampstead Heath, dated in between 2000 and 750 BC and the most recent the Grade II listing of the 1960's 65/65a Basinghall Street, by the architect Sir Giles Gilbert Scott.
2. Today there are over 780 heritage assets ranging from memorials, to police call posts, state and antique furniture and coaches including the Lord Mayor's as well as many notable buildings; the Mansion House, the Central Criminal Courts and the most significant of all in terms of the City's own history, the Guildhall Great Hall, perhaps the greatest secular medieval hall in Europe.
3. It also includes assets such as Bunhill Fields which accounts for only one of the 780, and yet within it contains 2333 memorials (79 are individually listed).
4. The City's heritage portfolio spreads far beyond the City of London, to Hampstead Heath and other locations across London, north to Epping Forest, and south to Ashted Park, Surrey. Therefore, the portfolio is as wide ranging and complex as it is extensive. See Appendix 1 for a further breakdown.
5. The size and significance of the City's heritage portfolio ranks within the top five of UK heritage assets owners such as the National Trust, which has over 500

properties and English Heritage with over 400 sites. While the Guildhall and Tower Bridge generate income directly, much of the portfolio, like the remains of the City Wall and the Mansion House, contributes considerable social capital in terms of culture and education and are of national and international importance.

Heritage Estate Asset Management

6. The Heritage Estate has two dedicated officers within the Corporate Property Group responsible for a wide range of activities including: -
 - Strategic heritage conservation expertise across the City and beyond
 - Commissioning conservation management plans (CMPs) for priority assets
 - Generating 20-year forward maintenance plans for heritage assets
 - Bidding for funding
 - Commissioning routine inspections of all Scheduled Monuments and Listed Landscapes to ensure that they are being maintained properly.
 - Scoping/briefing of maintenance/repair works
 - Commissioning and managing complex projects with multiple stakeholders
 - Management of reactive repairs due to health and safety concerns
 - Conservation and delivery of the Lord Mayor's Coach and semi-state coaches for the Lord Mayor's Show
 - Providing ad hoc reactive advice to the many internal and external parties
 - Managing the City Surveyor's Archaeological Finds Register.
7. Cutting across the above are works to remove and/or prevent assets being added to the Heritage at Risk Register (HARR), Historic England's published list of heritage assets it considers are not being adequately conserved to maintain their listed characteristics. An annual separate HAAR update will be presented to CASC in June 2020; this report will cover the subject of which of the City's assets are at risk and those in danger of becoming at risk.
8. The City Surveyor's Operations Group deliver the majority of the maintenance/repair works with the exception of projects that are more complex due to cross-departmental interests and/or external stakeholders such as other Boroughs, the Diocese of London, heritage interest groups and Historic England. This is particularly the case for assets on or at risk of being added to the HARR.

Budgets and funding

9. The Heritage Estate has a limited local risk budget of £117,000, excluding staff costs, within the City Surveyor's Department. The majority of budget for specialist conservation works to difficult properties such as the remains of the City Wall, is funded from the Cyclical Works Programme (CWP) and subject to the annual prioritisation in which health and safety and reputational risk scores are most applicable.
10. A small number of large projects will require capital funding, which is obtained via a bid into the central capital bid process. A recent example of this is the £2m secured to examine and consolidate the internal stonework of the Great Hall at Guildhall.

Key Heritage Portfolio risks

11. The following strategic risks are identified.
- Resourcing and limited cross-City heritage expertise
 - Poor heritage portfolio visibility resulting in lack of organisational support/awareness
 - Climate change and extreme weather conditions accelerating fabric deterioration
 - Health and safety issues which are difficult to predict
 - Reputational risk

Proposals

12. In order to help address resourcing constraints, non-conservation responsibilities have been identified, such as monitoring of the City-wide National Lottery Bids and delivering the Lord Mayor's and semi-state coaches for the annual show. The former will now be undertaken centrally and options for the delivery of the latter are currently under review.
13. A key area of improvement is efficiency in procurement of works. In order to inform this the service is developing a new database and information infrastructure which will support with identifying across the 122 overarching twenty-year forward maintenance plans (some plans contain several heritage assets) and CMP's, works that can be bundled for procurement, thus releasing officer time from fragmented activity.
14. A new database also provides the opportunity to rationalise, update and ensure an accurate understanding of the entire portfolio. It will also enable sharing of information across City departments so services can make decisions locally for minor matters, thus releasing heritage officers' time while also addressing the issue of expertise being held by the few, which presents its own risks.

