



Property Investment Board

Date: WEDNESDAY, 16 SEPTEMBER 2020
Time: 8.30 am
Venue: VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

Members: Deputy Tom Sleigh (Chair)
Andrien Meyers (Deputy Chairman)
Tijs Broeke
Alderman Alison Gowman
Sheriff Christopher Hayward
Michael Hudson
Deputy Jamie Ingham Clark
Shravan Joshi
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)
Deputy Edward Lord (Co-opted Member)
Karina Dostalova (Co-opted Member)

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

Accessing the virtual public meeting

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

<https://youtu.be/DWyoDg7kl5I>

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 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 meetings held on 22nd of July and 19th of August 2020.

For Decision
(Pages 1 - 10)
4. **CLIMATE ACTION STRATEGY**
Report of the Town Clerk.

For Information
(Pages 11 - 48)
5. **TERMS OF REFERENCE, FREQUENCY OF MEETINGS AND 2020/21 WORK PROGRAMME**
Report of the Town Clerk.

For Decision
(Pages 49 - 56)
6. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER - SEPTEMBER UPDATE**
Report of the City Surveyor.

To be considered in conjunction with a non-public appendix at Item 16.

For Information
(Pages 57 - 78)
7. **BUSINESS PLAN 2020-25 QUARTER 1 2020/21**
Report of the City Surveyor.

For Information
(Pages 79 - 92)
8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
9. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

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

For Decision

Part 2 - Non-Public Agenda

11. **NON-PUBLIC MINUTES**
To approve the non-public minutes of the Property Investment Board meetings held on 22nd of July and 19th of August 2020.

For Decision
(Pages 93 - 104)

ALL ESTATES

12. **ALL FUNDS - RENTAL ESTIMATES MONITORING REPORT**
Report of the City Surveyor.

For Information
(Pages 105 - 114)

13. **CITY'S ESTATE, CITY FUND & BRIDGE HOUSE ESTATES OUTSTANDING LEASE RENEWALS & RENT REVIEWS - 1ST JANUARY 2020 TO 30TH JUNE 2020**
Report of the City Surveyor.

For Information
(Pages 115 - 118)

14. **CITY FUND, CITY'S ESTATE AND BRIDGE HOUSE ESTATES - PERFORMANCE MONITORING TO 31 MARCH 2020**
Report of the City Surveyor.

For Information
(Pages 119 - 126)

15. **POWER PURCHASE AGREEMENT (PPA) FOR OFFSITE RENEWABLE ELECTRICITY - CONTRACT AWARD REPORT**
Report of the City Surveyor.

For Information
(Pages 127 - 186)

16. **NON-PUBLIC APPENDIX**
Non-Public appendix to Item 6.

For Information
(Pages 187 - 190)

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

For Information
(Pages 191 - 194)

CITY'S ESTATE

18. **20/21 ALDERMANBURY - NEWFLEX LEASES LIMITED HEADS OF TERMS**
Report of the City Surveyor.

For Decision
(Pages 195 - 196)

CITY FUND ESTATE

19. **CITY FUND : LONDON WALL MASTERPLAN: FUNDING FOR PLANNING PERMISSION AND DEMOLITION OF BASTION HOUSE**
Report of the City Surveyor.

To follow.

20. **FLEET STREET ESTATE - RIBA STAGE 3 PROGRESS REPORT**
Report of the City Surveyor.

For Information
(Pages 197 - 210)

21. **CITY FUND - FLEET STREET ESTATE - LEASE VARIATIONS AND COMPENSATION AGREEMENT - THE INTERNATIONAL DISPUTE RESOLUTION CENTRE (IDRC), 72/78 & 70 FLEET STREET EC4**
Report of the City Surveyor.

For Information
(Pages 211 - 216)

22. **CITY FUND - FLEET STREET ESTATE, LEASE VARIATION, WASABI, 70 FLEET STREET EC4**
Report of the City Surveyor.

For Information
(Pages 217 - 218)

BRIDGE HOUSE ESTATES

23. **BRIDGEMASTERS HOUSE - PHASE I**
Report of the City Surveyor.

For Decision
(Pages 219 - 232)

24. **BRIDGEMASTERS HOUSE PHASE II**
Report of the City Surveyor.

For Decision
(Pages 233 - 252)

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

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PROPERTY INVESTMENT BOARD

Wednesday, 22 July 2020

Minutes of the meeting of the Property Investment Board held remotely on
Wednesday, 22 July 2020 at 8.30 am

Present

Members:

Deputy Tom Sleight (Chair)
Andrien Meyers (Deputy Chairman)
Alderman Alison Gowman
Sheriff Christopher Hayward
Michael Hudson
Deputy Jamie Ingham Clark
Shravan Joshi
Dhruv Patel
Deputy Philip Woodhouse
Claudine Blamey
David Brooks Wilson
Stuart Corbyn
David Shaw OBE

Officers:

Richard Holt	- Town Clerk's Department
Christopher Rumbles	- Town Clerk's Department
Alistair MacLellan	- Town Clerk's Department
Shani Annand-Baron	- Town Clerk's Department
John James	- Chamberlain's Department
Alan Bennetts	- Comptroller and City Solicitor's Department
Paul Wilkinson	- City Surveyor
Nicholas Gill	- City Surveyor's Department
Tom Leathart	- City Surveyor's Department
Neil Robbie	- City Surveyor's Department
Andrew Cross	- City Surveyor's Department
John Galvin	- City Surveyor's Department
Brian Brierley	- City Surveyor's Department
James Rooke	- City Surveyor's Department

In attendance:

Edward Lord	- City of London Corporation Member
Prem Goyal,	- City of London Corporation Member
Francesca Leedham	- Jones Lang LaSalle

1. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Tony Joyce.

The Town Clerk read the resolution of the Investment Committee regarding the appointment of the Property Investment Board confirming the membership as follows: Deputy Tom Sleigh (Chair), Andrien Meyers (Deputy Chairman), Tijs Broeke, Alderman Alison Gowman, Sheriff Christopher Hayward, Michael Hudson, Deputy Jamie Ingham Clark, Shravan Joshi, Dhruv Patel and Deputy Philip Woodhouse.

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

There were no declarations received.

3. **MINUTES**

The Board considered the draft public minutes and non-public summary of the Property Investment Board meeting held on the 26th of May 2020. The Town Clerk noted that Alderman Alison Gowman had been present at the previous meeting and that the record would be amended accordingly.

RESOLVED – That the public minutes and non-public summary of the Property Investment Board meeting held on the 26th of May, subject to the correction specified, be approved as an accurate record.

4. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER - JUNE UPDATE**

The Board received a report of the City Surveyor which provided a quarterly update on the management of risks within the City Surveyor's Department.

RESOLVED- That the report be noted.

5. **BUSINESS PLAN PROGRESS 2019-24 QUARTER 4 2019/20**

The Board considered a report of the City Surveyor which provided details of progress in quarter 4 2019/20 against the 2019 – 24 Business Plan, an update on the commercial property market, and a financial statement.

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 CHAIRMAN CONSIDERS URGENT**

The Chair and Deputy Chairman moved that the Board consider the co-option of Deputy Edward Lord and Karina Dostalova. Further to this the Board agreed to co-opt Deputy Edward Lord and Karina Dostalova.

The Town Clerk informed that the Board were due to appoint three of its Members to the Corporate Asset Sub-Committee and noted that, as four Members had indicated their willingness serve, a vote on these appointments would be required. The Board proceeded to vote on the appointments. Following this, as they had received the highest number of votes, Alderman

Alison Gowman, Sheriff Christopher Hayward and Shravan Joshi were appointed to the Corporate Asset Sub-Committee

RESOLVED- That: -

- I. Deputy Edward Lord and Karina Dostalova be co-opted to the Property Investment Board for a term of twelve months; and
- II. That Alderman Alison Gowman, Sheriff Christopher Hayward and Shravan Joshi be appointed to the Corporate Asset Sub-Committee.

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.
9-29

Paragraph No.
3

9. NON-PUBLIC MINUTES

The Board considered the draft non-public minutes of the Property Investment Board meeting held on the 26th of May 2020.

RESOLVED – That the non-public minutes of the Property Investment Board meeting held on the 26th of May 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 report be noted.

11. COVID-19 CAPITAL PROJECTS CONTINGENCY FUND

The Board received a report of the City Surveyor on the COVID-19 Capital Projects Contingency Fund.

RESOLVED- That the report be agreed.

12. ARREARS WRITE OFF - CITY FUND AND CITY'S ESTATE

The Board considered a joint report of the Comptroller and City Solicitor and the City Surveyor on the Arrears Write Off for City Fund and City's Estate.

RESOLVED- That the report be agreed.

13. CITY FUND, CITY'S ESTATE AND BRIDGE HOUSE ESTATES: ARREARS OF RENT AS AT MARCH 2020 QUARTER DAY MINUS 1

The Board received a report of the City Surveyor on the City Fund, City's Estate and Bridge House Estates: Arrears of Rent as at March 2020 Quarter Day Minus 1.

RESOLVED- That the report be noted.

14. CITY FUND, CITY'S ESTATE, BRIDGE HOUSE ESTATES AND STRATEGIC PROPERTY ESTATE - ANNUAL VALUATION

The Board considered a report of the City Surveyor on the City Fund, City's Estate, Bridge House Estates and Strategic Property Estate Annual Valuation.

RESOLVED- That the report be agreed.

15. CITY'S ESTATE, BRIDGE HOUSE ESTATES AND CITY FUND: VACANT ACCOMMODATION UPDATE AS AT 1ST JUNE 2020

The Board received a report of the City Surveyor on the City's Estate, Bridge House Estates and City Fund Vacant Accommodation Update as at 1st June 2020.

RESOLVED- That the report be noted.

16. CITY SURVEYOR REVENUE OUTTURN REPORT 2019-20

The Board received a report of the City Surveyor on the City Surveyor Revenue Outturn Report 2019-20.

RESOLVED- That the report be noted.

17. CITY FUND, CITY'S ESTATE & BRIDGE HOUSE ESTATES - REVENUE WORKS PROGRAMME - 19/20 PROGRESS/ OUTTURN

The Board received a report of the City Surveyor which provided the City Fund, City's Estate & Bridge House Estates Revenue Works Programme 19/20 Progress/ Outturn Report.

RESOLVED- That the report be noted.

18. CITY FUND, CITY'S ESTATE & BRIDGE HOUSE ESTATES - QUARTERLY DELEGATED AUTHORITIES UPDATE - 1ST JANUARY TO 31ST MARCH 2020

The Board received a report of the City Surveyor on the City Fund, City's Estate & Bridge House Estates Quarterly Delegated Authorities Update - 1st January to 31st March 2020.

RESOLVED- That the report be noted.

19. CITY FUND, CITY'S ESTATE & BRIDGE HOUSE ESTATES - QUARTERLY DELEGATED AUTHORITIES UPDATE - 1ST APRIL TO 30TH JUNE 2020

The Board considered a report of the City Surveyor on the City Fund, City's Estate & Bridge House Estates Quarterly Delegated Authorities Update 1st April to 30th June 2020.

RESOLVED- That the report be noted.

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

The Board received a joint report of the Chamberlain and City Surveyor on the Power Purchase Agreement (PPA) for Offsite Renewable Electricity Procurement Stage 1A Mid Tender progress report.

RESOLVED- That the report be noted.

21. **NON-PUBLIC APPENDIX**

The Board received the non-public appendix to Item 4.

RESOLVED- That the appendix be noted.

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

The Board considered a report of the City Surveyor on the Rental Estimates Monitoring Report for All Funds.

RESOLVED- That the report be noted.

23. **SUSTAINABLE BUILDINGS REVIEW**

The Board received a late report of the City Surveyor on the Sustainable Buildings Review.

RESOLVED- That the report be agreed.

24. **20 / 21 ALDERMANBURY - MEANWHILE OPERATORS' FINAL SUBMISSIONS**

The Board received a report of the City Surveyor on Meanwhile operators' final Submissions for 20/21 Aldermanbury.

RESOLVED- That the report be noted.

25. **CITY'S ESTATE: NEW LETTING: 2ND FLOOR 4/10 NORTH ROAD**

The Board noted that the report had been withdrawn.

26. **CITY FUND- FLEET STREET ESTATE - RIBA STAGE 3 PROGRESS REPORT**

The Board received a report of the City Surveyor on the Fleet Street Estate RIBA Stage 3 Progress Report.

