



Property Investment Board

Date: WEDNESDAY, 18 MARCH 2020
Time: 8.30 am
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

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

Enquiries: Richard Holt
Richard.Holt@cityoflondon.gov.uk

Breakfast will be served from 8.00am

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

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES FOR ABSENCE**

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

3. **MINUTES**

To approve the public minutes and non-public summary of the Property Investment Board meeting held on 21 January 2020.

For Decision
(Pages 1 - 6)

4. **PUBLIC ACTIONS**

Report of the Town Clerk.

For Information
(Pages 7 - 8)

5. **CSD DEPARTMENTAL RISK REGISTER - 3RD QUARTER PROGRESS**

Report of the City Surveyor.

To be considered in conjunction with a non-public appendix at Item 15.

For Information
(Pages 9 - 28)

6. **CITY SURVEYOR'S BUSINESS PLAN 2019-24 QUARTER 3 2019/20**

Report of the City Surveyor.

For Information
(Pages 29 - 38)

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

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

9. **EXCLUSION OF THE PUBLIC**

MOTION – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

10. **NON-PUBLIC MINUTES**
To approve the non-public minutes of the Property Investment Board meeting held on 21 January 2020.

For Decision
(Pages 39 - 46)

11. **NON-PUBLIC ACTIONS**
Report of the Town Clerk.

For Information
(Pages 47 - 48)

ALL ESTATES

12. **PRESENTATION: CULTURE MILE PROPERTY STRATEGY UPDATE**
The Town Clerk to be heard.

For Information

13. **OPN REPLACEMENT - GATEWAY 2**
Report of the City Surveyor.

For Decision
(Pages 49 - 58)

14. **ALL ESTATES - REVIEW OF METRICS USED IN MAKING MAJOR PROPERTY DECISIONS - 1ST TRIENNIAL REVIEW**
Report of the Chamberlain.

For Decision
(Pages 59 - 68)

15. **NON-PUBLIC APPENDIX TO ITEM 5**
To be considered in conjunction with Item 5.

For Information
(Pages 69 - 70)

16. **RENTAL ESTIMATES QUARTERLY REPORT**
Report of the City Surveyor.

For Information
(Pages 71 - 82)

17. **REPORT OF ACTION TAKEN**
Report of the Town Clerk.

For Information
(Pages 83 - 86)

18. **POWER PURCHASE AGREEMENT (PPA) FOR OFFSITE RENEWABLE ELECTRICITY - PROCUREMENT STAGE 1**
Report of the Chamberlain.

For Information
(Pages 87 - 90)

CITY'S ESTATE

19. **CITY'S ESTATE: RENT REVIEW - 10 SOUTH CRESCENT**
Report of the City Surveyor.

For Decision
(Pages 91 - 96)

CITY FUND ESTATE

20. **CITY'S CASH HIGHWAY LAND TRANSFER TO CITY FUND AND OVERSAIL - INDEPENDENT VALUATION – 1 LEADENHALL EC3**
Report of the City Surveyor.

For Decision
(Pages 97 - 108)

21. **CITY FUND: NEW LETTING - LOWER GROUND AND FIRST TO FIFTH FLOORS OF 1-7 WHITTINGTON AVENUE EC3**
Report of the City Surveyor.

For Decision
(Pages 109 - 116)

22. **CITY FUND - LETTING REPORT NEW LETTING - BASEMENT, GROUND AND MEZZANINE AT 8-9 LEADENHALL MARKET**
Report of the City Surveyor.

For Decision
(Pages 117 - 124)

23. **CENTRE FOR MUSIC AND LONDON WALL SITE MASTERPLANNING: NEXT PHASE FUNDING PROPOSAL**
Joint report of the Director of Major Projects, City Surveyor and the Managing Director of the Barbican Centre.

For Information
(Pages 125 - 136)

24. **CITY FUND- FLEET STREET ESTATE - VACANT POSSESSION**
Report of the City Surveyor.

For Information
(Pages 137 - 144)

BRIDGE HOUSE ESTATES

25. **SUMMARY OF A CHARITY TRUSTEE'S ROLE - BRIDGE HOUSE ESTATES**
Standing item.

For Information
(Pages 145 - 146)

26. **BRIDGE HOUSE ESTATES: 30/34 NEW BRIDGE STREET: ISSUES REPORT**
Report of the City Surveyor.

To follow

27. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
For Decision
28. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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PROPERTY INVESTMENT BOARD

Tuesday, 21 January 2020

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Tuesday, 21 January 2020 at 8.30 am

Present

Members:

Deputy Tom Sleight (Chair)
Michael Hudson
Deputy Jamie Ingham Clark
Deputy Philip Woodhouse
Claudine Blamey

Officers:

Richard Holt	- Town Clerk's Department
John James	- Chamberlain's Department
Nicholas Richmond-Smith	- Chamberlain's Department
Alan Bennetts	- Comptroller & City Solicitor's Department
Nicholas Gill	- City Surveyor's Department
Andrew Cross	- City Surveyor's Department
Tom Leathart	- City Surveyor's Department
Neil Robbie	- City Surveyor's Department
Simon McGinn	- City Surveyor's Department
Olivia Howard	- City Surveyor's Department
James Murray	- City Surveyor's Department

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from the Deputy Chairman Andrien Meyers, John Chapman, Alderman Alison Gowman, Sheriff Christopher Hayward, Shravan Joshi, Stuart Corbyn, Tony Joyce and Deputy Alastair Moss.

