



## Corporate Asset Sub (Finance) Committee

**Date:** MONDAY, 18 JANUARY 2021

**Time:** 1.45 pm

**Venue:** VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

**Members:**

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

**Enquiries:** Chris Rumbles  
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### Accessing the virtual public meeting

**Members of the public can observe this virtual public meeting at the below link:**  
[≤https://youtu.be/RZY88SZLO2k ≥](https://youtu.be/RZY88SZLO2k)

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

**John Barradell**  
**Town Clerk and Chief Executive**

# **AGENDA**

## **Part 1 - Public Agenda**

1. **APOLOGIES**

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

3. **MINUTES**

To agree the public minutes and summary of the meeting held on 18<sup>th</sup> November 2020.

**For Decision**  
(Pages 1 - 8)

4. **TERMS OF REFERENCE**

Report of the Town Clerk.

**For Decision**  
(Pages 9 - 10)

5. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

Report of the Town Clerk.

**For Information**  
(Pages 11 - 12)

6. **WORK PROGRAMME FOR FUTURE MEETINGS**

Joint report of the Town Clerk and City Surveyor.

**For Information**  
(Pages 13 - 14)

7. **POWER PURCHASE AGREEMENT FOR OFFSITE RENEWABLE ENERGY SCHEME**

Presentation of representatives from Voltalia SA.

8. **SUSTAINABILITY FORWARD PLANNING PROPOSAL (REPORT TO FOLLOW)**

**For Information**

9. **SECURITY UPDATE**

**For Information**

Oral update of the City Surveyor.

**For Information**

10. **GUILDHALL - NEW WAYS OF WORKING UPDATE REPORT**  
Report of the City Surveyor.  
**For Information**  
(Pages 15 - 20)
11. **LONDON WALL CAR PARK - PARTIAL REPURPOSING FOR LAST MILE LOGISTICS HUB**  
Report of the Director of the Built Environment.  
**For Information**  
(Pages 21 - 28)
12. **BUSINESS PLAN 2020-25 QUARTER 2020/21**  
Report of the City Surveyor.  
**For Information**  
(Pages 29 - 34)
13. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER - UPDATE**  
Report of the City Surveyor.  
**For Information**  
(Pages 35 - 38)
14. **DRAFT CITY SURVEYOR'S BUSINESS PLAN FOR 2021/22**  
Report of the City Surveyor.  
**For Decision**  
(Pages 39 - 42)
15. **WOODREDON FARM (RIDING SCHOOL), EPPING**  
Report of the City Surveyor.  
**For Decision**  
(Pages 43 - 44)
16. **GUILDHALL COMPLEX BUDGET PERFORMANCE 2020/21 UPDATE REPORT**  
Report of the City Surveyor.  
**For Information**  
(Pages 45 - 48)
17. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

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

19. **EXCLUSION OF THE PUBLIC**

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

**For Decision**

**Part 2 - Non-Public Agenda**

20. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 18<sup>th</sup> November.

**For Decision**  
(Pages 49 - 54)

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

Report of the Town Clerk.

**For Information**  
(Pages 55 - 56)

22. **LONDON WALL LAST MILE LOGISTICS**

Non public appendix to be read in conjunction with item 11.

**For Information**

23. **CITY SURVEYOR'S DEPARTMENT RISK REGISTER**

Non public appendix to be read in conjunction with item 13.

**For Decision**

24. **FIRST REGISTRATION OF THE CITY'S FREEHOLD TITLES - PROGRESS SINCE JANUARY 2020**

Report of the Comptroller and City Solicitor.

**For Information**  
(Pages 57 - 62)

25. **PROPOSAL TO ASSIST CITY OF LONDON OPERATIONAL TENANTS FOR THE DECEMBER QUARTER 2020- WALBROOK WHARF AND SMITHFIELD COMMERCIAL OFFICES (REPORT TO FOLLOW)**

Report of the City Surveyor.

**For Decision**

26. **CENTRAL CRIMINAL COURT EAST WING GROUND MEZZANINE COOLING AND HEATING REPLACEMENT**

Report of the City Surveyor.

**For Decision**  
(Pages 63 - 78)

27. **CITIGEN UPDATE**

Report of the City Surveyor.

**For Decision**  
(Pages 79 - 82)

28. **ST LAWRENCE JEWRY CHURCH GW5 (REPORT TO FOLLOW)**

Report of the City Surveyor.

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

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

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## **CORPORATE ASSET SUB (FINANCE) COMMITTEE** **Wednesday, 18 November 2020**

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at <https://youtu.be/p6mm2OLkxiU> on Wednesday, 18 November 2020 at 1.45 pm

### **Present**

#### **Members:**

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

#### **Officers:**

Paul Wilkinson	- City Surveyor
Peter Young	- City Surveyor's Department
Alison Bunn	- City Surveyor's Department
Peter Collinson	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
John Galvin	- City Surveyor's Department
Sheila Huntley	- City Surveyor's Department
Tom Leathart	- City Surveyor's Department
Andrew Little	- Chamberlain's Department
Graeme Low	- City Surveyor's Department
Carmel McGowan	- City Surveyor's Department
Peter Oscher	- City Surveyor's Department
Amy Poole	- Remembrancer's Office
Jonathon Poyner	- Barbican Centre
Chloe Rew	- Town Clerk's Department
James Rooke	- City Surveyor's Department
Chris Rumbles, Clerk	- Town Clerk's Department
Sunil Singh	- City Surveyor's Department
Nicholas Sommerville	- City Surveyor's Department
Ellen Wentworth	- Chamberlain's Department

#### **1. APOLOGIES**

Apologies were received from Rehana Ameer.