RESOLVED- That the report be noted.

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

The Board received a report of the Town Clerk on the action taken between meetings.

RESOLVED- That the report be noted.

28. **BRIDGE HOUSE ESTATES- REFURBISHMENT OF ELECTRA HOUSE, 84 MOORGATE, EC2**

The Board considered a report of the City Surveyor on the refurbishment of Electra House, 84 Moorgate in the Bridge House Estates.

RESOLVED- That the report be approved.

29. **PURCHASE OF LEASEHOLD OF 207/209 SOUTHWARK BRIDGE ROAD, LONDON SE1 (BRIDGE HOUSE ESTATES)**

The Board considered a report of City Surveyor on the Purchase of the leasehold of 207/209 Southwark Bridge in the Road Bridge House Estates.

RESOLVED- That the report be approved.

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

There were no questions considered in the non-public session.

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

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

The meeting ended at 10.30 am

Chair

Contact Officer: Richard Holt
richard.holt@cityoflondon.gov.uk

PROPERTY INVESTMENT BOARD

**Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Wednesday, 19 August 2020 at 8.30 am**

Present

Members:

Deputy Tom Sleigh (Chair)
Tijs Broeke
Alderman Alison Gowman
Sheriff Christopher Hayward
Michael Hudson
Deputy Jamie Ingham Clark
Shravan Joshi
Dhruv Patel
Deputy Philip Woodhouse
Claudine Blamey
David Brooks Wilson
Stuart Corbyn
Tony Joyce
David Shaw OBE

In attendance:

Rehana Ameer
James de Sausmarez
Randall Anderson
Marianne Fredericks
Deputy Keith Bottomley
John Chapman
Karina Dostalova
John Fletcher
Alderman Prem Goyal
Deputy Edward Lord
Alderman Ian Luder

Officers:

Richard Holt	- Town Clerk's Department
Emma Cunningham	- Town Clerk's Department
Shani Annand-Baron	- Town Clerk's Department
Kate Smith	- Town Clerk's Department
Caroline Al-Beyerty	- Chamberlain's Department
John James	- Chamberlain's Department
Alan Bennetts	- Comptroller & City Solicitor's Department
Paul Wilkinson	- City Surveyor
Nicholas Gill	- City Surveyor's Department
Peter Young	- City Surveyor's Department
Tom Leathart	- City Surveyor's Department

Neil Robbie	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
Stuart Wright	- Department of the Built Environment

1. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Corporate Asset Sub-Committee Member Deputy Joyce Nash.

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

There were no declarations.

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

There were no questions.

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

The Chair thanked Members for attending the extraordinary meeting of the Property Investment Board and welcomed those Members in attendance who did not serve on the Board. In addition, the Chair highlighted financial position of the City of London Corporation particularly the role of the Investment Property Portfolio in producing income, but noted that the City was not simply a commercial income generating organisation and commented on the importance of vulnerable tenants. The Chairman of the Corporate Asset Sub-Committee noted that this was a critical point in the City's history, explaining the joint responsibility to safeguard the City of London Corporation's financial position and the City as a thriving business district.

A Member in attendance provided a summary of the position in his Ward of Portsoken and, as Chair of the HRA, highlighted the challenges present in the location. The Chair thanked the Member for their contribution and noted the importance of hearing the views of effected tenants. A Member commented that it was important to note the City's responsibility as Trustee of the Bridge House Estates.

The Board agreed that, in the absence of the Deputy Chairman, the Chairman of the Corporate Asset Sub-Committee be considered the Deputy Chairman for the remainder of the Board meeting.

The Board received a late paper of the Town Clerk on the Climate Action Strategy. The report provided a summary of relevant high-level actions currently being finalised for inclusion in the Climate Action Strategy. It was noted that the Strategy will be submitted for approval by the Policy and Resources Committee in September and the Court of Common Council in October 2020.

The City Surveyor explained that the figures in the report were, at this stage, estimates and should not be considered the final position on this project. The

Chair commented that affordability was not the key consideration at this stage and that Members should focus on providing Officers with a policy steer. The Board supported the high-level actions being developed for the Climate Action Strategy and noted that measurable performance targets are vital for the success of the Strategy. In addition, Members commented that the impact on the Investment Property Group should be considered fully in development of the Strategy.

Replying to a comment made by a Board member the City Surveyor confirmed that sustainability factors would be incorporated into the reports for future Board meetings. The Chairman of the Corporate Asset Sub-Committee stated that consideration would be given to incorporating the sustainability priorities into Chief Officers' objectives.

RESOLVED- That the report be noted.

5. **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.

6

Paragraph No.

3

6. **CITY FUND, CITY'S ESTATE AND BRIDGE HOUSE ESTATES - PROPOSAL TO ASSIST CITY OF LONDON INVESTMENT TENANTS FOR SEPTEMBER QUARTER RENTS**

The Board received a report of the City Surveyor on the proposal to assist City of London Investment Tenants for September Quarter Rents for the City Fund, City's Estate and Bridge House Estates

RESOLVED- That the report be agreed.

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

There were one questions received in the public session.

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

There was no other business considered in the public session.

The meeting ended at 10.34 am

Chair

Contact Officer: Richard Holt
Richard.Holt@cityoflondon.gov.uk

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)

Damian Nussbaum

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The City of London Corporation's Climate Action Strategy 2020-2040

**Draft 0.5
August 2020**

Who we are

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK.

The Square Mile is the historic centre of London and is home to the ‘City’ – the financial and commercial heart of the UK. Our reach extends far beyond the Square Mile’s boundaries and across private, public and charitable and community sector responsibilities. This, along with our independent and non-party political voice and convening power, enables us to promote the interests of people and organisations across London and the UK and play a valued role on the world-stage.

What we can do

In the context of climate action, this means we can support the achievement of net zero¹, build climate resilience and champion inclusive and sustainable growth to achieve a truly sustainable City. We will do this by means of the following actions that we committed to in our [Corporate Plan, 2018-23](#), against which we drive our performance. We will...

1. Build climate resilience by...

- Building resilience to natural and man-made threats by strengthening, protecting and adapting our infrastructure directly and by influencing others.
- Protecting consumers and users of buildings, streets and public spaces.
- Preparing our response to natural and man-made threats.

2. Support the achievement of net zero by...

- Influencing UK and global policy and regulation and international agreements to protect the environment.
- Providing environmental stewardship and advocacy, in use of resources, emissions, conservation, greening, biodiversity and access to nature.
- Providing thriving and biodiverse green spaces and urban habitats.
- Providing a clean environment and driving down the negative effects of our own activities.

3. Champion sustainable growth by...

- Providing world-class spaces for businesses and markets to thrive.
- Modelling new ways of delivering inclusive and sustainable growth.
- Supporting organisations in pioneering preparing for and responding to changes in regulations, markets, products and ways of working.
- Supporting, celebrating and advocating for responsible practices and investments.

¹ See Glossary on Page 6

Why us, why now?

[Foreword - To be finalised post approval by RASC and edited by comms team prior to seeking approval from the appropriate Members.]

The City of London Corporation's core purpose is to promote the long-term interests of the City and thereby support the UK's economy. We have long been champions of sustainability – playing a key role in bringing in the Clean Air Act 1956, as the first local authority to develop a climate change adaptation strategy in 2010 and, more recently, supporting the growth of the UK's green finance sector.

Scientific evidence tells us the climate is already changing and that we need to act now if we are to limit global warming to 1.5 degrees and thereby avoid the more extreme effects of climate change. This means we need to commit to achieving net zero and to ensuring the Square Mile, and our assets outside it, are resilient to more extreme weather events. Acting now is key both to securing and advancing our market position globally as a financial centre and to ensuring 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.

It is not the case that we need to compromise the economy to fix the environment - in reality, climate action will drive growth and jobs. Now, in order to remain relevant and be commercially viable, we need to be responsible and resilient. What used to be 'green finance' is fast becoming the only option for the financial and professional services sector.

Founded on science-based targets, rather than simply a call to action, our Climate Action Strategy aims to ensure the Square Mile and City Corporation make a positive contribution to tackling climate change, are resilient to the risks it poses and seize the opportunities presented by the transition to a net zero economy.

This is one of the defining cross-City Corporation policy approaches supporting delivery of our Corporate Plan, 2018-23. But we cannot do this alone. This strategy sets out how we will work in partnership with City stakeholders to develop the solutions to tackle climate change and build back better following the pandemic, making sure no one is left behind.

We invite you to work with us as we adapt our physical and financial assets so that our society can flourish for decades to come.

[Insert photo and signature]

[Insert photo and signature]

The Rt Hon. The Lord Mayor,
Alderman William Russell

Catherine McGuinness
Chair of the Policy & Resources Committee

Introduction

This document sets out the City of London Corporation's Climate Action Strategy for 2020-2040. This work is integral to achieving the economic, societal and environmental outcomes described in the Corporate Plan, 2018-23, and will underpin all decision-making at the City Corporation from 2020 to 2040.

It has been developed to comply with the latest climate science necessary to meet the goals of the Paris Climate Agreement (2015)² and meet our obligations under the UK Climate Change Act (revised 2019), which has enshrined in law both a target of net zero emissions by 2050 and measures for climate adaptation (improved resilience). It is complementary to London-wide and national efforts to reduce emissions and improve resilience of our communities and urban spaces. Crucially 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.

In this way it sets us up to play our part globally, to help the UK reap the benefits of transitioning to a low-carbon economy, to address risks to the Square Mile and the City Corporation and to achieve better outcomes for people and business.

Clearly, we cannot do this alone. We must demonstrate robust climate action ourselves and share our methodology with, and learn from, others on this journey. So, in developing this strategy, we have focused on achieving best practice with our evidence-based approach, the range of physical risks and the breadth of emission sources we will address.

Our evidence-based approach

This strategy brings together numerous related City Corporation strategies, policies and campaigns – from our Local Plan and Responsible Business Strategy through to our Clean City Awards – and builds on the momentum, progress and lessons learned so far. See the 'Our baseline' section for more information on achievements to date.

To understand how far we had come already and what is left to do, we commissioned experts to investigate our current and future resilience levels, carbon emissions and capacity for removing carbon from the atmosphere. We followed the leading global standards and best-practice guidelines in developing our approach.

We explored resilience risks with the sectors and organisations that our economic growth is built upon, from utilities and transport providers through to financial and professional services and our cultural sector. Together, we identified what is needed for the Square Mile to continue to compete successfully in the face of climate change. And we asked the public how important climate action is to them, what they would like to see happen and what they would be willing to do themselves. Three-quarters of respondents said climate change should be extremely important to us. Together, this provided the evidence base upon which we built our action plan and the data we need to set and track stretching but reachable targets, and test and learn as we go. It also means that rather than picking one date as our net zero target, we

² See Glossary at Page 6

have identified separate targets for the Square Mile, the City Corporation and types of emissions.

The breadth of emission sources we will address

Many organisations and authorities focus on driving down the emissions they have most control over – scope 1 and 2. Addressing scope 3 can be daunting as it covers everything an organisation buys, sells, invests in, leases to others and disposes of as well as commuting and business travel. But for organisations and financial centres like ours, scope 3 makes up a large portion of the total carbon footprint – and measuring it can lead to the design of innovative solutions to lower carbon emissions significantly.

We have included scope 1, 2 and 3 emissions to take ownership, show leadership and to illustrate how others can make this standard practice. This can make it appear that we are larger emitters than our comparators that have not included as full a picture of scope 3 in their data. We will continue to enhance our understanding of scope 3 data with our partners and keep pushing for standardisation of reporting to ensure everyone addresses their total carbon footprint effectively.

Whatever action we and others take, we still need to prepare for hotter drier summers, warmer wetter winters, more frequent extreme weather events and rising sea levels. As we do this, we will go beyond mitigation and seize opportunities to make positive changes that mean that everyone benefits from climate action.

[Here we will use an infographic showing how risks can become opportunities:

- Risks to health, wellbeing and productivity from high temperatures
- Risk of shortages in the public water supply
- Flooding of communities, businesses and infrastructure
- Risks to ³natural capital, including terrestrial and freshwater ecosystems, soils and biodiversity
- Threats to food production and trade
- New and emerging pests and diseases, and invasive non-native species, affecting people, plants and animals.