Corporate & Strategic Implications

15. Heritage assets are included in the annual CWP bid process, competing against the rest of the Corporate Properties, except for housing. Most bids for heritage assets are successful, those not successful are usually deferred at the most for a year. Lack of appropriate maintenance would permit decay and increase repair costs. Failure to invest in these assets may also contribute to the eventual loss of these irreplaceable historic assets while posing reputational risk to the City as well as health and safety risks.
16. It should be noted that Heritage assets are currently covered in the City Surveyor's Corporate Property Asset Management Strategy to 'To remove and prevent further assets from the Heritage at Risk Register wherever possible provided only that it is cost effective to do so'.

Conclusion

17. The City's Heritage portfolio is of national significance and the most extensive in terms of the heritage timeline and diversity when compared to other national heritage organisation contemporaries. It is synonymous with the City's history.
18. Given the extent of the portfolio, it is not possible to have at any one time a full understanding of the condition of every asset. Within the available resources the primary assets with the greatest reputational risk are maintained to a fair

standard. However, some assets will face increased risks with climate change which may result in it becoming more challenging to predict potential health and safety issues.

19. There are still eight properties on the Heritage At Risk Register, some of which are scheduled to be removed as and when finance is made available for repair and conservation works. This number is very low, when you consider the City owns and manages 780 heritage assets.
20. Embedding a better understanding of the heritage portfolio across the City is important to ensure it continues to be appropriately maintained as well as supporting continuity of knowledge.
21. While service improvements may free up officer time, the resource is constrained to focusing on the prevalent health and safety/reputational priorities and is less able to provide a proactive asset management for the wider portfolio without more investment.

Appendices

Appendix 1 – Breakdown of the City's historic Assets

Committee(s): Corporate Asset Sub Committee	Date: 15 th September 2020
Subject: Review of the Cyclical Works Programme (CWP)	Public
Report of: City Surveyor CS:	For Decision
Report authors: Pete Collinson – Operations Group Director Alison Bunn – Head of FM (Operations Group) Jonathan Cooper – Head of Minor Projects (Operations Group)	

Summary

This report sets out a proposal to enhance the Cyclical Works Programme (CWP). The main points are:

- Moving to a condition-based maintenance approach through the new Computer Aided Facilities Management (CAFM) system currently being procured and due to be implemented Autumn 2021
- Focus the programme delivery into a single financial year
- Removal of smaller value projects under £10,000 by uplifting the City Surveyor's, DBE's or Barbican's local risk budget respectively (using funds previously earmarked for the CWP) to allow project delivery to focus on the larger scale projects
- Altering the project prioritisation matrix to make it more fit for purpose and a fairer system for all properties
- A smaller CWP programme of £3.6m for 2021/22 picking up only essential health and safety works to allow project delivery teams to catch up works delayed due to COVID19 restrictions
- Smoothing of the already agreed CWP programme to create a '4th' year
- Introduction of 3-5 yearly building condition surveys funded from funds previously earmarked for the CWP
- Revised key performance indicators to align with these recommendations
- To support the proposed changes to recalibrate the way the Corporation delivers projects in line with any proposed Target Operating Model (TOM) actions and via the correct governance route. The precise details to be reported once the details of the TOM become clearer

Recommendation

Members are asked to:

- Approve the new approach set out in this report in paragraphs 5 to 19 in preparation for the bid process for 2022/23
- Approve the changes to the project scoring criteria set out in Appendix 1

- Approve the bid of £3.6m for the CWP programme for 2021/22 as set out in Appendix 2
- If the new approach set out in paras 5 to 19 is agreed a further report will be submitted setting out the precise financial implications for 2022/23 which will also require the agreement of Resource Allocation Sub-Committee

Current Position

1. The Cyclical Works Programme (CWP) commenced in April 2017 which replaced the Additional Works Programme (AWP)
2. CWP has been running for 3 years and with the onset of the Target Operating Model (TOM) and Fundamental Review (FR), it has provided the opportunity to review the process to ensure it remains fit for purpose
3. The CWP does not include the three independent Schools, Spitalfields Market, Billingsgate Market and the Police sites excluding Guildhall Yard East.
4. All projects which are individually or collectively valued over £250,000 are excluded from the CWP and form part of the annual Capital Bid process