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

There were no declarations.

3. MINUTES

The Board considered the public minutes and non-public summary of Property Investment Board held on the 11th of December 2019.

Matters Arising

Sustainability Strategy

The City Surveyor confirmed that analysis had been completed regarding best practice and the actions made by peer organisations regarding sustainability. In

addition, it was explained that a draft of the Sustainability Strategy would be produced for the Board to review in the proceeding couple of months.

Wood Street and Snow Hill Police Stations

The City Surveyor confirmed that the disposal of Snow Hill Police Station was imminent and that Wood Street is due to be completed shortly.

RESOLVED – That the public minutes and non-public summary of the Property Investment Board meeting 11 December 2019 be approved as an accurate record.

4. ACTIONS

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

RESOLVED- That the actions be noted.

5. EASTERN CLUSTER BUSINESS PARTNERSHIP (CITY FUND)

The Board considered a report of the City Surveyor on the Eastern Cluster Business Partnership. The Chair highlighted the third recommendation of the report which detailed the requirement of the Board to nominate a Member to serve on the Eastern Cluster Business Partnership and noted the advice from Officers was that the nominated Member be from a Ward included in the Business Improvement District (BID) area. The Board discussed the nomination and noted that it would be important that the Member appointed have the availability to attend BID Board meetings. The Board agreed to nominate the Deputy Chairman Adrien Meyers with the provision for approved alternate Members to attend in instances when the Deputy Chairman cannot attend BID meetings.

RESOLVED- That:-

- I. The Board agreed to the participation of the City Corporation in the Eastern Cluster Business Partnership; and
- II. That the funding of a contribution of £40k, over the next two financial years, (£20k in 2020/21 and £20k for 2021/22) from the City Surveyor's local risk budget for professional fees for City Fund Estate be agreed; and
- III. That Deputy Chairman Andrien Meyers be nominated a Member of the Property Investment Board to sit on the Eastern Cluster Business Partnership Board.

22. BRIDGE HOUSE ESTATES CYCLICAL WORKS 2020-21

The Board received a report of the City Surveyor on the Bridge House Estates Cyclical Works for 2020-2. The Chair informed the Board that the report was public and therefore needed to be brought forward on the agenda to before the exclusion of the public. The report outlined the cyclical programme of work for 2020/21 for properties that the Board were responsible for and form part of the Bridge House Estate portfolio namely Blackfriars, Southwark and London Bridges.

RESOLVED- That the report be noted.

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

There were no questions.

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

There was no other business.

8. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

Item No.
9-23, Excluding 22

Paragraph No.
3

9. **NON-PUBLIC MINUTES**

The Board considered the non-public minutes of the meeting of the Board held on the 11th of December 2019.

RESOLVED – That the non-public minutes of the meeting of the Property Investment Board 11 December 2019 be approved as an accurate record.

10. **NON-PUBLIC ACTIONS**

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

RESOLVED- That the non-public actions be noted.

11. **ALL FUNDS - USE OF DEVELOPMENT MANAGERS AND JOINT VENTURES**

The Board considered a report of the City Surveyor on the use of Development Managers and Joint Ventures.

RESOLVED- That the report be agreed.

12. **CITY'S ESTATE, CITY FUND & BRIDGE HOUSE ESTATES OUTSTANDING LEASE RENEWALS & RENT REVIEWS - 1ST JULY 2019 TO 31ST DECEMBER 2019**

The Board received a report of the City Surveyor on the Outstanding Lease Renewals & Rent Reviews for all funds.

RESOLVED- That the reports be noted.

13. **CITY'S ESTATE, BRIDGE HOUSE ESTATES AND CITY FUND: VACANT ACCOMMODATION UPDATE AS AT 1ST DECEMBER 2019**

The Board received a report of the City Surveyor on Vacant Accommodation Update as at 1st December 2019 for all funds.

RESOLVED- That the report be noted.

14. **CITY FUND, CITY'S ESTATE & BRIDGE HOUSE ESTATES - QUARTERLY DELEGATED AUTHORITIES UPDATE - 1ST OCTOBER TO 31ST DECEMBER 2019**

The Board received a report of the City Surveyor on Quarterly Delegated Authorities Update 1st October to 31st December 2019 for all funds.

RESOLVED- That the report be noted.

15. **FIRST REGISTRATION OF THE CITY'S FREEHOLD TITLES – PROGRESS SINCE JANUARY 2019**

The Board received a report of the City Surveyor on the First Registration of the City's Freehold Titles Progress since January 2019.

RESOLVED- That the report be noted.

16. **20/21 ALDERMANBURY - FUTURE USE AND BUILDING OPPORTUNITIES GATEWAY 4 ISSUE REPORT- REQUEST FOR DELEGATED AUTHORITY**

The Board considered a report of the City Surveyor requesting delegated authority to consider Gateway 4 Issue report on 20/21 Aldermanbury future use and building opportunities.