- Fewer people living in fuel poverty
- Benefits to health, wellbeing and productivity from climate action
- More and better space for people and nature, and biodiversity
- A resilient global business environment in the face of climate impacts
- Benefits over other global financial centres which will face more extreme challenges
- Job creation
- Reductions in insurance premiums and support for the City's Insurance sector
- Reduction in unnecessary use of resources (water, food) and generation of waste and use of natural capital (greening rather than air con to reduce temperatures)]

³ See Glossary on Page 6

Glossary

BASIC+ emissions include those from within the Square Mile from stationary energy, transportation and waste, as well as transboundary transportation, industrial processes and product use and the agriculture, forestry and land use sectors. It does not include emissions from investments.

Carbon removal is the process by which a **carbon sink**, such as forestry, reduces the amount of greenhouse gases in the atmosphere.

Circular economy principles means keeping resources in use for as long as possible, extracting the maximum value from them whilst in use, then recovering and regenerating products and materials at the end of each service life.

Climate resilience is the ability to anticipate, prepare for and respond to hazardous events, trends or disturbances related to climate. (Centre for Climate and Energy Solutions)

Ecosystem services are benefits to humans from the natural environment and from healthy ecosystems.

GHGs means greenhouse gases - the emissions responsible for global warming.

ktCO₂ is the unit of measurement for GHG emissions. It standardises greenhouse gases into units of kilo-tonnes of carbon dioxide equivalent (ktCO₂e).

A **low-carbon economy** is simply an economy that causes low levels of GHG emissions compared with today's carbon-intensive economy. 'Carbon' refers to carbon dioxide, the GHG which contributes the most to climate change. The low-carbon economy can be seen as a step in the process towards a zero-carbon economy. (Science Direct)

Natural capital refers to the stock of natural resources, which includes geology, soils, air, water and all living organisms.

Net zero emissions is a state where annual residual GHG emissions are completely cancelled out through offsetting or removed through carbon dioxide removal or emissions removal measures. It is also referred to as carbon neutrality. (C40 Cities Climate Leadership Group, Defining Carbon Neutrality for Cities & Managing Residual Emissions, April 2019)

Science-based / Paris-aligned (Science-Based Target Setting Manual, April 2020) GHG emissions reduction targets are considered "science-based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Climate Agreement 2015 - to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

For an organisation: (Carbon Trust definitions)

Scope 1 means direct emissions from owned or controlled sources

Scope 2 means indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company

Scope 3 means all other indirect emissions that occur in a company's value chain

For a city:

Scope 1 means direct emissions from within the geographical boundary

Scope 2 means indirect emissions from within the geographical boundary

Scope 3 means all other direct emissions from outside the geographical boundary

Our baseline [using mainly infographics]

Supporting the achievement of net zero

The City Corporation has achieved a 19% reduction in energy consumption within our operational sites since 2008 (using data from 2018/19) and since 2018 100% of the electricity we have purchased has been renewable.

We bought six new electric vehicles and eight new hybrid vehicles in 2018/19 and installed 20 new electric vehicle charging points as part of the City's "Transition to a Zero Emission Fleet" policy.

The Square Mile has achieved a 55% reduction in Scope 1 and 2 emissions since 2008 (using data from 2018/19). This has been assisted by our ambitious planning requirements which have led to 75% of new commercial developments with over 20,000m² floorspace achieving at least a BREEAM 'Excellent' rating since 2014.

Where the City Corporation's emissions come from

Where the Square Mile's emissions come from

How we remove carbon from the atmosphere

We look after over 11,000 acres of green spaces across London and its green belt. This equates to approximately 5,500 football pitches. This natural capital not only provides valued space for people and nature but also currently removes **416 ktCO₂ per year**. This is equivalent to 40% of the City Corporation's scope 1 and 2 emissions.

Building resilience

The City Corporation has long used its planning powers to implement a range of resilience measures in the Square Mile. These include green roofs, urban greening, landscaping, flood resilience and climate resilient new buildings.

As of 2020, the Square Mile has 42,600m² of green roof, up from 11,200 m² in 2005. This is set to increase to 65,800m² by 2024 through planning permissions in the current pipeline.

Championing sustainable growth

The UK is the only global financial centre that is also a leading centre for green finance, topping both conventional and 'green' rankings. UK market players are most committed to sustainable principles and the regulatory context is both favourable and innovative. The London Stock Exchange is the 'greenest' main stock exchange across all global financial centres and the UK is best placed to produce talent that is trained and skilled in sustainability matters.

⁴ See Glossary on Page 6

Our climate vision, aims and goals

Our vision

The City of London is competitive, sustainable and resilient.

Our aims

- 1) To support the achievement of net zero
- 2) To build climate resilience
- 3) To champion sustainable growth.

Our goals

For the City of London Corporation

- A. City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040.
- B. The City of London Corporation and its assets are resilient to climate change.
- C. The City of London Corporation influences UK and overseas organisations to become climate responsible.

For the Square Mile's fabric and function

- D. The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040.
- E. The Square Mile's buildings, public spaces and infrastructure are resilient to climate change.

For society

- F. People in the Square Mile and beyond benefit from a cleaner, greener and safer environment and job creation.

The first 5 years

Reinforcing and building on the commitments we made in our Corporate Plan (2018-23) to make sure we're doing all we can to reach our goals, we commit to:

- Identifying measurable targets to track performance against our goals
- Keeping our actions and targets in line with changing legislation and recommendations, for example from the Intergovernmental Panel on Climate Change, the Committee on Climate Change and the UK Government
- Working with our stakeholders and partners and listening to their ideas, experiences and views
- Ensuring that vulnerable groups who are most likely to be impacted by climate change are prioritised in our decision making
- Accessing the best evidence of our impact possible so we can learn and hone our actions as we go
- Reporting publicly to our committees and via published annual reports and
- Reviewing and refreshing the action plan every five years and re-baselining regularly.

The actions and targets set out below therefore only relate to the first five years of the strategy – **up to the end of March 2025**.

To support the achievement of net zero

Our goals are...	Actions we will take are...	We will assess our impact by measuring...
B. City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040.	<p>Transform the energy efficiency of our operational buildings through the adoption of best available technologies</p> <p>Maximise the use of renewable energy sources across our operational buildings</p> <p>Introducing new land management practices across our open spaces aiming to maximise their ability to remove carbon, and optimise their biodiversity and resilience value</p> <p>Aligning our financial investment portfolio with the goals of the Paris Agreement on climate change</p>	

	<p>Embedding circular economy⁵ principles into our capital projects using life cycle carbon and cost assessment techniques</p> <p>Accelerating the move to net zero carbon and energy efficient tenanted buildings, working closely with tenants to achieve shared goals</p> <p>Strengthening our supplier engagement to drive performance and innovation in delivering low carbon, sustainable products and solutions</p>	
E. The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040.	<p>Working with businesses and organisations to develop collaborative solutions to improve the energy efficiency of buildings in Square Mile</p> <p>Developing a Square Mile renewable energy strategy to support others to transition to renewable energy.</p> <p>Using our planning role to influence others to embed carbon analysis and circular economy principles in capital projects</p> <p>Advocating for the importance of green spaces as natural carbon sinks, and their contribution to biodiversity and overall wellbeing</p> <p>Supporting organisations in the Square Mile to build circular, low-carbon and resilient supply chains</p>	<p>Tonnes of carbon is removed from the atmosphere</p> <p>Percentages of low-carbon and circular buildings in existing stock and new builds</p> <p>Percentage of Square Mile businesses committed to transition to low-carbon</p>

To build climate resilience

Our goals are...	Actions we will take are...	We will assess our impact by measuring...
A. The City of London Corporation and its assets are resilient to climate change.	Build on our existing work to develop an early warning system, and clear resilience strategies for pests and diseases across our ports and markets, driving down the climate related food security risks	

⁵ See Glossary at Page 6

	<p>Embed resilience measures into our upgrade plans for our owned and operated buildings</p> <p>Upskill our workforce on climate resilience and embed a climate resilience lens into all our decision making</p>	
<p>D. The Square Mile's buildings, public spaces and infrastructure are resilient to climate change.</p>	<p>Make the Square Mile public realm more climate change ready through adding in more green spaces, flood resistant road surfaces, adaptable planting regimes and heat resistant materials</p> <p>Reduce the risk of flooding through developing sustainable rain and surface water management policies, resulting in a connected system of water recycling, sustainable urban draining and rainwater management measures</p> <p>Strengthen our planning guidance on climate resilience measures for new developments</p> <p>Work with our partners to create a more climate resilient and diversified energy network across the Square Mile</p> <p>Develop a strong, data-led approach to deepen our understanding of climate related risks and mitigations across the Square Mile</p> <p>Ensuring that we continue to protect the residents, critical assets, infrastructure and heritage of the Square Mile</p>	<p>Attractiveness ratings of workers, residents, visitors and students</p>

To champion sustainable growth

Our actions and targets build upon our Responsible Business Strategy (2018 - 23) – “Towards a Sustainable Future” and our ongoing work in supporting innovation and growth in the financial and professional services sector.

Our goals are...	Actions we will take are...	We will assess our impact by measuring...
<p>C. The City of London Corporation influences UK and overseas organisations to become climate responsible.</p>	<p>Improving visibility and standards across our projects - Catalysing change across the UK real estate market</p> <p>Work with Square Mile Businesses to promote sustainability best practice</p> <p>Share best practice on standards, tools, platforms and expertise to facilitate green and sustainable investment and growth</p> <p>Support charities and SMEs to consider, prepare for lead response to climate change</p> <p>Increase engagement and communications about sustainability with residents, business, visitors and other stakeholders</p> <p>Promote responsible procurement and investment practices for both asset managers and owners</p> <p>Support and drive innovation in the UK to provide the financing solutions to address climate change</p> <p>Enhancing London’s capacity to finance sustainable investment opportunities globally including emerging markets</p> <p>Work with UK Government and the financial services sector to deploy and scale sustainable finance products and services that countries and corporates need to help them transition to low-carbon.</p> <p>Improve the transparency and global standardisation of sustainability</p>	<p>Value of green and sustainable bonds issuance & trading at London Stock Exchange</p> <p>No. of firms reporting in line with TCFD principles</p> <p>Signatories to PRI</p> <p>London Stock Exchange sustainability disclosure rate</p> <p>Z/Yen’s latest Global Green Finance Index report</p> <p>Number of new products which consider environmental and social factors</p> <p>Jobs created and size of investment in UK green tech sector</p> <p>Comparison of take up of technical products and services with other financial centres</p> <p>Investment levels and growth figures in businesses that have transition plans in place</p> <p>Growth in businesses transitioning to net zero.</p>

	<p>reporting through influencing and supporting the delivery of technical solutions to increase comparability of data and ease of reporting.</p> <p>Share learning and best practice about challenges opportunities of our net zero journey</p> <p>Support SMEs in Square Mile to refurbish</p>	
<p>F. People in the Square Mile and beyond benefit from a cleaner, greener and safer environment and job creation.</p>	<p>Addressing existing inequalities and ensuring no one is left behind.</p> <p>Prepare people with jobs for the future</p> <p>Facilitate collaborative action on air pollution in London</p> <p>Reduce pollution and increase the resilience of the Square Mile</p> <p>Implement our ambitious air quality and transport strategies</p> <p>Embrace circular economy principles across our strategies and work</p> <p>Work with our creative and educational sector partners to deliver sustainable initiatives</p> <p>Enhance greening and biodiversity across our public realm and open spaces</p>	<p>NOx levels reach 90% WHO compliance by 2025</p> <p>1000 new jobs are created</p> <p>Energy performance of residential buildings improves</p> <p>Number of firms in the Square Mile engaged in Responsible Business initiatives</p> <p>Visitor satisfaction levels at Square Mile and Open Spaces</p>

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Appendix 2 – Detailed profile of each action area for Net Zero

Action area 1: Corporate Property and Landlord Areas

Committee: CASC

NET ZERO VISION: The City Corporation is responsible for some of Central London's most historic, landmark buildings. The net-zero future will prepare them for the next one hundred years, reducing emissions and costs, while improving occupant comfort and productivity.			
STRATEGY GOALS: A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040			
High level actions Action 1.1 Update building condition surveys Action 1.2 Undertake funding sources review Action 1.3 Develop energy efficient and low-carbon refurbishment standards Action 1.4 Upgrade to LED lighting and controls Action 1.5 Implement centralised BMS Action 1.6 Sub-meter energy consumption Action 1.7 Begin installation of heat pumps and deep fabric retrofit schedule	Net cost £2.62m	Job creation (estimate) 71	What it pays for <ul style="list-style-type: none"> • A better understanding the condition of our buildings to allow us to prioritise our investment approach • The ability to maximise the use of external funding to scale up our ability to increase energy efficiency of the portfolio • An upgrade to the lighting in our buildings to be energy efficient • A change in the way we manage the energy use of our buildings to make it more efficient • An upgrade to the insulation in the fabric of our buildings to increase energy efficiency • An upgrade of our gas boilers to low emission heat pumps
Impact on net zero 2,250 ktCO ₂ e per year	Measurement Energy intensity (kWh/m ²) of operated buildings		Key Benefits <ul style="list-style-type: none"> • Improved indoor comfort • Improved occupant satisfaction, increased productivity and employee retention • Future-proof CPG estate • Tackle fuel poverty for residents • Increased building performance data • Reduction in long-term property maintenance costs • Increased visibility and control on capital spend • Green jobs and economic multipliers for green / tech ecosystem • Energy savings
	Strategic Links Corporate Plan Outcomes – 5,11,12, Lighting Strategy 2018-21, Responsible Business Strategy 2018-23, the Local Plan 2015, The draft City Plan 2036, Waste Strategy 2013-20		

NET ZERO VISION: A future where climate and carbon are a leading driver in all organisational procurement decisions and where individuals and organisations have adjusted their consumption and travel habits, with consequential health and wellbeing, community and family benefits.