Proposed Changes – CWP Methodology

5. Remove any project below the value of £10,000 from the bid list and increase the day to day maintenance budget held within City Surveyor's, Barbican or DBE local risk for the works to be delivered via the project arm of the respective maintenance contract and/or the Minor Works framework as part as BAU activity

For the bid list for 2020/21 this would remove 569 of 1,126 or 50.5% of projects and reduce the value of the bid list down by £2,440,020 or 6.5%

The benefits to this recommendation would be:

- The smaller value projects are often lower scoring so this would ensure that the works are undertaken to maintain to a good standard across all properties
 - Delivery of the projects for example in City Surveyors case, would continue through Skanska giving better economies of scale and act as an extension of day to day planned maintenance activity to potential create efficiencies
 - Allow the project team to concentrate on more substantial projects
 - This level of expenditure is more akin to day to day repairs and maintenance rather than cyclical works
6. Remove DBE statutory reservoir inspections and move to their respective local risk budget as this is a legal requirement so the funding should be guaranteed and not part of a bid process

For the bid list for 2020/21 this would remove 19 projects from the list with an overall monetary value of £107,500 to be met from funds previously earmarked for the CWP

The benefits of this recommendation would be:

- Confirmed funding for statutory inspections which is a legal requirement and will ensure that the City remains compliant

7. Remove all the quinquennial inspections from the bid list and move to the City Surveyor's Heritage local risk budget.

For the bid list for 2020/21 this would remove 20 projects with an overall monetary value of £55,000. to be met from funds previously earmarked for the CWP

The benefits of this recommendation would be:

- Confirmed funding for an inspection which will ensure all our heritage assets are maintained in the correct manner

8. Revamp the project prioritisation model developed for the CWP to ensure that it reflects the whole of the property portfolio and ensures that all building assets are represented equally.

It is proposed to remove the 'Maintaining Income Stream' and replace it with a 'Sustainability' category and alter the weighting for each category. Appendix 1 explains the detail.

The benefits of this recommendation would be:

- More emphasis is given to asset performance and maintaining the good standard of our properties
- Stops the maintaining income stream from skewing the data and loading all funding to certain properties
- Allows the ability for Sustainability projects to be included as they will be returning the investment with lower energy costs (in the context of the recent Climate Change Action - Sustainable Buildings approach)

9. Take into account any newly revised policies for property maintenance and allow for the sustainability projects to include improvements rather than a like for like replacement.

The benefits of this recommendation would be:

- Adhering to CoL policies
- Ensure we are using the most up to date sustainability technology
- Payback period reduced which will bring greater long-term energy savings

10. Provide funding for all projects that are required, i.e. fund the whole bid list

The benefits of this recommendation would be:

- Reduction in the backlog of maintenance - whilst the initial bid year is likely to be high this would not be sustained as the backlog of works would be reduced
- Ability to maintain operational properties to a good standard

Though it is accepted this would be constrained by available resources in any one year.

11. Categorise the projects into specific areas:

Barbican

Guildhall School

Heritage – Mansion House, Central Criminal Court, Smithfield Market

Open Spaces

The benefits of this recommendation would be:

- Clear demarcation of where funding is being spent
- Mirror individual Asset Management Plans (AMP)

12. Undertake a smaller CWP programme in 2021/22 of £3.6m where only essential health and safety projects are funded. See Appendix 2 for the project details.