RESOLVED- That authority be delegated to the Town Clerk, in consultation with the chair and Deputy Chairman of the Property Investment Board.

17. **CITY'S ESTATE: RENT REVIEW: 25 STORE STREET**

The Board considered a report of the City Surveyor on the Rent Review at 25 Store Street.

RESOLVED- That the report be agreed.

18. **CITY'S ESTATE: RENT REVIEW: 147 NEW BOND STREET**

The Board considered a letting report of the City Surveyor regarding a Rent Review for 147 New Bond Street.

RESOLVED- That the report be agreed.

19. **CITY FUND STRATEGY REPORT**

The Board considered a report of the City Surveyor providing the annual Strategy Report for the City Fund.

RESOLVED- That the report be agreed.

20. **SUMMARY OF A CHARITY TRUSTEE'S ROLE - BRIDGE HOUSE ESTATES**

The Board received the standing item.

21. **BRIDGE HOUSE ESTATES, SOUTHWARK BRIDGE ROAD/NEWINGTON CAUSEWAY (MINISTRY OF SOUND SITE) - MEMORANDUM OF UNDERSTANDING: JOINT APPOINTMENT OF DEVELOPMENT MANAGER TO PREPARE SCHEME FOR PRE-APPLICATION WITH LONDON BOROUGH OF SOUTHWARK**

The Board received a report of the City Surveyor on the Southwark Bridge Road/Newington Causeway (Ministry of Sound Site) Memorandum of Understanding with the Bridge House Estates portfolio.

RESOLVED- That the report be agreed.

23. **STRATEGIC PROPERTY ESTATE (CITY FUND & CITY'S ESTATE) - ANNUAL UPDATE & STRATEGY FOR 2020**

The Board considered a report of the City Surveyor on the Strategic Property Estate's Annual Update & Strategy for 2020.

RESOLVED- That the report be agreed.

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

The Board received one question in the non-public session.

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

There were two items of business considered in the non-public session.

The meeting ended at 10.00 am

Chair

**Contact Officer: Richard Holt
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Property Investment Board Committee

Public Actions Sheet

Action Number	Date	Action	Responsible Officer	Progress Update	Date Due
2/2019/P	12 th June 2019	Members requested report on the short- and medium-term outcomes of the 2020 MIPIM conference	City Surveyor's Department	<i>Report to be received by the Board after the 2020 MIPIM conference</i>	<i>22nd July 2020</i>
8/2019/P	11 th December 2019	The Chair requested that a verbal update be prepared for the spring of 2020 on the corporate strategy on sustainability	City Surveyor's Department		<i>18th March 2020</i>

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Committee(s): Property Investment Board – For information Corporate Asset Sub (Finance) Committee – For information	Date(s): 18 March 2020 01 April 2020
Subject: City Surveyor's departmental risk register update	Public
Report of: The City Surveyor (CS 060/20)	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's department currently has six amber risks on its Departmental Risk Register (Appendix 1).

A further departmental risk is contained in the non-public Appendix 3. This risk has been escalated from the Operations Group risk register.

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

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

Recommendation(s)

Members are asked to:

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

Main Report

Background

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

Current Position

2. The City Surveyor's departmental risk register currently contains one red risk and six amber risks. The details of each of these are included in Appendix 1. A further risk is contained in Appendix 3.
3. The department also manages the repairs and maintenance risks associated with the City Bridges, of which there are currently three red risks. The details for these risks are included in Appendix 2.

Changes since last review

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

A. SUR SMT 015

This risk has been escalated up to the department risk register from the Operations Group. Further details on this risk have been included in Appendix 3 and will be covered in the non-public session.

B. SUR SMT 005 Recruitment and retention Current risk score 6 (Amber)

This risk has been re-escalated to the departmental risk register from the Group level. Recruitment and retention continues to be a concern, with the department struggling to recruit high quality candidates in a very competitive environment. Initial discussions are ongoing with colleagues in Human Resources to develop a plan to address this issue.

Audit and Risk Management Challenge Session

5. The Audit and Risk Management Committee hosted the City Surveyor in late January for one of their periodic Risk Challenge Sessions. A wide-ranging discussion was had, covering unauthorised works, sub-contractors, staffing and major projects.
6. The Committee recommended that the department consider the risk associated with potential performance failures by our service contractors. This risk is currently managed by the Operations Group at the level below that of the Departmental Risk Register. In line with the Committee recommendation, this risk has been comprehensively reviewed. It is felt that the current controls that are in place, combined with the generally positive performance, means that the risk is currently being managed at the right level. This will be kept under review in line with the organisation's Risk Management Framework.

Heatmap

7. Through the performance dashboard tool, Power BI, it is possible to create heatmaps of the department's risks. Below is a graphical summary of the current public departmental risks (right). This relates to the information presented in Appendix 1 (departmental) and Appendix 2 (City Bridge) risks. Appendix 3 (non-public risk) is not included in this heatmap. A comparison with the those presented at the last report (December) 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.