STRATEGY GOALS: A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040 G) People benefit from a cleaner, greener and safer environment and job creation

High level actions Action 2.1 Measured-data emissions footprint Action 2.2 Strengthen supplier engagement Action 2.3 Set carbon intensity reduction targets for top 25 emitters Action 2.4 Decarbonisation route map Action 2.5 Upgrade fleet vehicles to EV	Net cost £1.66m	Job creation (estimate) 19	What it pays for <ul style="list-style-type: none"> • A better understanding of the carbon emissions in our supply chains • A strengthened relationship with our suppliers through shared goals on carbon emission reduction • Clear targets for carbon reduction in our top suppliers • An automated carbon emissions reporting tool for our supply chain
Impact on net zero 5,000 ktCO ₂ e per year Page 34	Measurement Carbon intensity (ktCO ₂ e per £m of revenue spend)		Key Benefits <ul style="list-style-type: none"> • Positive reputation amongst suppliers • Improved supplier emissions footprints benefit other buyers • New standards and approaches to procurement for local authorities • Increased visibility and standards across and within projects • Economic multipliers for green / clean tech ecosystem
	Strategic Links Corporate Plan Outcomes – 5,11,12, Transport Strategy 2018-43, Local Plan 2015, The draft City Plan 2036, Responsible Business Strategy 2018-23, Waste Strategy 2013-20, City Procurement Strategy 2020-24		

NET ZERO VISION: A future where all construction materials have a second life and where innovation is prioritised to identify materials and design efficiencies. Where all organisations are competing to rent the lowest carbon and circular buildings and where empty existing buildings are immediately re-purposed.

STRATEGY GOALS: A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040 G) People benefit from cleaner, greener and safer environment, and job creation

<p>High level actions</p> <p>Action 3.1 Measured-data emissions footprint</p> <p>Action 3.2 Sustainable and circular design standards (new build and refurb)</p> <p>Action 3.3 Low-impact materials specifications</p> <p>Action 3.4 Circular construction / low-embodied emissions pathfinder project</p> <p>Action 3.5 Assess commercial and operational viability of new design standards</p>	<p>Net cost</p> <p>£0.7m</p>	<p>Job creation (estimate)</p> <p>6</p>	<p>What it pays for</p> <ul style="list-style-type: none"> • A new toolkit to assess the life cycle carbon emissions of our capital projects to enable better decision making • A commercially viable standard specification guide to ensure climate action and responsible business goals are considered in new builds and refurbishments • An approved catalogue of low carbon, low impact materials to replace higher carbon, commonly used materials • A historic building refurbishment programme demonstrating best practice on low carbon interventions
<p>Impact on net zero</p> <p>7,500 ktCO₂e per year</p>	<p>Measurement</p> <p>Carbon intensity (ktCO₂e per £m of revenue spend)</p>	<p>Key Benefits</p> <ul style="list-style-type: none"> • Economic multipliers through growth in green / clean tech industries • Positive reputation amongst businesses • Catalyse change across UK real estate market • Increased visibility and standards across and within projects • Increased visibility and control on capital spend 	
	<p>Strategic Links</p> <p>Corporate Plan Outcomes – 5,11,12, Waste Strategy 2013-20, City Procurement Strategy 2020-24</p>		

Action area 4: Investment Property Group (Leased Downstream Assets)

Committee: Property Investment Board

NET ZERO VISION: The City Corporation is responsible for some of Central London's most historic, landmark buildings. The net-zero future will prepare them for the next one hundred years, reducing emissions and costs, while improving tenant satisfaction and long term valuation.

STRATEGY GOALS: A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040 D) The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040

<p>High level actions</p> <p>Action 4.1 Review risks of future relevant regulations and develop a readiness plan</p> <p>Action 4.2 Ensure environmental requirements in new acquisition and leases</p> <p>Action 4.3 Embed energy efficient and low carbon solutions in refurbishment standards</p> <p>Action 4.4 Establish a comprehensive program to monitor energy consumption</p> <p>Action 4.5 EPC B upgrade programme for buildings coming off lease with planned refurbishment works between 2020-2025</p> <p>Action 4.6 Design and agree operational plan to deliver 50% emission reduction across the IPG estate by 2040 with 5-year incremental performance targets named, with yearly reporting on progress against targets</p>	<p>Net cost</p> <p>£1.39m</p>	<p>Job creation (estimate)</p> <p>48</p>	<p>What it pays for</p> <ul style="list-style-type: none"> • A plan for meeting and potentially exceeding The Non-Domestic Private Rented Sector Minimum Energy Efficiency Standards. • A strengthened relationship with our tenants through identifying and agreeing low carbon interventions with shared benefits • A strong alignment of energy efficiency initiatives across our leased buildings, new capital project design specifications, and refurbishment guidance • A new central energy monitoring system for leased buildings • An upgrade to EPC B for all our leased buildings over the next 20 years • A clear and considered operational plan for meeting climate action targets in line with agreed dates
<p>Impact on net zero</p> <p>2,350 ktCO₂e per year</p>	<p>Measurement</p> <p>Energy intensity (kWh/m²) of investment property</p>	<p>Key Benefits</p> <ul style="list-style-type: none"> • Energy savings • Potential increase in property values and yield • Increase in tenant satisfaction and reduced void periods • Reduction in long-term property maintenance costs • Reduction in letting costs • Future proof key asset base for Corporation • Increased visibility and control on capital spend • Green jobs and economic multipliers for green tech ecosystem 	<p>Strategic Links</p> <p>Corporate Plan Outcomes – 5,7,11,12, Responsible Business Strategy 2018-23, Local Plan 2015, The draft City Plan 2036, Waste Strategy 2013-20, City Procurement Strategy 2020-24</p>

NET ZERO TARGET: ESG Integration and Climate Related Financial Risk Analysis are used to drive manager and product selection. The Corporation influences others to take action and actively contribute to advancing understanding of how to manage climate related financial risks.

STRATEGY GOALS: A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040 B) The City of London Corporation and its assets are resilient to climate change. C) The City of London Corporation influences UK and overseas organisations to become climate responsible

<p>High level actions</p> <p>Action 5.1 Embed ESG Integration and Climate Related Financial Risk in Investment Mandates</p> <p>Action 5.2 Ensure climate criteria are embedded in Fund Manager selection</p> <p>Action 5.3 Commit to at least 60% of portfolio Paris-aligned by 2040</p> <p>Action 5.4 Signal ambition for 100% portfolio aligned by 2030 and become signatory to TCFD</p>	<p>Net cost</p> <p>£0.1m</p>	<p>Job creation (estimate)</p> <p>1</p>	<p>What it pays for</p> <ul style="list-style-type: none"> • A better understanding of the ESG and climate risk exposure in our portfolio • A clear plan on how to achieve a Paris-aligned portfolio by 2040 • A stretching plan on how to achieve a Paris-aligned portfolio by 2030 • A new investment criterion on climate action added into our fund manager mandates • Regular reporting to the Task Force on Carbon Disclosure (TCFD) in line with our peers
<p>Impact on net zero</p> <p>10,750 ktCO₂e per year</p>	<p>Measurement</p> <p>Carbon intensity (ktCO₂e per £m of revenue spend)</p>	<p>Key Benefits</p> <ul style="list-style-type: none"> • Reduction of reputational and climate-related financial risk • Capitalise on investment returns as economy transitions • Future proof key asset base of Corporation • Increased visibility on performance and engagement record • Corporation's profile as responsible investor aligned with peers and international dialogue at Green Horizons Summit, COP26 and other international platforms • Increased understanding of risk across portfolio 	<p>Strategic Links</p> <p>Corporate Plan Outcomes – 5,11,12, Responsible Business Strategy 2018-23, Local Plan 2015, The draft City Plan 2036</p>

NET ZERO TARGET: Streets that inspire and delight, world-class connections and a Square Mile that is accessible to all. The Square Mile will be a healthy, attractive and easy place to live, work, learn and visit.			
STRATEGY GOALS: D) The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040, G) People benefit from cleaner, greener and safer environment, and job creation			
High level actions Action 6.1 Pavement widening to comfort level A+ Action 6.2 Additional 20km timed street closures Action 6.3 Freight consolidation centre	Net cost £1.51m	Job creation (estimate) 20	What it pays for <ul style="list-style-type: none"> • 14km of widened pavement to support pedestrian movements and reduce emissions from vehicles • A network of new pedestrian priority streets • A pilot study on a new logistical hub to manage and reduce freight vehicles and emissions
Impact on net zero 3,250 ktCO ₂ e per year <div>Page 38</div>	Measurement Carbon intensity (ktCO ₂ /m ²) per capita		Key Benefits <ul style="list-style-type: none"> • Improved air quality • Improved employee health leads to reduced absenteeism • Increased footfall and local spending • Job creation
	Strategic Links and Partners Corporate Plan Outcomes –1, 5,11,12, Air Quality Strategy 2019-24, Transport Strategy 2018-43, Responsible Business Strategy 2018-23, Local Plan 2015, The draft City Plan 2036, Culture Strategy 2018-22, Waste Strategy 2013-20, City Procurement Strategy 2020-24		

NET ZERO TARGET: The net-zero future sees the unique built environment of the Square Mile prepared for the next one hundred years, reducing emissions and costs, while improving commercial value and occupant comfort.

STRATEGY GOALS: D) The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040 F) Businesses capitalise on commercial opportunities through transitioning to net zero

<p>High level actions</p> <p>Action 7.1 Square Mile renewable energy strategy</p> <p>Action 7.2 Historic building energy efficiency retrofit challenge</p> <p>Action 7.3 Create exemplar guidance on Square Mile refurbishment</p> <p>Action 7.4 Tighten standards for new buildings through SPG</p>	<p>Net cost (pa)</p> <p>£1.26</p>	<p>Job creation (estimate pa)</p> <p>15</p>	<p>What it pays for</p> <ul style="list-style-type: none"> • A leading strategy developed with key stakeholders on how to source renewable energy for the Square Mile • New approaches to energy efficiency in historic buildings developed through an innovation competition, hosted in partnership with Royal Institute of British Architects • A guide for best practice in energy efficiency design approaches for building types in the Square Mile • A Supplementary Planning Guidance document requiring improvement in the carbon emissions and energy efficiency performance of new developments
<p>Impact on net zero</p> <p>11,800 ktCO₂e per year</p>	<p>Measurement</p> <p>Carbon intensity (ktCO₂/m²) per capita</p>		<p>Key Benefits</p> <ul style="list-style-type: none"> • Improved air quality • Improved employee health leads to reduced absenteeism • Increased footfall and local spending • Green jobs and economic multipliers
	<p>Strategic Links</p> <p>Corporate Plan Outcomes –1, 5,11,12, Air Quality Strategy 2015-20, Transport Strategy 2018-43, Responsible Business Strategy 2018-23, Local Plan 2015, The Draft City Plan 2036, Waste Strategy 2013-20</p>		

NET ZERO TARGET: The Square Mile transitions towards a circular economy, where the City Corporation engages with key stakeholders to accelerate the adoption of global best practices.			
STRATEGY GOALS: D) The Square Mile's scope 1, 2 and 3 emissions (BASIC+ definition) are net zero by 2040 F) Businesses capitalise on commercial opportunities through transitioning to net zero			
High level actions Action 8.1 Improve material and floorspace efficiency in construction Action 8.2 Scope Square Mile carbon offset fund Action 8.3 Launch Square Mile carbon offset fund	Net costs (pa) £0.21	Job creation (estimate pa) 2	What it pays for <ul style="list-style-type: none"> • Collaborative Square Mile-wide solutions to deal with supply chain emissions, working closely with the business community • A Square-Mile carbon offset fund, which all businesses can contribute to, to offset residual emissions
Impact on net zero N/A (outside of target scope)	Measurement N/A		Key Benefits <ul style="list-style-type: none"> • Positive reputation as innovative green finance leader • Green jobs and economic multipliers
	Strategic Links Corporate Plan Outcome 7, Local Plan 2015, The draft City Plan 2036, Responsible Business Strategy 2018-23		

NET ZERO TARGET: The City Corporation open spaces are celebrated as high-value ecological habitats that also form an integral part of balancing any residual emissions. Enhanced land management practices set the standard for others to follow.