Benefits of this recommendation would be:

- All outstanding projects completed
- Ability to refocus the CWP and start year 2022/23 afresh considering condition-based data as part of the next generation CAFM system
- Essential works funded to ensure that all urgent items are completed
- Savings could be utilised for new urgent projects or project budget increases

13. Utilisation of the new Computer Aided Facilities Management (CAFM) system in place from November 2021 to begin to create condition-based maintenance plans which will drive the bid list going forward

Benefits of this recommendation would be:

- Accurate bid lists which are based on condition and only projects that need to proceed will be included
- Longer term efficiency savings on the CWP once the known backlog is reduced
- Better understanding of what the backlog of maintenance includes
- Accurate data fed from the day to day Planned Preventative Maintenance (PPM) and reactive repairs – connecting day to day maintenance with cyclical requirements
- This also offers the opportunity to further align the FM, project and CAFM team to ensure a joined-up approach is achieved

14. Smoothing of the current programme of works to create a 4th year. This was at the request of the Chamberlain to ease the pressure of expenditure particularly in the 20/21 and 21/22 financial years. Works programmed to be completed in the latter years of the programme have been forecast later to create a 4th year, this means the current £26.3million CWP works programme is spread over 4 years rather than 3. A further report will be coming to this committee in November to go through the detail for Members to confirm.

Benefits of this recommendation would be:

- Accurate forecast expenditure for the next 4 years of CWP
- Resources can be appropriately diverted to other parts of the business, as deemed necessary
- Ability to focus resource for the delivery of urgent projects in the 21/22 programme

Proposed Changes – Project Delivery

15. The proposed changes will require a revision of the organisational structure and resource utilised to deliver CWP. This would be carried out through the correct governance route

The benefits of this recommendation would be:

- Fit for purpose structure with the resource and expertise allied with new methodology and delivery proposals
- Use external consultants when we need to flex up e.g. for when CWP increases in one year and to not affect the in-house team when the CWP flexes down another year
- Potential to further utilise Skanska to deliver primarily engineering projects where value for money can be demonstrated

16. Introduction of 3-5 yearly stock condition surveys to all CoL property

The benefits of this recommendation would be:

- Update the forward maintenance plans, using the CAFM system, creating a symbiotic relationship between the planned preventative maintenance and the forward maintenance plan
- Rolling programme will ensure that our condition data is always current, creating confidence within the FMP and to better address any backlog impacts

17. Focussed programme delivery into single financial year

The benefits of this recommendation would be:

- More focus on actual project delivery and a better understanding of what projects will be delivered and when
- All urgent projects delivered in a timely manner
- More straight forward performance monitoring mechanisms
- Delivery of clear priorities to the property, carrying less risk for the corporation
- Projects will be planned in the prior year(s) with permissions sought and design complete so that works can be delivered within programmed year. Projects team will need appropriate budget provision in order to commission surveys etc.

Proposed Changes – Measurement / Key Performance Indicators

18. Comparison of overall projects completed rather than budget spent

The benefits of this recommendation would be:

- Moves focus away from increasing project expenditure to delivering projects and encourages a focus of achieving savings for the Corporation
- Potential to incentivise efficiencies made e.g. return efficiencies to CWP budget or local risk
- Introduce a spend to save initiative based on condition and not shelf life
- Adhere to value for money (VFM) linked to asset management plans
- Deliver additional projects 'in-year' i.e. over deliver

19. Emphasis on reducing reactive repairs demand and reducing any major failures

The benefits of this recommendation would be:

- Ensuring that the condition surveys are informing and prioritising the correct works across the portfolio. Potential to reduce expenditure on reactive repairs and reducing impact to building users
- Improved reputation of the corporation as building managers/ owners

20. Client/ End user project satisfaction surveys

The benefits of this recommendation would be:

- Objective data that demonstrates that the correct projects are being undertaken and prioritised appropriately
- Highlights areas of improvement and contractor performance levels that can later be implemented in to their Contractual KPI's

Financial Implications

21. A number of the proposals set out above have potentially significant financial implications. Should Members agree to the proposed approach a further report will be submitted setting out the full financial implication for approval, before they are actioned.

Corporate and Strategic Implications

22. The CWP links to the City Surveyor's Business Plan:

Strategic asset management: We will develop asset management strategies that align Corporate Property Strategy, Investment Property Strategy and risks. We will ensure that we unlock the potential of our property assets in a way that supports the efficient delivery of the Corporate Plan and Service Departments' objectives.

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

improvements and delivery of major capital projects for refurbishments and new builds.