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

Table 1: December 2019 Risk Heatmap

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

Table 2: March 2020 Risk Heatmap

Conclusion

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

Appendices

- Appendix 1 – City Surveyor's departmental risk register
- Appendix 2 – City Bridge top risks
- Appendix 3 – Non-public Appendix

Background Papers

- The City Surveyor – Risk update – December 2019 (CS 500/19)
- The City Surveyor – Risk update – September 2019 (CS 372/19)
- The City Surveyor – Risk update – June 2019 (CS 197/19)

John Galvin

Faith Bowman

Business Performance and Improvement

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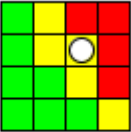
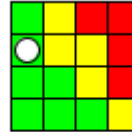

SUR Departmental risks - detailed report EXCLUDING COMPLETED ACTIONS for committee

Report Author: Faith Bowman

Generated on: 18 February 2020



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR SMT 001 Fall in property performance Page 13	<p>Cause: Unexpected change or unknown impact of macro-economic policy (global and local political and economic decisions, change in interest rate, exchange rate, taxation, etc.)</p> <p>Event: Business sentiment changes and U.K. / London becomes less attractive to investors / tenants.</p> <p>Impact: Business Plan objectives are not achieved with resultant negative impact on income, yields, voids and arrears.</p>	 <p>Likelihood</p> <p>Impact</p>	12	<p>The strategy is to maintain a diverse portfolio that reduces the impact of this risk. This includes:</p> <ol style="list-style-type: none"> 1. Use (office, retail, industrial) 2. Location (City, Southwark, West End etc.) 3. Tenancies (Long term Headlease geared, FRI, directly managed) 4. Covenants (multinationals, SME) 5. Asset management (lease renewals, voids, arrears, etc) 6. Monitoring retail habits in change of building use <p>This risk links to CR26 Brexit - particularly on the “impact of Brexit on City Corporation income streams” action, owned by the Chamberlain.</p> <p>Updated income generation ‘stretch’ targets need to be considered in light of constricted revenue budgets for maintenance / improvement, and from the re-allocation of some funds from</p>	 <p>Likelihood</p> <p>Impact</p>	3	31-Mar-2021	

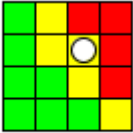
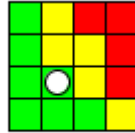
03-Mar-2015 Nicholas Gill				the designated sales pool. 05 Feb 2020				Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 001c	Global and local economic and political decisions	SMT continues to closely monitor the position quarterly, including analysis of market reaction. This information is reported through to Property Investment Board regularly.	Nicholas Gill	05-Feb-2020	31-Mar-2021
SUR SMT 001d	Maintain a diverse mix of space, locations, and tenants to ensure the business has wide market appeal and is not reliant on particular business sector	IPG Management Team monitors development of property portfolio and tenant mix.	Nicholas Gill	05-Feb-2020	31-Mar-2021

[illegible]

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 002e	Fundamental Review of the Guildhall Complex	A wholesale review of the North Wing and West Wing was presented as an option to Members	Paul	06-Feb-	31-Jul-202

		for consideration as part of the Fundamental Review. Initial feedback from Members was to investigate this proposal in more detail, and initial cost implications will be presented in the Spring.	Wilkinson; Peter Young	2020	
SUR SMT 002f	Cross departmental working	Single point of contact for Profit and Loss to be created within the Remembrancer's Department. This activity has been agreed by CASC and a more detailed report, noting the key figures, will be presented to Members in the Spring. The possibility of a sinking fund for the site has been explored and agreed by CASC. CSD will provide a facilities event-related operating business plan with the Remembrancer's Department, detailing the funding, management and operating arrangements including the funding sources.	Remembrancer; Peter Collinson	06-Feb-2020	31-Jul-2020
SUR SMT 002g	Maintenance management	The department continues to work with Skanska, our Building Repairs and Maintenance Contractor, to review and improve the correct Planned Preventative Maintenance (PPM) regime. A report was presented to CASC in January 2020 with details of the deferred maintenance level (bow wave). Further discussions to be undertaken as part of the Corporate Property Asset Management Strategy to determine the property condition to which we're aspiring on a site-by-site basis (good or fair).	Peter Collinson	06-Feb-2020	31-Oct-2020

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 014 Backlog maintenance <div>Page 17</div> 04 Nov-2019 Peter Collinson	Cause: insufficient funds to manage the repair demands at operational properties (Budget available does not match the annual Cyclical Works Programme Bid List of requirements) Event: Maintenance demands for operational properties exceeds available funding. Impact: Reactive repairs budget used to meet maintenance demands, loss of income from events spaces, reputational impacts, long-term properties may cease to meet operational requirements (Reduced rental income, reduced capital value, increased breakdown of M&E services, reduced customer satisfaction, poor building use and efficiency)	 Likelihood Impact	12	The Cyclical Works Programme (CWP) bid for 20/21 has a reserve list of unfunded works of £26m, these works are essential to keep the operational properties in a good standard. This unfunded works will result in an increase in the backlog of maintenance. CWP report has been presented to CASC. This shows a gradual rise in deferred maintenance from c£80m to c£130m over the next five years. The Fundamental Review has proposed the reduction in the funds available to the CWP for 2020/21 by £1m, which will impact this risk 06 Feb 2020	 Likelihood Impact	4	31-Mar-2021	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 014b	Additional funding report may be required	Draft additional funding report to committee (next report due 2021)	Alison Bunn	06-Feb-2020	31-Dec-2020
SUR SMT 014e	Corporate Property Asset Management Strategy	Asset Management Strategy to be reviewed and appropriate condition for our property assets to be considered. This may be undertaken on a site-by-site basis. Report to be presented to Members in Spring/Summer 2020.	Peter Young	06-Feb-2020	31-Oct-2020