STRATEGY GOALS: A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040 C) The City of London Corporation influences UK and overseas organisations to become climate responsible. G) People benefit from a cleaner, greener and safer environment, and job creation.

High level actions Action 9.1 Sequestration modelling study building upon baseline study Action 9.2 Woodland and grassland ecological restoration where appropriate	Net cost (pa) £0.83m	Job creation (estimate pa) 8	What it pays for <ul style="list-style-type: none"> • A change in land management to re-introduce pollarding and coppicing on Epping Forest • A commercially viable model for using timber in biomass burners at Epping Forest and Burnham Beeches
Impact on net zero 10,000 ktCO ₂ e per year Page 41	Measurement Carbon removal (ktCO ₂ per year)		Key Benefits <ul style="list-style-type: none"> • Enhanced biodiversity • Optimisation of benefits from other ecosystem services, such as pollination, water quality and air pollution mitigation • Enhance and expand area of ecosystem services resilience • Direct effect on green jobs
	Strategic Links Corporate Plan Outcomes 11,12. Local Plan 2015, The draft City Plan 2036, Responsible Business Strategy 2018-23, Hampstead Heath Management Strategy 2018-28, Waste Strategy 2013-20		

NET ZERO TARGET: Climate action is embraced and integrated across the City Corporation, with Members informed and officers empowered to deliver measurable impact. This cross-Corporation function responds to changing conditions, monitoring performance and realigning strategy and plans where necessary, ensuring long-term emissions targets are achieved or exceeded. Climate action becomes a driver of corporate performance.

STRATEGY GOALS: A) City of London Corporation scope 1 and 2 emissions are net zero by 2025 and scope 3 emissions are net zero by 2040 B) The City of London Corporation and its assets are resilient to climate change C) The City of London Corporation influences UK and overseas organisations to become climate responsible.

<p>High level actions</p> <p>Action 10.1 Identify programme and data management resource for implementation</p> <p>Action 10.2 Create a data management and carbon accounting system</p> <p>Action 10.3 Monitor performance targets</p> <p>Action 10.4 Report progress to agreed internal and external partners / networks</p> <p>Action 10.5 Sustained engagement programme and publicise success stories</p>	<p>Net cost (pa)</p> <p>£0.4m</p>	<p>Job creation (estimate pa)</p> <p>2</p>	<p>What it pays for</p> <ul style="list-style-type: none"> • A dedicated climate action strategy programme team • A carbon accounting system • A performance measurement and reporting system linked to the corporate performance framework – holding us to account • Regular reporting of progress and targets to both internal and external partners • A clear internal and external communications plan
<p>Impact on net zero and resilience</p> <p>Ensures delivery across the programme</p>	<p>Measurement</p> <p>Total no. climate risks managed</p>		<p>Key Benefits</p> <ul style="list-style-type: none"> • Climate related performance drives commercial performance across Corporation • Additional skills and expertise transferred to wider staff • Accelerate use of Corporate Performance Framework • Implementation of carbon accounting system will allow for capture of other sustainable accounting practices
	<p>Strategic Links</p> <p>Corporate Plan Outcomes – 7,8</p> <p>Responsible Business Strategy 2018-23</p>		

Appendix 2b – Detailed profile of each action area for Climate Resilience

Action area 1: Ports and Market resilience

Committee: Port Health

STRATEGY GOALS: B) The City of London Corporation and its assets are resilient to climate change. E) The Square Mile's buildings, public spaces and infrastructure are resilient to climate change.			
High level actions Action 1.1 Pest and disease horizon scanning, surveillance and research programme Action 1.2 Ports and markets operational resilience planning Action 1.3 Undertake funding sources review	Net cost (pa) £0.1m	Job creation (estimate pa) 0	What it pays for <ul style="list-style-type: none"> • Clear mitigation strategies for a wide variety of pests and diseases, with emphasis on those specific to markets and ports • An early warning system for pests and diseases • A dedicated resilience strategy for the ports and markets • An ability to maximise external funding sources and strategies
Resilience Risks <ul style="list-style-type: none"> • Food • Pest and disease Impact on resilience risks <ul style="list-style-type: none"> • Working with traders and local businesses to develop contingency plans for periods of food shortage • A dedicated resilience strategy for ports and markets will allow clear strategies to respond to shock events and climate related emergencies • An early warning system for pests and disease will allow us to respond quickly and effectively 	Measurement Total no. climate risks managed		Key Benefits <ul style="list-style-type: none"> • Future-proof commercial resilience of key assets • Indirect effect on green jobs
	Strategic Links Corporate Plan Outcomes –11,12.		

Action area 2: Resilient Streets and Greening

Committee: Planning and Transport

STRATEGY GOALS: B) The City of London Corporation and its assets are resilient to climate change. E) The Square Mile's buildings, public spaces and infrastructure are resilient to climate change. G) People benefit from a cleaner, greener and safer environment, and job creation			
High level actions Action 2.1 Flood modelling, which include SUDs and other mitigation strategies, to complement EA flood models Action 2.2 Conduct pilot to test heat resistant materials in planned works for streets and highways during 2021-2025 Action 2.3 Develop City Corporation and Square Mile water footprint management strategy Action 2.4 Develop natural flood risk management areas Action 2.5 Sustainable rain and surface water management policies and implementation Action 2.6 Work with partners to accelerate actions to address water leak management Action 2.7 Increase the quality and provision of green space and coverage in the Square Mile and wider City Corporation spaces Action 2.8 Introduce climate-resistant and adaptive landscaping in planned works Action 2.9 Undertake funding sources review	Net cost (pa) £2.2m	Job creation (estimate pa) 9	What it pays for <ul style="list-style-type: none"> • An investigation into new water infrastructure such as strategic SUDs, roof top greening, catchment greening and afforestation, and more as relevant • A register and upgrade plan for roads that are vulnerable to acute heat which mainstreams heat-resistant road surfacing • A connected system of water recycling, urban drainage and rainwater management measures • More greenery in the Square Mile public realm • Climate change adaptable landscapes and planting • A strong partnership with Thames Water to reduce water wastage through leaking
Resilience Risks <ul style="list-style-type: none"> • Flooding • Overheating • Water stress • Natural capital Impact on resilience risks <ul style="list-style-type: none"> • Additional guidance on climate resilience forming part of Planning Policy will reduce all resilience risks • Minimising temperature increases through the public realm, creating cool spots • Interventions such as shading, urban greening, heat-resistant road surfacing, natural flood risk management areas, flood defence asset maintenance and careful material selection will reduce all resilience risks 	Measurement Total no. climate risks managed	Key Benefits <ul style="list-style-type: none"> • Positive reputation amongst suppliers and construction industry • Indirect effect on green jobs and economic multipliers for green tech ecosystem • Increased visibility and standards across projects • Future proof public realm for climate impacts 	Strategic Links Corporate Plan Outcomes – 5,7, Local Plan 2015, The draft City Plan 2036, Transport Strategy 2018-43, Responsible Business Strategy 2018-23, Local Flood Risk Management Strategy 2014-2020

Action area 3: Resilient buildings

Committee: Property Investment Board, CASC

STRATEGY GOALS: B) The City of London Corporation and its assets are resilient to climate change E) The Square Mile's buildings, public spaces and infrastructure are resilient to climate change. G) People benefit from a cleaner, greener and safer environment, and job creation			
High level actions Action 3.1 Embed resilience measures into 5-year plan upgrade plans for IPG and CPG properties Action 3.2 Diversify energy sources and partner with regional organisations and utility providers to increase back-up power for critical services Action 3.3 Flood defence assets maintenance and management regimes incorporated into upgrade plans Action 3.4 Protect key assets, critical infrastructure and sensitive equipment in flood zones Action 3.5 Undertake funding sources review	Net cost (pa) £2.5m	Job creation (estimate pa) 33	What it pays for <ul style="list-style-type: none"> • A more climate resilient and future proofed property portfolio • A more resilient energy network for the Square Mile • An assessment of flood risk vulnerability for all the critical infrastructure, services, or features of heritage and archaeological value for the Square Mile • A plan for managing and upgrading critical flood defences, using nature led approaches where possible • An ability to maximise external funding sources and strategies to complete this work
Resilience Risks <ul style="list-style-type: none"> • Flooding • Overheating • Water stress Impact on resilience risks <ul style="list-style-type: none"> • Retrofits can be used to adapt buildings to reduce their influence on and risk from climate change • Introduction of shading and ventilation strategies can mitigate overheating • Flood protection measures such as water proofing, attenuation and flood barriers reduce flood risk • Interventions to reduce water consumption in buildings reduce water stress 	Measurement Total no. climate risks managed		Key Benefits <ul style="list-style-type: none"> • Indirect effect on green jobs and economic multipliers for green tech ecosystem • Positive reputation amongst businesses • Catalyse change across UK real estate market • Increased visibility and standards across projects • Increased performance from capital spend • Future proof key asset base for the Corporation
	Strategic Links Corporate Plan Outcomes – 5,7 Local Plan 2015, The draft City Plan 2036 Transport Strategy 2018-43 Responsible Business Strategy 2018-23 Local Flood Risk Management Strategy 2014-2020		

Action area 4: Resilience Co-ordination and training

Committee: Primarily Porth Health, and Planning and Transport

STRATEGY GOALS: B) The City of London Corporation and its assets are resilient to climate change E) The Square Mile’s buildings, public spaces and infrastructure are resilient to climate change. F) Businesses capitalise on commercial opportunities through transitioning to net zero G) People benefit from a cleaner, greener and safer environment, and job creation.			
High level actions Action 4.1 Develop financial package and programme to manage resilience Action 4.2 Expand use and availability of non-sensitive data to monitor effectiveness of interventions Action 4.3 Embed principles of inclusion and equity throughout all resilience strategies Action 4.4 Design cross-Corporation training programme to strengthen skills and capabilities on resilience Action 4.5 Mainstream climate resilience into City Corporation governance and decision-making Action 4.6 Review of above and below ground space utilisation in the Square Mile Action 4.7 Strengthen resilience requirements for planning Action 4.8 Undertake funding sources review	Net cost (pa) £0.3m	Job creation (estimate pa) 1	What it pays for <ul style="list-style-type: none">• A considered plan on funding options for climate resilience work, blending internal and external funding sources• A stronger, data-led approach to understanding climate related risks and mitigations across the Square Mile• A method to ensure that the needs of the most vulnerable to climate change are prioritised in decision making• A workforce with the knowledge and skills required to manage climate resilience across the Square Mile, backed up by a climate resilience lens across all decision making• A review of the supplementary planning guidance and approach for new developments to strengthen climate resilience measures
Resilience Risks <ul style="list-style-type: none">• Flooding• Water stress• Overheating• Cross-cutting Impact on resilience risks <ul style="list-style-type: none">• Embedding inclusion and equity in strategies and projects will ensure that the needs of the most vulnerable are prioritised• Skills gap analysis, skills sharing, and training will future proof the organisation• Deeper understanding of climate related data, as well as a review of ground space utilisation, will allow better strategic planning	Measurement Total no. climate risks managed		Key Benefits <ul style="list-style-type: none">• External investment in Corporation assets• Increased visibility and standards across projects• Increased performance from capital spend• Future proof key asset base for the Corporation• Decreased costs due to integration of resilience actions
	Strategic Links Corporate Plan Outcomes – 5,7 Local Plan 2015, The draft City Plan 2036 Transport Strategy 2018-43 Local Flood Risk Management Strategy 2014-2020		