Conclusion

23. The CWP methodology has been shared and discussed with our key stakeholders and whilst many are supportive of the new approach there are some concerns about the reduced 21/22 programme and also concerns around all projects being delivered within a timely manner and how that would fit into the business operational needs.
24. The new process will allow us to more accurately predict the CWP spend over the next 3 – 5 years through more accurate cyclical maintenance plans. This will enable future financial planning by the Chamberlain.
25. By implementing the proposal in this report, a more effective, accurate and efficient approach can be achieved.
26. Should this committee agree to these proposals a further report will be presented with the 2020/23 CWP bid to explain the details on programme delivery and slippage.

Appendices

- Appendix 1 – Proposed Changes to Project Scoring Criteria
- Appendix 2 – CWP Bid List 2021/22

Appendix 1 – Proposed Changes to Project Scoring Criteria

Current Category	Current Weighting	Proposed Category	Proposed Weighting
Health, Safety, Security & Equality	5	Health, Safety and Security	5
Asset Performance including Energy Efficiency	5	Asset Performance	5
CoL Reputational	4	CoL Reputational	3
Maintaining Income Stream	4	Sustainability & Equality	4
Client Feedback	2	Client Feedback	3

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Committee	Dated:
Corporate Asset Sub Committee	15 September 2020
Subject: Barbican Highwalks Planned Maintenance of the Public Realm	Public
Report of: Director of Community & Children's Services	For Decision
Report author: Paul Murtagh Assistant Director Barbican & Property Services	

Summary

The purpose of this report is to seek Members views on, and approval to a proposal for the introduction of a planned programme of inspections and maintenance for the public realm areas of the Barbican Highwalk.

Recommendation

Members are asked to:

1. To consider and discuss the proposal for the introduction of a planned programme of inspections and maintenance for the public realm areas of the Barbican Highwalk as set out in this report.
2. Consider whether to support a bid for additional funding of £125,000 per annum be submitted to the Resource Allocations Sub Committee for the introduction of a planned programme of inspections and maintenance for the public realm areas of the Barbican Highwalk.

Main Report

Background

1. At its meeting on 29 January 2020, Corporate Asset Sub-Committee (the Sub-Committee) received and considered a resolution from the Barbican Residential Committee relating to concerns about the poor condition and lack of maintenance of the public realm in and around the Barbican Residential Estate. The resolution is attached as Appendix 1 to this report.
2. Members of the Sub-Committee heard that there are currently six Committees dealing with maintaining different parts of the Barbican and, responsibility for

maintenance of the Barbican Highwalk had been “kicked around by a number of Committees”. It had been proposed at the Street and Walkways Sub-Committee to refer the matter to this Sub-Committee.

3. The Sub-Committee agreed that the Director of Community and Children’s Services would lead on a discussion with officers on how to fill the obvious gap in funding the maintenance of the Barbican Highwalk and, report back to the Sub-Committee, at its next meeting, with proposals to address the problem.

Considerations

4. On 10 May 2012, Summit Group considered a report from the City Surveyor entitled ‘Barbican Common Areas – Asset Stewardship’, that set out the operational considerations relating to the transfer of responsibility for the City Highwalk to the Director of Community and Children’s Services (please refer to Appendix 2 attached to this report).
5. Summit Group subsequently agreed to the following recommendations:
 - i. The Director of Community & Children’s Services accepts responsibility for the City Highwalk Crossing the Barbican Common Areas.
 - ii. A Service Level Agreement is entered into between the Department of Community & Children’s Services and the Department of the Built Environment to take effect nominally from 1 April 2012.
 - iii. A budget of £72,630 per annum to cover Contract Servicing and Breakdown Maintenance (including signage) be transferred from the Department of the Built Environment to the Department of Community & Children’s Services, with effect from nominally 1 April 2012.
6. At the time of the report to Summit Group, it was acknowledged that there were no anticipated staffing implications for either the Department of Community & Children’s Services or the Department of the Built Environment resulting from the above agreed recommendations.
7. Although, initially, the implementation of the recommendations agreed by Summit Group appeared to be successful, the accelerating deterioration of the surface of the City Highwalk and other elements of the public realm, meant that the transferred budget of £72,630 per annum soon became significantly inadequate to deal with the level of repairs required. In some years, expenditure on repairs to the surface of the City Highwalk exceeded £120,000 and, with the downward pressure on budgets, this was simply not sustainable.
8. The situation that the Corporation now finds itself in, is that £72,630 annual budget (which now equates to around £84,000 when taking into account subsequent annual inflationary increases) transferred to the Department of Community & Children’s Services in April 2012 to cover Contract Servicing and Breakdown Maintenance (including signage) of the City Highwalk Crossing the Barbican Common Areas, is wholly inadequate.