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 010a	Recruitment of posts above 1-4	Recruitment ongoing for the two remaining posts within the Energy Team, with the final role subject to gateway funding.	Peter Collinson	18-Feb-2020	30-Jun-2020
SUR SMT 010c	Funding source and route for capital programme	Agreed delivery model and costs Phase 1 and 2 submitted for funding as part of the annual capital bid programme. (Phase 1 provisionally approved)	Peter Collinson	06-Feb-2020	30-Jun-2020

SUR SMT 010d	Better utilisation of the building management system (BMS)	Improved use of the BMS system to result in better energy use at the Guildhall Complex.	Peter Collinson	07-Feb-2020	30-Sep-2020
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 005a	Staff Action Plans	The Action Plans developed following the Staff Survey (2018 and more recently 2019) are being delivered to address areas of focus for staff. The department will shortly (March & April) be undertaking an Equalities and Diversity self-assessment, and this too will develop an Action Plan. Both these activities are focussed around improving our understanding of our	Paul Wilkinson	18-Feb-2020	31-Dec-2020

		staff and addressing areas of concern.			
SUR SMT 05b	HR liaison	Highlighting emerging issues to our Human Resources Business Partner. This will initiate activities to understand and subsequently address this risk.		18-Feb-2020	31-Dec-2020

[illegible]

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 012b	Service Agreement	Service Agreement drafted by CSD and DBE. This has been agreed by the officer group, and has recently been agreed by the respective Chief Officers. This agreement codifies the roles and responsibilities of the various parties, thereby making clear the requirements from all parties.	Nicholas Gill; Peter Young	07-Feb-2020	31-Dec-2020

SUR City Bridges - detailed report EXCLUDING COMPLETED ACTIONS for committee

Report Author: Faith Bowman

Generated on: 19 February 2020



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<div> <div>Page 23</div> <div> <div>R CB 003</div> <div>City Bridges - Substantial vessel strikes</div> </div> </div> <div>01-Nov-2018</div>	<p>Cause: Substantial Vessel strike</p> <p>Event: Structural damage to bridge</p> <p>Impact: Instability in bridge structure leading to possible collapse. Death / injury, disruption of traffic, reputational damage, additional costs to repair / replace</p>	<div> <div>Likelihood</div> </div> <div> <div>Impact</div> </div>	16	<p>City Bridge Trust and Bridge House Estates are undertaking a governance review through an officer Task and Finish Group. The aspect of where risk ownership sits will be considered by this group. The Group is expected to report formally in 2020.</p> <p>In the interim a Service Agreement between City Surveyor's Department and the Department of the Built Environment has been agreed. This was put into place effective 01 November 2019. This includes quarterly liaison meetings between the two departments.</p> <p>This risk is 'on-going' and, as such, the target date for the risk can be considered as a 'review date'.</p> <p>19 Feb 2020</p>	<div> <div>Likelihood</div> </div> <div> <div>Impact</div> </div>	16	31-Mar-2021	<div> <div>Current Risk score change indicator</div> <div>Constant</div> </div>

Paul Wilkinson							
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR CB 003a	Navigation controls	Navigation is controlled by the Port of London Authority and navigation lights fixed to bridges. Paul Monaghan is an on-going member of the River Crossings Liaison Group. This Group has recently appointed a new Chair, and meetings have recommenced. Paul Monaghan updates CSD at the quarterly meetings as to any actions, activities, or change in the risk status of this item.	Nicholas Gill; Peter Young	19-Feb-2020	31-Mar-2021

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Paul Wilkinson							
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR CB 006a	Counter Terrorism	<p>Sequence of joint workshops were hosted by TFL over July. These related to Threat Assessments for the bridges. The meetings involved TFL, the City Police, the MET Police and DBE. This investigated the risks associated with key bridges, with a different assessment made depending on the bridge.</p> <p>When TFL assess the overall risk, they applied a higher risk impact than the City currently assesses. However, this relates to the overall risk, rather than the element for which the City of London Corporation, and the City Surveyor's Department, is responsible.</p> <p>TFL and DBE will be holding a meeting relating to the threat assessments for the bridges. TFL will be taking the lead in terms of the response.</p> <p>Temporary mitigation by the Metropolitan Police remains in place, but this is not full Hostile Vehicle Mitigation.</p>	Nicholas Gill; Paul Monaghan; Peter Young	19-Feb - 2020	31-Mar-2020
SUR CB 006b	Policing	The City of London Police receive funding from Bridge House Estates to provide policing to the City Bridges. This funding has been updated for 2020/21.	Nicholas Gill; Paul Monaghan; Peter Young	19-Feb-2020	31-Mar-2020