Action area 5: Public health engagement and education

Committee: Primarily Port Health and CCS

STRATEGY GOALS: B) The City of London Corporation and its assets are resilient to climate change. E) The Square Mile's buildings, public spaces and infrastructure are resilient to climate change. G) People benefit from a cleaner, greener and safer environment, and job creation.			
High level actions Action 5.1 Climate-ready, fortified public health programme Action 5.2 Develop urban heat vulnerability index and mitigation strategy Action 5.3 Strengthen community and business networks to build adaptive capacity Action 5.4 Strengthen climate resilience education track at Open Spaces Action 5.5 Public communications and awareness raising campaign(s)	Net costs (pa) £0.1m	Job creation (estimate pa) 0	What it pays for <ul style="list-style-type: none"> • A plan to protect public health and social services critical services and infrastructure during shock events • An Urban Heat Vulnerability Index to help prioritise temperature reducing measures for vulnerable groups • A more cohesive community through supporting grassroots resilience projects, community groups and business networks • A clear communications plan to integrate climate resilience into existing education strategies across our services
Resilience Risks Food • Overheating Cross-cutting • Pest and Disease	Measurement Total no. climate risks managed		Key Benefits <ul style="list-style-type: none"> • Enhanced reputation and public support
	Strategic Links Corporate Plan Outcomes 5,7,9,10,12 Responsible Business 2018-23 Local Plan 2015, the draft City Plan 2036		
Impact on resilience risks <ul style="list-style-type: none"> • Identification of food insecurities and robust plans for mitigation • Working with mutual aid, community aid and business networks to ensure vulnerable populations are supported • Planning to protect critical health and social care structures during shock events and emergencies 			

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Committee:	Date:
Property Investment Board	16 September 2020
Subject: Terms of Reference, Frequency of meetings and 2020/21 Work Programme	Public
Report of: Town Clerk	For Decision
Report author: Richard Holt, Town Clerk's Department	

Summary

This report sets out Terms of Reference for the Property Investment Board, the frequency of meetings, proposed work programme and dates of Board meetings for 2021

Recommendations

It is recommended that:

- a) Members note the Property Investment Board's Terms of Reference;
- b) Members consider the frequency of the Board's meetings set out in Appendix B;
- c) Members approve the proposed work programme for 2020/21; and

Main Report

1. This report notes the Terms of Reference and composition of the Property Investment Board. It also sets out details of the co-option arrangements adopted by the Investment Committee for all of its Boards.
2. The Board is further asked to consider the frequency of its meetings. It is proposed that the Property Investment Board will meet on a bi-monthly basis on those dates set out at Appendix B. This arrangement reflects the proposed work programme for the Board outlined below.

Property Investment Board –Terms of Reference

3. Property Investment Board

Composition

- Chairman - To be determined by the Board
- 12-14 Members of the Investment Committee

Quorum

Any three Members of the Board.

Terms of Reference

To determine and approve management and investment matters relating to property within the City's Cash, City Fund and Bridge House Estates in accordance with the management plans and investment strategies;

- a) to acquire, manage or dispose of all City property within its remit;
- b) to determine specific property ownerships in accordance with policies established by the Policy and Resources Committee and the Court of Common Council in relation to the extent of properties to be held by the City of London Corporation for strategic purposes, including within the City itself;
- c) in relation to Leadenhall Market, to lease any shop or shops at less than the full market rent in order to obtain the stated objectives of securing a first class, balanced and varied market; and
- d) to report during the year to the Investment Committee in relation to its activities and the overall performance of the investment property portfolios.

There is provision within the Investment Committee's Terms of Reference to enable the Chairman of the Property Investment Board to report on and speak to the Board's activities and responsibilities in the Court of Common Council and to ensure that any decisions, especially those relating to property, are taken without undue delay.

Property Investment Board – Work Programme

4. Outlined below are some of the key issues that will need to be considered by the Property Investment Board at its meetings throughout the year. The programme is intended to be indicative, in order to give Members some idea of the reports that will be considered during its meetings and is subject to change.

PROPERTY INVESTMENT BOARD ANNUAL TIMETABLE OF REPORTS September 2020 to September 2021

SEPTEMBER 2020	Rent Reviews/Lease Renewals report as at June Quarter Day.	IPG Assistant Directors
	Rental Forecast Quarterly Report (June)	IPG Assistant Directors
	Write Off Report	A. Cusack/C. Lawson
	Business Plan – 1 st Quarter Progress.	John Galvin
	City Surveyor's Department Risk Register – 1 st Quarter Progress.	Faith Bowman
OCTOBER 2020	NO COMMITTEE	
NOVEMBER 2020	Rental Forecast Quarterly Monitoring Report (September)	IPG Assistant Directors
	Delegated Authorities - Decisions as at 30 th September.	IPG Director
DECEMBER 2020	6 Monthly Revenue Report	Jonathan Cooper
	City's Estate Annual Update.	Tom Leathart
	Bridge House Estates Annual Update.	Neil Robbie
	Annual Estimates.	John James
	Draft New Business Plan 2020 - 2025	John Galvin
	Arrears (as at Sept Quarter day) - Half yearly report.	IPG Director

	Business Plan – 2 nd Quarter Progress.	John Galvin
	City Surveyor's Department Risk Register – 2nd Quarter Progress.	Faith Bowman
	Write Off Report	A. Cusack/C. Lawson
JANUARY 2021	Voids (as at 1 Dec) – Half yearly report.	IPG Director
	Delegated Authorities – Decisions as at 31 st December	IPG Director
	Rent Review/Lease Renewals report as at December Quarter Day.	IPG Assistant Directors
	City Fund Annual Update.	Andrew Cross
	Strategic Property Estate Annual Update.	Neil Robbie
FEBRUARY 2021	NO COMMITTEE	
MARCH 2021	Business Plan 3 rd Quarter Progress.	John Galvin
	City Surveyor's Department Risk Register – 3rd Quarter Progress.	Faith Bowman
	Rental Forecasts Quarterly Report.(December)	IPG Assistant Directors
	Write Off Report	A. Cusack/C. Lawson
	3 Yearly Report: Performance Metrics Annual Review – due Feb 2023	John James/Bill Redfern
APRIL 2021	NO COMMITTEE – RECESS	
MAY 2021	Rental Forecasts Quarterly Report. (March)	IPG Assistant Directors
	Annual Valuation.	IPG Director
	Delegated Authorities – Decisions as at 31 st March.	IPG Director
	Arrears (as at March Quarter day) – Half yearly report.	IPG Director
	MIPIM Report on March's Exhibition.	Linzi Clark
	Timetable of reports (to be incorporated into Town Clerk's report)	IPG Director
	Terms of Reference, Frequency of Meetings, 2012/21 Work Programme and Appointments to other Committees	Town Clerk
JUNE 2021	NO COMMITTEE	
JULY 2021	Vacant Accommodation Update (as at 1st June) – Half yearly report.	IPG Director
	MSCI Annual Performance (previously IPD)	IPG Director
	Delegated Authorities – Decisions as at 30 th June.	IPG Director
	Write Off Report	A. Cusack/C. Lawson
	Revenue Outturn Report.	John James
	Business Plan – 4 th Quarter Progress.	John Galvin
	City Surveyor's Department Risk Register – 4 th Quarter Progress.	Faith Bowman
	6 Monthly Revenue Report	Jonathan Cooper
AUGUST 2021	NO COMMITTEE – RECESS	

5. Over the course of the year, the Property Investment Board will report to the Investment Committee, as follows:

January Meeting

The Investment Committee will receive a report from the Property Investment Board on its review of various property strategies:-

City Fund Estate
City's Estate
Bridge House Estate

Each meeting

In addition to the above, the minutes of the latest Property Investment Board meetings will be submitted to the Investment Committee for information.

Co-option arrangements

6. The Property Investment Board, Financial Investment Board and Social Investment Board are all empowered to co-opt people with relevant expertise or experience, including non-Members of the Court of Common Council, to assist in their deliberations. The protocol concerning the co-option arrangements for each Board is attached at Appendix B.

Appendices

- A) Protocol for co-option to the Property Investment Board
- B) Property Investment Board meeting dates 2021

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Protocol for co-option to the Financial Investment Board, the Property Investment Board and the Social Investment Board

1. The Financial Investment Board, the Property Investment Board and the Social Investment Board are empowered to co-opt people with relevant expertise or experience, including non-Members of the Court of Common Council, to assist in their deliberations.
2. The arrangements for co-option and the co-opted membership of individuals to the Financial Investment Board, the Property Investment Board and Social Investment Board will be reviewed on an annual basis at the May meeting of the Investment Committee (and thereafter at the first meetings of the respective Boards).
3. Whilst being conscious of expertise and any required skill sets, Members should consider the gender (sex) and ethnic mix of the relevant Board when proposing co-options, and should seek to introduce new and talented people, from diverse backgrounds, who could make a contribution to the work of the Boards.
4. Members of the Court of Common Council can be co-opted to the Financial Investment Board, the Property Investment Board or the Social Investment Board by agreement of the relevant Board, following proposal of the co-option at a meeting of the Board.
5. When suggesting external individuals with relevant expertise or experience for co-option, Members of the Financial Investment Board, the Property Investment Board or the Social Investment Board will be required to:-
 - a. send a written request for co-option to the Town Clerk, specifying whom it is proposed should be co-opted to either the Financial Investment Board or the Property Investment Board or the Social Investment Board and the reasons for their co-option;
 - b. send a CV or supporting statement, for the individual being suggested for co-option, to the Town Clerk. Bearing in mind the Board's terms of reference, the letter and supporting statement or CV should demonstrate the individual's relevant skills and experience.
6. For the Standards Committee, is it considered inappropriate for past Members of the Court of Common Council or former City Corporation employees to be eligible to serve as [independent] outside members and Members will need to consider if the same conditions should apply in respect of co-option to the Financial Investment Board, the Property Investment Board and Social Investment Board. It would be inappropriate for a close friend or relative of any Member or officer to serve or indeed an employee of any organisation of which the City Corporation is a client.
7. The Town Clerk will consult the relevant Chief Officer to discuss the co-option request and will, if necessary, prepare a report for the next meeting of the

respective Board. Members of the respective Board will then be asked to consider the co-option request.

8. Unless co-option is time-banded or topic/project restricted, co-opted Members of the Financial Investment, the Property Investment Board and Social Investment Board will be entitled to attend all meetings of the respective Board for a maximum of 12 months (prior to the annual review in May) and to receive all committee-related documentation, including exempt papers, unless otherwise determined by the Town Clerk in consultation with the relevant Chief Officer.
9. The Financial Investment Board, the Property Investment Board and the Social Investment Board are empowered to approve their own co-opted membership (majority vote) without prior consultation with, or agreement by, the Investment Committee. The Town Clerk will inform the Chairman and Deputy Chairman of the Committee once a Board has agreed co-option of an individual.
10. Co-opted Members would not have voting rights.
11. Co-opted Members of the Financial Investment Board, the Property Investment Board and Social Investment Board will be required to complete a Register of Interest form and declare personal and prejudicial interests when in attendance at meetings.