9. In effect, over time, the transferred budget has only been used for reactive repairs to the surface of the City Highwalk and, for some years, as outlined earlier in this report, the budget has been insufficient to cover the cost of these reactive repairs.
10. As Members will be aware from the resolution received from the Barbican Residential Committee, the concerns raised about the poor condition and lack of maintenance of the public realm in and around the Barbican Residential Estate go much further than the reactive maintenance of the surface of the City Highwalk. Other specific maintenance issues that need to be considered include:
- Inspection and maintenance of smoke vents and plinths;
 - Inspection and maintenance of drainage and gullies on the City Highwalk;
 - Maintenance of flower beds, planters and pond hard landscaping;
 - Proactive maintenance regime for the surface of the City Highwalk (excluding water penetration repairs to properties below and future phased wider capital projects on the City Highwalk);
 - Inspection and maintenance of benches and signage;
 - Inspection and maintenance of railings;
 - St Giles Terrace including the raised graves and monuments;
 - Roofs and soffits of covered walkways within the Barbican Estate (Mountjoy House to Wallside for example).
11. The above list is not exhaustive but, due to the considerable strain on resources and, lack of funding across all departments within the Corporation, the absence of a structured inspection regime and proactive approach to maintenance has led to a deterioration of the City Highwalks.

Proposals

12. In order to address the concerns about the poor condition and lack of maintenance of the public realm in and around the Barbican Residential Estate, it is recommended that a planned programme of inspections and maintenance be introduced for the public realm areas of the Barbican Highwalk. This will include for quarterly inspections and, a pro-active planned programme for the maintenance of those elements of the public realm not currently provided for and, as set out in Paragraph 10 above.
13. For indicative purposes only, the additional funding of £125,000 is broken down into the following:

Activity	Annual cost
Staff costs and fees	£35,000
Proactive works to the surface of the City Highwalk	£50,000
Smoke vents and plinths	£5,000
Drainage and gullies	£13,000
Flower beds, planters and ponds	£5,000
Benches and signage	£3,000

Railings	£11,000
Roofs and soffits to walkways	£3,000
Total:	£125,000

14. Members will be aware that the timing of a request for additional funding is not favourable particularly when, the City needs to take measures to mitigate the financial impact of COVID-19. It should be emphasised also however, that there is no scope for any of these additional measures to be absorbed in the existing Barbican budget managed by DCCS.
15. Members are therefore asked to consider whether to support a bid for additional funding of £125,000 per annum to the Resource Allocations Sub Committee for the introduction of a planned programme of inspections and maintenance for the public realm areas of the Barbican Highwalk. It is suggested that if Members are minded to support a bid for additional funding, this should be for the new financial year from 1st April 2021 onwards. This will ensure that the bid is considered in conjunction with all other budgets and bids for the City Fund for the new financial year.
16. If such a bid is made and approved, it is proposed that the responsibility for this planned programme of inspections and maintenance for the public realm areas of the Barbican Highwalk sits with the Director of Community and Children's Services as an extension to the decision taken by Summit Group in May 2012, relating to the transfer of responsibility for the City Highwalk to the Director of Community and Children's Services.
17. It must be noted however, that the ability of the Director of Community and Children's Services to take on this additional responsibility relies on the approval of the additional funding of £125,000 per annum and an equivalent increase in the Barbican Residential Estate budget to reflect this. It also relies on the successful completion and implementation of the previously approved restructure of the Barbican Estate Office to ensure that adequate staffing resources are in place.

Financial Considerations

18. There is currently no budget available for the introduction of a planned programme of inspections and maintenance for the public realm areas of the Barbican Highwalk.
19. The estimated cost of £125,000 for this planned programme cannot be borne by existing budgets and, if Members wish to proceed with this proposal, a bid for additional funding of £125,000 per annum will need to be made to the Resource Allocations Sub Committee.

Appendices

Appendix 1 – Resolution from the Barbican Residential Committee

Appendix 2 – Summit Group – Barbican Common Areas – Asset Stewardship (May 2012)

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