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR CB 007d	Tideway Tunnelling	The City's Engineer, Paul Monaghan is working with the Comptroller and City Solicitor through the Development Consent Order and negotiated protection for the river crossings and, in the case of Tower Bridge, reduced face loss. He and the engineering team are working with the planning lead, Ted Rayment, to ensure that these requirements are being met. Regular weekly, monthly and quarterly meetings take place with the respective parts of TTT. For support they have the existing commission with an external engineering consultant appointed for the inspection of river crossings.	Nicholas Gill; Peter Young	19-Feb-2020	31-Mar-2021
SUR CB 007e	Monitoring & Works	Monitoring is on-going on the bridge sites to ensure that risks are managed. Monitoring at Tower Bridge has been in place for circa three years. Millennium Bridge has had its tensioning adjusted to account for any movement.	Nicholas Gill; Paul Monaghan; Peter Young	19-Feb-2020	31-Mar-2021

Committee(s): Property Investment Board – For Information Corporate Asset Sub (Finance) – For Information	Date(s): 18 March 2020 01 April 2020
Subject: City Surveyor's Business Plan 2019-24 Quarter 3 2019/20	Public
Report of: The City Surveyor (CS058/20)	For Information
Report author: John Galvin / Faith Bowman Business Performance and Improvement	

Summary

This report provides details of progress in quarter 3 (October – December) 2019/20 against the 2019-24 Business Plan, an update on the commercial property market, and a financial statement.

Of the seventeen Key Performance Indicators (KPIs) that are being monitored, thirteen were assessed as green (on target). Four further indicators will be assessed at the end of the financial year in the fourth quarter.

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 3 compared to the 2019-24 Business Plan.

Current Position

2. This report provides the latest budget information which is set out in Appendix A and performance indicator table in Appendix B. Furthermore, charts that your committee are particularly interested in are included in Appendix C.
3. Further reports are presented to Property Investment Board (PIB) and Corporate Asset Sub (Finance) Committee (CAsC) covering Rent Reviews, Lease Renewals, Arrears, Vacancies and Delegated Decisions. These provide key indications of the current market situation..
4. A separate monitoring report on the risks within our department is also presented at this meeting.

Market Commentary

5. The central London office investment market has rebounded following the General Election. According to CBRE £2.55bn was transacted in December 2019 alone, bringing the total for 2019 to £11.3bn. This was 36% down on the previous calendar year and the lowest annual level since 2011. A total of 16 deals over £100m completed over the final quarter of the calendar year, more than in the previous three quarters combined. The largest transaction was the £1.1bn sale of 25 Canada Square in Canary Wharf.
6. Colliers reported that central London take up in 2019 exceeded the 10-year average for a third year in succession. Pre-letting surpassed 3 million sq ft which is more than double the 10-year average. Pre-lets accounted for circa 25% of demand in 2019 which is a 10-year high. The vacancy rate was 4.8% which is below the 5.1% recorded at the end of 2018.
7. Prime City yield remains at 4.25%, which compares with the West End prime yield of 3.75%. Savills state prime rents in the City are £65psf - £75psf, the West End £105psf- £115psf, City Fringe £60psf - £70psf and Docklands £45psf - £50psf.

Financial Statement

8. The 2019/20 quarter 3 figures reveal that, against a latest budget of £34m, the City Surveyor is forecasting an overspend on local risk of £269,000 (0.8%) at year-end. This forecast includes £301,000 of the overspend from 2018/19 brought forward to be found by the City Surveyor in 2019/20.
9. There are four principal areas of overspend at year end:
 - A shortfall on fee income from property deals due to fewer such deals this year
 - The City Surveyor's 2018/19 overspend being carried forward
 - An overspend on repairs and maintenance on City Cash due to continually high levels of reactive repairs
 - Additional security costs, principally at Mansion House.

The above costs are in part offset by lower than anticipated reactive spend on City Fund operational properties where spend has been limited to urgent or high-risk items.

10. The forecast overspend at quarter 3 represents a significant improvement on the forecast at quarter 2, which anticipated a year-end overspend of £795,000. The City Surveyor is continually reviewing how this overspend can be recovered in 2019/20 and steps have been put in place to bring the budget back into balance by year-end. These include freezing recruitment of some vacant posts and adopting measures to confine reactive repairs to urgent or high-risk items.
11. On a more positive note, rental income, which is budgeted under central risk, is forecast to be £7.3m higher than the Original Budget for 2019/20. This extra income is principally on Bridge House Estates.

Overall Progress

12. 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 KPIs at the end of quarter 3.

Status ¹	Green	Amber	Red	TBC	N/A
Corporate Asset Sub Committee	10	0	0	0	3
Property Investment Board	9	0	0	0	4
Overall ²	13	0	0	0	4

13. Of the seventeen KPIs being monitored, thirteen were assessed as being on target (green). Four further measures will be reported against in quarter 4.

Conclusion

14. This report provides an update at quarter 3 against the department's Business Plan KPIs. Performance for the period is positive and reflects the significant work undertaken by the department.

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 Report Quarter 1 (CS 368/18)

The City Surveyor – Business Plan Progress Report Quarter 2 (CS 496/19)

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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.