Meeting dates for the Property Investment Board – 2018/19

Meeting	Time
January 27 th 2021	08:30am
March 17 th 2021	08:30am
May 26 th 2021	08:30am
July 28 th 2021	08:30am
September 29 th 2021	08:30am
November 10 th 2021	08:30am

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Agenda Item 6

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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SUR Departmental risks - detailed report EXCLUDING COMPLETED ACTIONS for committee

Report Author: Faith Bowman

Generated on: 17 August 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
R R SMT 002 Insufficient budget to meet user and asset demand at Guildhall	<p>Cause: Insufficient budget and accessibility due to the increase/intensification of use at Guildhall Complex. Insufficient funding being made available for Major Works, Cyclical Works and Day to Day Maintenance Budget to manage the repair demands on the Guildhall Complex.</p> <p>Event: Insufficient asset funding and lack of accessibility to complete all works due to increase/intensification of use at Guildhall Complex</p> <p>Impact: The standard of the Guildhall Complex will start to deteriorate, resulting in; poorer working environments leading to increased dissatisfaction and lower employee productivity and potential increase in breakdowns and reactive costs as the basic infrastructure of the Complex becomes beyond economic repair.</p>	<p>Likelihood</p> <p>Impact</p>	12	<p>This risk captures the longer-term risks associated with funding for the Guildhall. Risks relating to the current Coronavirus situation (CVD19 SG PROP 05) are covered in a separate appendix.</p> <p>The principal mitigation actions are related to forecasting and monitoring the allocation of financial and human resources.</p> <p>Whilst this risk reduces due to the uplift in Guildhall Admin budget, this is balanced by the projected increase in FTE occupation of the space.</p> <p>It has been identified that elements of the West Wing mechanical and electrical systems, and plan equipment, are at an increased risk of failure. Additional inspections have</p>	<p>Likelihood</p> <p>Impact</p>	4	31-Mar-2021	

10-Feb-2015 Peter Young				<p>been instituted</p> <p>Some parts of the general infrastructure of the Guildhall Complex are becoming beyond economic life, resulting in main Mechanical/Electrical Plant and Fabric failing across the Complex. The Guildhall Masterplan considers a complete refurbishment of some parts of the general infrastructure and has been proposed as part of the Fundamental Review.</p> <p>04 Aug 2020</p>				Constant
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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 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 later in the year.	Paul Wilkinson; Peter Young	04-Aug-2020	31-Mar-2021
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 later in the year. 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. This action has been delayed due to current events (Covid-19) and this will be revisited shortly.	Remembrance r; Peter Collinson	04-Aug-2020	31-Dec-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	Peter Collinson	04-Aug-2020	31-Dec-2020

		(good or fair).			
SUR SMT 002h	Prioritisation review	We are reviewing prioritisation list of major projects in light of covid-19 and the financial circumstances. This will also need to consider the Guildhall Masterplan and how this may impact projects.	Peter Collinson; Peter Young	04-Aug-2020	31-Mar-2021
SUR SMT 002i	Inspection Regime	Due to increasing likelihood of breakdowns of life-expired elements of mechanical and electrical or plant and equipment, increased inspection regime has been instituted for the West Wing.	Peter Collinson	04-Aug-2020	31-Mar-2021

19-Dec-2018
Peter Collinson

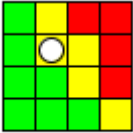
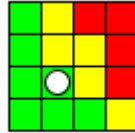

19-Dec-2018
Peter Collinson

		BMS strategy, including for the Guildhall complex.			
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[illegible]

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	04-Aug-2020	31-Dec-2020
SUR SMT 014f	CWP process review	CWP process has been reviewed to focus more clearly on asset need rather than on available funds. This will rely upon intelligent information from our CAFM (Computer Aided Facilities	Peter Collinson	04-Aug-2020	31-Mar-2021

		Management) system. A report will be presented to CASC in September.			
SUR SMT 014g	Next generation CAFM system	The department is looking to procure a 'next generation' CAFM (Computer Aided Facilities Management) system. This will enhance the department's capacity to plan forward maintenance on asset condition and result in a more accurate determination of outstanding and upcoming repairs and maintenance. CSD will be going to the market in early 2021.	Peter Collinson	04-Aug-2020	31-Mar-2021

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 016 Health and Wellbeing of Staff 16-Jun-2020	Cause: Extended period of working away from colleagues due to Covid-19 exacerbating stress levels, or individuals home working conditions are not optimal. Event: Health and wellbeing of staff deteriorates Impact: Negative impact on staff morale, higher levels of absenteeism and turnover, impact on productivity	 Likelihood	6	This new risk considers the health and wellbeing of departmental staff. This is exacerbated under the current lockdown situation as a result of COVID-19. 04 Aug 2020	 Likelihood	4		 Constant

Action no	Action description	Latest Note		Action owner	Latest Note Date	Due Date
Page 68 SUR SMT 016a	Communications	All directors are having regular meetings with key staff and encouraging regular interaction at all levels throughout the department. The City Surveyor is holding weekly meetings with all departmental staff through Teams. Electronic staff newsletter was distributed on Friday 12 June. Each of these activities is focussed around ensuring that there is a common sense of purpose, issues can be identified early, and appropriate signposting can be made to ensure that at risk staff are able to access appropriate services.		Alec Childs; Peter Collinson; Nicholas Gill; Ola Obadara ; Peter Young	04-Aug-2020	31-Mar-2021
SUR SMT 016b	Return to work flexibility	Flexibility with returning to work is being considered, together with thought for staff who may wish to continue to work from home on a longer basis. There is some anxiety from some staff about returning to the office, and self risk assessments are one of the options being deliberated.			04-Aug-2020	31-Mar-2021

Copy of SUR COVID-19 - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Faith Bowman

Generated on: 17 August 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
<p>COVID19 SG PROP 01 Impact on Investment portfolio (SUR)</p>	<p>Cause: The spread of COVID 19 has continued to escalate affecting business and trade.</p> <ul style="list-style-type: none"> . Lack of trade . Lower investment transactions . Lower lettings transactions . Longer development and refurbishment timelines . Longer and less accurate valuations <p>Event: The spread of COVID 19 impacts on the City Surveyors business, namely collection of rental income</p> <p>Effects: Through the spread of COVID 19 tenants are not able to pay their rental payments leading to rent arrears or forfeit leases on managed/FR&I tenants, confidence in the City of London Corporation and the City of London is damaged</p>	<p>Likelihood</p> <p>Impact</p>	16	<p>RA sub provided a direction relating to the June rent quarter demands.</p> <p>Property Investment Board have agreed with this direction, and this decision was formalised under urgency.</p> <p>This relates to rent deferrals for Jun-Sep quarter and a rent-free period for those tenants that fall within the 'at risk' category.</p> <p>For both the Investment and Corporate Estates this has a value cap of £7m, of which Investment is £4.3m.</p> <p>No late interest will be charged on rent deferrals, and the Jun-Sep quarter will be deferred for six months.</p> <p>Currently working on a paper to go to</p>	<p>Likelihood</p> <p>Impact</p>	8	02-Mar-2021	

01-Apr-2020 Nicholas Gill				<p>PIB and other relevant Committees regarding the forthcoming September quarter rent demands.</p> <p>For Bridge House Estates properties, decisions are made in the best interests of the charity.</p> <p>13 Aug 2020</p>				Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CVD19 SG PROP 01b	Monthly Payments	Move to monthly rent collections (March to June Quarter) for all directly managed and FR&I tenants (this does not apply to ground rents). To be reviewed in August for future periods.	Nicholas Gill	13-Aug-2020	31-Oct-2020
CVD19 SG PROP 01h	Members Paper	Upcoming paper to be presented to PIB and other relevant Committees dealing with rent concessions for Sept-Dec quarter.	Nicholas Gill	13-Aug-2020	30-Apr-2021
CVD19 SG PROP 01i	Rent Arrears	Being reviewed on a regular basis, and updates are being provided to Members. The government have extended the landlord restraint on legal action against tenants for non-payment of rent until 30/09.	Nicholas Gill	13-Aug-2020	31-Mar-2021
CVD19 SG PROP 01j	Monitor Impact	<p>IPG to Monitor the impact on;</p> <ul style="list-style-type: none"> . Lack of trade . Capacity of our tenants' ability to pay their rent . Investment transactions . Letting transactions . Refurbishments and Developments 	Nicholas Gill	13-Aug-2020	31-Dec-2020
CVD19 SG PROP 01k	Snapshot reporting	With the assistance of Chamberlain's Department, a regular snapshot of rental collection (deferrals and rent frees) is being produced and monitored.	Nicholas Gill; John James	13-Aug-2020	30-Nov-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
CVD19 SG PROP 02 Property Projects (SUR) <div> <div>Page 71</div> <div>Apr-2020</div> <div>Obadara</div> </div>	Cause: The spread of COVID 19 has continued to escalate affecting the Capital Projects which are currently underway. Event: The restrictions as a result of COVID-19 impacts on the delivery of Capital Projects for the City of London Corporation. Effects: Due to the restrictions as a result of COVID-19 Capital Projects by the Property Project Group will be affected resulting in project delays and financial consequences. (this can include shortages in labour or materials, or slowing of work due to PHE H&S guidance)	<div> <div>Likelihood</div> <div>Impact</div> </div>	16	Contractors are back on site. Following site assessments from contractors, the risk score has been increased (July). This has increased the likelihood to 'likely' from 'possible'. This is in response working constraints imposed by PHE which will impact the efficiency of the worksite. These assessments were only possible once the contractors were back on site, and PHE had released their guidance.	<div> <div>Likelihood</div> <div>Impact</div> </div>	12	31-Oct-2020	<div> <div>Constant</div> <div></div> </div>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CV19 SG PROP 02h	Contractor may request additional fees, additional statutory authority fees	Reduced prelims valued to the contractor if there is reduced resource on site, , ask parties to demonstrate what additional costs are for, and which contractual clause it relates to, negotiate additional fees upfront ahead of agreeing start on site.	Ola Obadara	13-Aug-2020	31-Mar-2021
CV19 SG PROP 02i	Material and components	It is the contractor's responsibility for managing materials on site. There has been a potential issue with regards to the availability of materials and components when projects are on-site – particularly related to long lead items and those from abroad. Property Project Group is monitoring for impact, although this appears to be easing currently.	Ola Obadara	13-Aug-2020	31-Mar-2021

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
CVD19 SG PROP 03 Property Projects - Site Closure (SUR) <div>28-May-2020</div> <div>Page</div>	Cause: COVID 19 and current or future PHE guidance. Event: Site cannot comply with current, or potential future PHE guidance and social distancing requirements Effects: Site shutdown until a point where social distancing requirements and PHE guidance allows a return to work.	<div> <div>Likelihood</div> <div>Impact</div> </div>	8	This newly created risk reflects the fact that it will not be possible to recommence work at some sites due to current PHE and HSE guidance – particularly in relation to social distancing. Potential future PHE guidance may also mean further site closures. As contractors have returned to site, progress is being made across the piece, but some sites may need to shut in the future. 13 Aug 2020	<div> <div>Likelihood</div> <div>Impact</div> </div>	8	31-Mar-2021	<div> </div> <div>Constant</div>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CVD19 SG PROP 03a	Contractual risks	The responsibility for delays, disruption, and commercial risks are typically spelled out in construction contracts and appropriately allocated to the party in the best position to mitigate such risks. Delays caused by COVID-19 impacts may be covered under a force majeure or similar clause of the contract. Contractors will argue that COVID-19 related delays were wholly unforeseeable and outside of the contractor's control, and therefore the contractor should not be held responsible. Under these circumstances, many contracts entitle the contractor to a time extension of the project completion date, and some contracts also allow for the contractor's recovery of increased performance costs.	Ola Obadara	13-Aug-2020	31-Mar-2021
CVD19 SG PROP 03b	Health and Safety.	Guidance from Government and CLC is regularly monitored with the Principal Designer, updated RAMS have been received from the contractor. Guidance to continue being reviewed. Ensure client is following CDM duties and providing plenty of welfare. Reviewing method statements to ensure alignment and compliance with PHE/HSE guidance.	Ola Obadara	13-Aug-2020	31-Mar-2021

SUR City Bridges - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Faith Bowman

Generated on: 17 August 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
R CB 003 City Bridges: - Substantial vessel strikes 01-Nov-2018 Paul Wilkinson	Cause: Substantial Vessel strike Event: Structural damage to bridge Impact: Instability in bridge structure leading to possible collapse. Death / injury, disruption of traffic, reputational damage, additional costs to repair / replace	Likelihood Impact	16	No vessel strikes have been reported in the previous period. 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. This risk is 'on-going' and, as such, the target date for the risk can be considered as a 'review date'. 14 Aug 2020	Likelihood Impact	16	31-Mar-2021	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR CB 003a	Navigation controls	Navigation is controlled by the Port of London Authority and navigation lights fixed to bridges. Paul Monaghan is an on-going member of the River Crossings Liaison Group. This Group has recently appointed a new Chair, and meetings have recommenced. Paul Monaghan updates CSD at the quarterly meetings as to any actions, activities, or change in the risk status of this item.	Nicholas Gill; Peter Young	14-Aug-2020	31-Mar-2021

01-Nov-2018
Paul Wilkinson

01-Nov-2018
Paul Wilkinson

		<p>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>	Monaghan; Peter Young		
SUR CB 006b	Policing	The City of London Police receive funding from Bridge House Estates to provide policing to the City Bridges.	Nicholas Gill; Paul Monaghan; Peter Young	14-Aug- 2020	31-Mar- 2021