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Budget Monitoring Statement Quarter 3 2019/20

Appendix A Page 1 of 1

LOCAL RISK BUDGET	Latest Approved	Quarter 3	Total Expenditure	Under / (Over)	Projected Outturn	Under / (Over)	Note
	Budget	Profile	to Quarter 3	Spend at Quarter 3		Spend	
Quarter 3 as at 29th December 2019	£000	£000	£000	£000	£000	£000	
City Surveyor							
City Fund							
City Fund Estate & Leadenhall	(2,887)	(695)	(683)	12	(2,887)	0	
CPAT & City Centre	(562)	(454)	(444)	10	(562)	0	
Walbrook Wharf	(1,057)	(775)	(767)	8	(1,055)	2	
Mayor's & City of London Court	(23)	(18)	(25)	(7)	(29)	(6)	
Recoverable Projects	0	0	0	0		0	
Lower Thames St Roman Bath	(8)	(6)	(5)	1	(8)	0	
R&M & MI Work for other departments	(1,441)	(1,081)	(995)	86	(1,297)	144	1
Corporate FM cleaning & security	(110)	(82)	(97)	(15)	(125)	(15)	
	(6,088)	(3,111)	(3,016)	95	(5,963)	125	
City's Cash							
City's Cash Estate	(3,848)	(2,144)	(2,092)	52	(3,848)	0	2
Departmental	(10,176)	(7,623)	(7,685)	(62)	(10,302)	(126)	3
Mayorality & Shrievalty	(93)	(90)	(91)	(1)	(113)	(20)	4
R&M & MI Work for other departments	(2,173)	(1,630)	(1,789)	(159)	(2,332)	(159)	5
Corporate FM cleaning & security	(632)	(470)	(507)	(37)	(676)	(44)	6
	(16,922)	(11,957)	(12,164)	(207)	(17,271)	(349)	
Bridge House Estates							
Bridge House Estates	(2,398)	(1,373)	(1,367)	6	(2,398)	0	
Tower Bridge Corporate FM cleaning	(258)	(193)	(188)	5	(252)	6	
	(2,656)	(1,566)	(1,555)	11	(2,650)	6	
Guildhall Administration							
Guildhall Complex	(8,705)	(6,498)	(6,475)	23	(8,756)	(51)	7
	(8,705)	(6,498)	(6,475)	23	(8,756)	(51)	
Total City Surveyor Local Risk	(34,371)	(23,132)	(23,210)	(78)	(34,640)	(269)	

Notes

1. A deliberate limiting of reactive works to only essential items explains the underspend at quarter 3 and at year-end.
2. The underspend at quarter 3 is due to slippage on cyclical works which are forecast to be caught up by year-end.
3. The overspend at quarter 3 is due to slippage on professional fee income and the effect of the brought forward overspend from 2018/19. This is anticipated to continue, producing an overspend at year-end.
4. The overspend at year-end is due to increased rent for Southwark Bridge arches which are used as a store for Lord Mayor's show.
5. The overspend at quarter 3 is principally due to additional reactive works at Epping Forest and Hampstead Heath and at London Central Markets. As a result, an overspend at year-end is anticipated.
6. The quarter 3 and year-end overspend is largely due to additional security at Mansion House.
7. An overspend on security at Guildhall is more than offset by saving on other areas, principally slippage on cyclical works. These other areas of spend are anticipated to catch-up, producing the overall overspend at year-end.

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Headline Performance Charts Quarter 3 2019/20

Appendix C Page 1 of 1

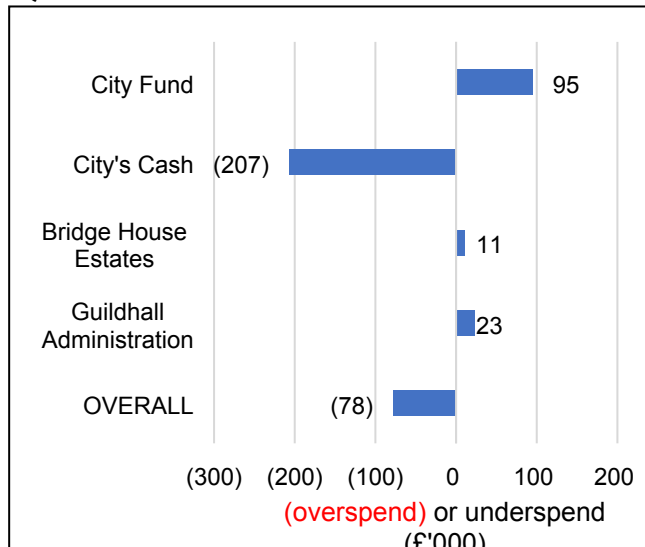


Figure 1 Quarter 3 variance against profiled local risk budget – (overspend) or underspend

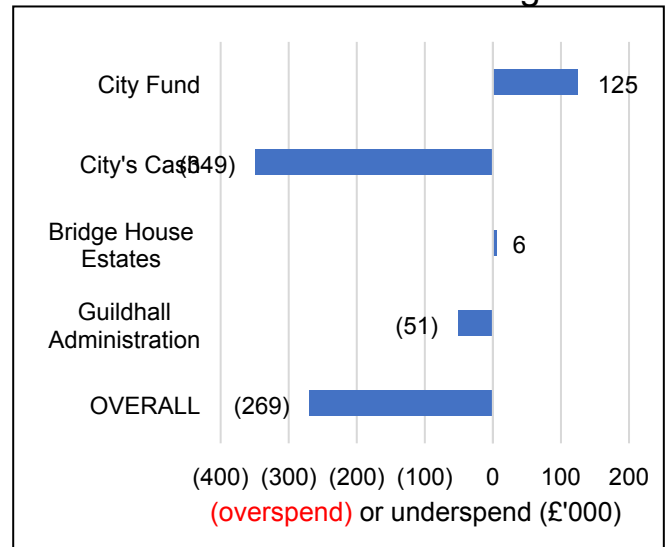


Figure 2 Projected outturn variance as at quarter 3 local risk budget – (overspend) or underspend

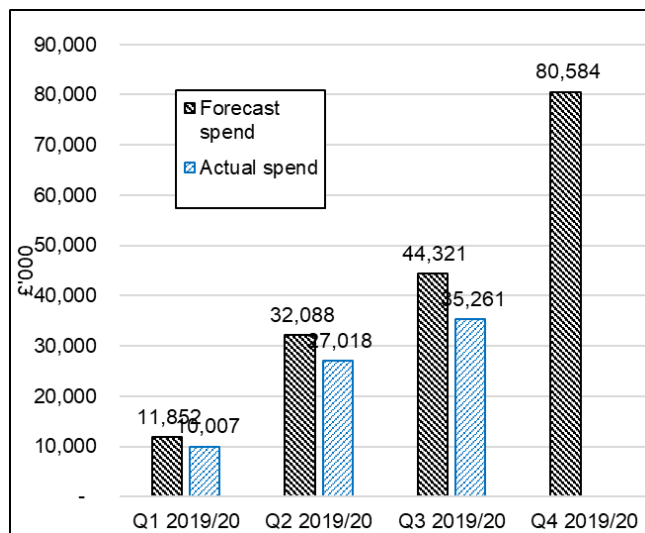


Figure 3 All project spend, forecast v actual as at quarter 3

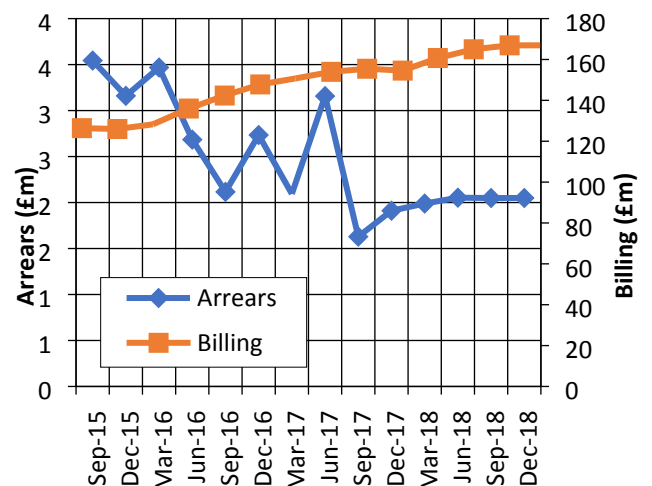


Figure 4 (Investment Properties) Commercial tenants' arrears compared to annual rolling billing run.

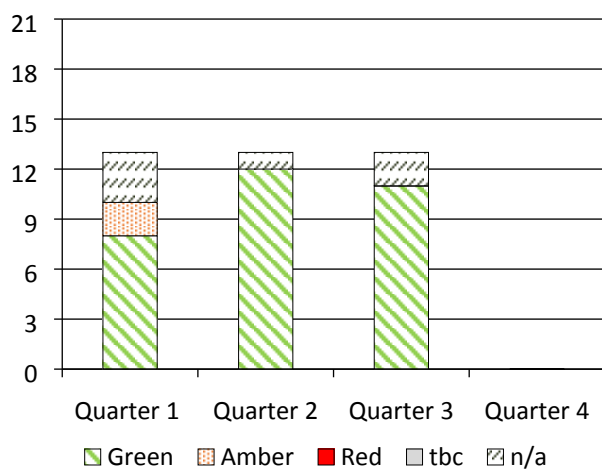


Figure 5 Performance of KPIs linked to Corporate Property (Corporate Asset Sub Committee)

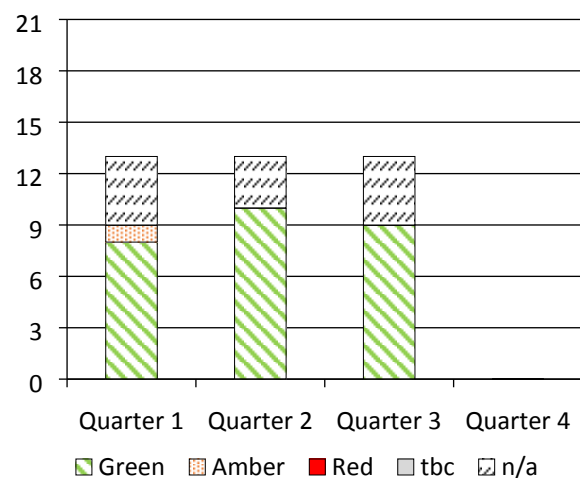


Figure 6 Performance of KPIs linked to Investment Property (Property Investment Board)

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