[illegible]

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. Note that liaison between the City of London Corporation at the TTT are continuing throughout this period of Covid-19.	Nicholas Gill; Peter Young	14-Aug-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 may need its tensioning adjusted to account for any movement.	Nicholas Gill; Paul Monaghan; Peter Young	14-Aug-2020	31-Mar-2021

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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Budget Monitoring Statement Quarter 1 2020/21

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CITY SURVEYORS DEPARTMENT - BUDGET MONITORING STATEMENT (Quarter 1 to 28th June 2020)							
LOCAL RISK BUDGET Quarter 1 as at 28th June 2020	Latest Approved Budget £000	Quarter 1 Profile £000	Quarter 1 Total Expenditure £000	(Over) / Under Spend for Period £000	Quarter 1 Projected Outturn £000	(Over) / Under Spend for 2020/21 £000	Note
CITY SURVEYOR							
City Fund							
City Fund Estate & Leadenhall	(2,110)	28	(326)	(354)	(2,110)	0	1
CPAT & City Centre	(547)	(146)	(147)	(1)	(547)	0	
Walbrook Wharf	(1,001)	(287)	(297)	(10)	(956)	45	
Mayor's & City of London Court	(23)	(6)	(3)	3	(19)	4	
Recoverable Projects	0	0	0	0	0	0	
Lower Thames St Roman Bath	(8)	(2)	(3)	(1)	(9)	(1)	
R&M & MI Work for other departments	(1,441)	(371)	(289)	82	(1,317)	124	2
Corporate FM cleaning & security	(110)	(28)	(25)	3	(128)	(18)	
	(5,240)	(812)	(1,090)	(278)	(5,086)	154	
City's Cash							
City's Cash Estate	(3,711)	37	44	7	(3,711)	0	
Departmental	(9,471)	(2,350)	(2,651)	(301)	(10,381)	(910)	3
Mayoralty & Shrievally	(93)	(12)	(8)	4	(86)	7	
R&M & MI Work for other departments	(2,173)	(566)	(487)	79	(2,092)	81	2
Corporate FM cleaning & security	(655)	(167)	(155)	12	(697)	(42)	
	(16,103)	(3,058)	(3,257)	(199)	(16,967)	(864)	
Bridge House Estates							
Bridge House Estates	(2,441)	(198)	(217)	(19)	(2,441)	0	
Tower Bridge Corporate FM cleaning	(262)	(65)	(35)	30	(249)	13	
	(2,703)	(263)	(252)	11	(2,690)	13	
Guildhall Administration							
Guildhall Complex	(8,686)	(2,163)	(1,895)	268	(8,290)	396	4
	(8,686)	(2,163)	(1,895)	268	(8,290)	396	
Total City Surveyor Local Risk	(32,732)	(6,296)	(6,494)	(198)	(33,033)	(301)	

Notes

1. The overspend at quarter 1 relates to vacant office refurbishment works at 31 Worship Street together with lower service charge recovery than anticipated at buildings including 31 Worship Street and 1-3 Worship Street due to vacant floors taking longer to let. Savings are being identified and it is anticipated this overspend will be resolved by year-end.
2. The underspend in the quarter was due to closure of properties and a resultant reduced reactive spend. Forecast underspend assumes minimal spend when properties reopen to year-end.
3. The overspend is comprised of three roughly equal elements: a shortfall in professional fee income; the departmental overspend from 2019/20 being brought forward; and an overspend on salaries. The last of these is due to the fundamental review savings being placed on hold, awaiting the target operating model.
4. The underspend at both quarter 1 and year-end is due to the partial closure of the Guildhall. This has resulted in savings on energy, security and other similar budgets. Provision has been made from these savings for works to the complex to make it Covid-19 compliant for a wider return to work. This is reflected in the year end forecast.

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Key Performance Indicators												
Ref	Title	Target	Group	Committee	Q1		Q2		Q3		Q4	
KPI 1	Asset Realisation	£45.3m	CPG	CASC	off target	amber						
KPI 2	Energy Consumption***	Min 4%	OG	CASC	7.00%	green						
KPI 3	Space Utilisation	£3.620	CPG	CASC	off target	amber						
KPI 4	Property contract Performance Compliance	> 90%	OG	CASC	92.59%	green						
KPI 5	Adherence to Budgetary Spend Profiles	95% to 10%	All	PIB; CASC	off target	amber						
KPI 6	Capital Project - Delivery - defects on completion**	< 20%	PPG	PIB; CASC	n/a	n/a						
KPI 7	Capital Project - Project Status	< 20%	PPG	PIB; CASC	14.00%	green						
KPI 8	Capital Project - Health & Safety*	80%	PPG	PIB; CASC	n/a	n/a						
KPI 9	Capital Project - Gateway Reports	> 70%	PPG	PIB; CASC	57.00%	amber						
KPI 10	Capital Project - Site sustainability waste management	> 90%	PPG	PIB; CASC	100.00%	green						
KPI 11	Rental Forecasts ****	tbc	IPG	PIB	tbc	****						
KPI 12	Minimise Arrears ****	tbc	IPG	PIB	24.87%	****						
KPI 13	Minimise voids ****	tbc	IPG	PIB	2.94%	****						
KPI 14	Outperform MSC**	exceed by	IPG	PIB	n/a	n/a						
KPI 15	Customer satisfaction survey**	> -32	All	CASC	n/a	n/a						
KPI 16	Delivery of Strategic utility infrastructure	on schedule	CPAT	PIB; CASC	off target	amber						
KPI 17	Supporting the retention and inward investment of businesses	on schedule	CPAT	PIB; CASC	on target	green						
	*reported bi annually											
	** reported annually											
	*** reported a month in arrears											
	**** RAG currently suspended											

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Headline Performance Charts Quarter 1 2020/21

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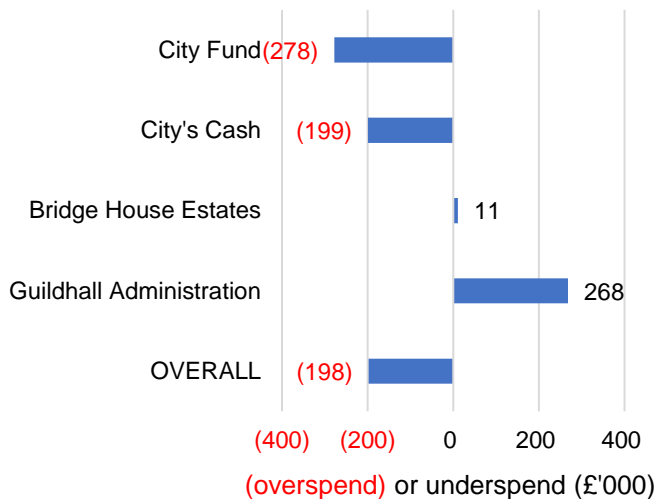


Figure 1 Quarter 1 variance against profiled local risk budget – (overspend) or underspend

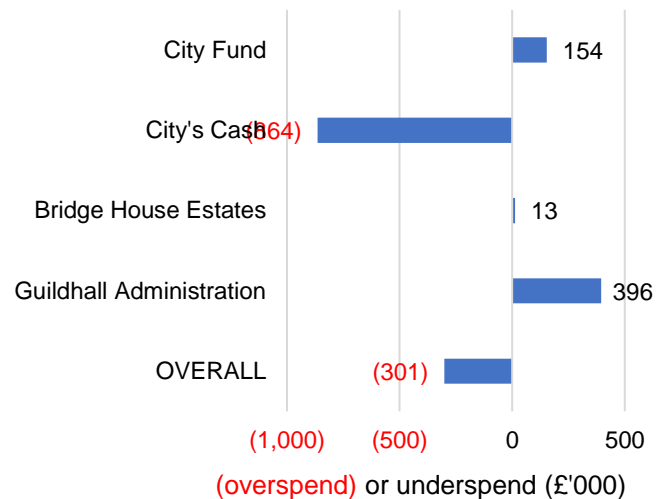


Figure 2 Projected outturn variance as at quarter 1 local risk budget – (overspend) or underspend

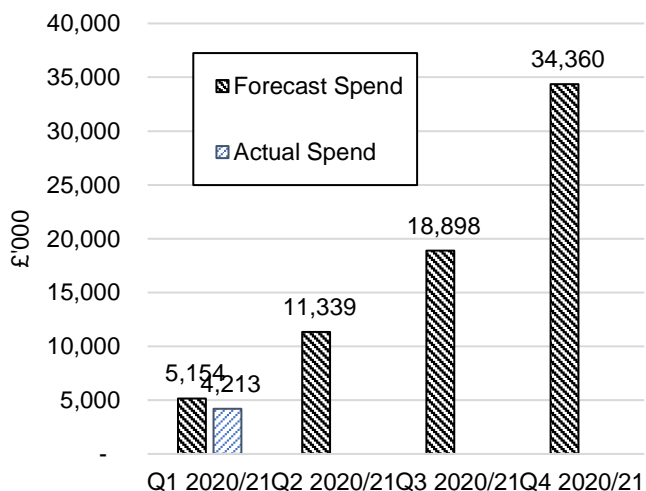


Figure 3 All project spend, forecast v actual as at quarter 1

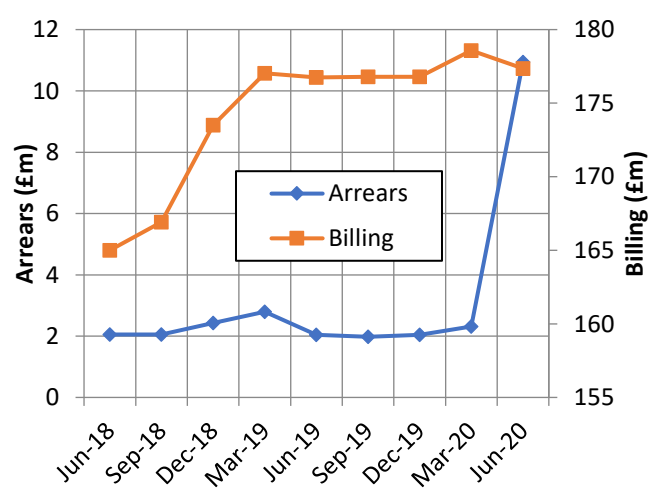


Figure 4 (Investment Properties) Commercial tenants' arrears compared to annual rolling billing run.

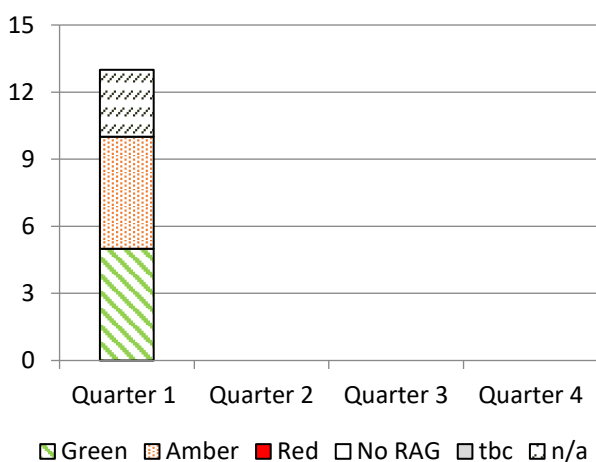


Figure 5 Performance of KPIs linked to Corporate Property (Corporate Asset Sub Committee)

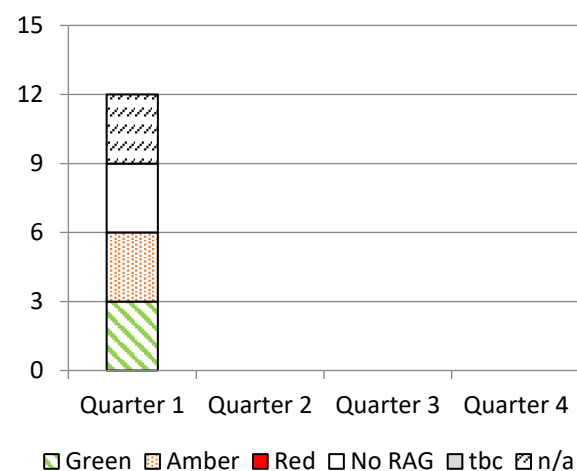


Figure 6 Performance of KPIs linked to Investment Property (Property Investment Board)

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