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

The Chairman declared an interest item 22 as a Church Warden at St Lawrence Jewry Church. Members noted the Deputy Chairman would take the chair for this item.

3. **MINUTES**

**RESOLVED** - That the public minutes and non-public summary of the previous meeting held on 15 September 2020 be approved as an accurate record.

**Matters arising**

**Business Planning:** Members noted that the next quarterly Business Planning update was scheduled for January 2021. This would reflect on planning within the department that was underway looking at whether objectives, deliverables and KPIs remain relevant in light of disruption caused by the Covid-19 pandemic. It would also offer conclusions reached from the recent re-budgeting exercise undertaken by RA Sub-committee.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

**RESOLVED**, that the Sub-committee note the report.

5. **WORK PROGRAMME FOR FUTURE MEETINGS**

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

The Chairman confirmed that a regular progress update against the Climate Action Strategy would be added to the Work Programme moving forward.

**RESOLVED**, that the Sub-committee note the report.

6. **GUILDHALL COMPLEX - ROAD MAP FOR RETURN TO THE OFFICE**

The Sub-committee received a report of the City Surveyor setting out lessons learnt from the Covid-19 pandemic, outlining a re-shaping of current working practices and summarising work that was being done in the immediate short term and setting out a Road Map for a return to the workplace.

The Chairman commented on the report author, Dorian Price, being absent from the meeting following a close family bereavement and took the opportunity on behalf the Sub-committee to offer him their very best wishes.

The City Surveyor remarked on the report having been written some time ago, with the world having now changed. The report had been presented to the Sub-committee to give an idea of the work that had been ongoing as part of the immediate response to Covid-19. There was now an opportunity to take a look at what has happened and learn how the City Corporation can work differently moving forward as part of a return to the workplace.



Members acknowledged it was a fast-changing world at present and that a future paper would offer a much more accurate picture on proposals around a return to the workplace. The Chairman remarked on it being a holding position until it was known from Government how the country would be moving forward.

A Member referred to a recent report that had suggested home working could lead to people fostering prejudice and create more racial tension. It was proposed an equalities survey be included as part of any roadmap for a return the office.

**RESOLVED**, that the report be received, and its content noted.

7. **SECURITY UPDATE**

The City Surveyor provided the Sub-committee with an oral update on a number of areas including: -

- Action plans from the Vulnerability review being implemented with dates for completion to allow targets to be measurable.
- National threat level has moved to severe with each site having been briefed on the change and now working to their standard operating procedure.
- Martyn's Law being key to the City; consultation was due to begin pre first lockdown, but with this now likely to commence in the New Year. Former Head of Security was being brought in to work through implications for the City and ensure a consistent approach.
- Guildhall has largely been in lockdown but remains ready for any return whenever this begins.

**RESOLVED**, that the update be noted.

8. **2020/21 ENERGY PERFORMANCE Q2 UPDATE**

The Sub-committee considered a report of the City Surveyor presenting the 2020/21 energy performance for City Corporation operational sites, seeking to develop a central funding pot for all energy projects and proposing current KPI data and reporting be aligned to Climate Action Strategy targets from 2021/2022.

The Chairman referred to a recent press announcement of a 15-year Power Purchase Agreement with Voltalia, acknowledging the hard work of all involved in achieving this and put on record his personal thanks to all those involved.

A Member stressed a need for energy performance to feed into the City Corporation's Climate Action Strategy. An appropriate level of scrutiny would be needed with the necessary capacity within the Energy Team to achieve this. Energy performance information would also need presenting to Committees, with training given to Members to allow them to understand energy consumption terminology, energy usage, energy reduction targets and in making sure renewable energy was being used.

The Chairman acknowledged these concerns and suggested this Sub-committee had a role in bringing other departments to task where they were not fully engaging with the Climate Action Strategy.

The City Surveyor acknowledged an upscaling of the City Corporation's ambitions in looking to achieve net zero carbon emissions; there being a need to move forward with a plan to achieve this. Members noted that an informal session would immediately follow this meeting during which more of the detail would be presented.

A Member remarked on a very abnormal year to date, with premises remaining closed for large parts of it, and questioned if there was any way to adjust performance measures to reflect this and offer a clearer understanding of energy consumption. The City Surveyor explained how the position was complicated with a number of variables involved in determining impacts from the Covid-19 pandemic on energy consumption, but that it remained an ongoing task trying in looking to understand this on an individual building basis.

The City Corporation was thought to be broadly in line with the industry information on energy consumption indicating an 8% reduction as a direct result of the pandemic.

A Member noted a levelling off of energy reduction over the last year or two and questioned whether as the City Corporations gets closer to net zero that more substantial infrastructure projects would be required to achieve the overall end goal.

The Chairman responded explaining the City Corporation had opted for a Climate Action Strategy rather than Energy Reduction Strategy to ensure funding was in place to achieve the level of projects needed to deliver it. The Energy Reduction Strategy had been developed in a different timeframe with different criteria. The plan now was to merge the Energy Reduction Strategy into the Climate Action Strategy and produce a combined report going forward.

The Chairman concluded the item and again thanked those involved in the Voltalia project, which would make a huge difference to the City Corporation's work in this area.

**RESOLVED**, that Members: -

- Note the performance of Corporate building stock in quarter 2
- Support development of a central funding pot for all energy projects, utilising grant funding, third party finance, carbon offset and capital funding.
- Support alignment of current KPI data and report with Climate Action targets from 2021/2022.

9. **COMBINED PRE-GATEWAY 5 PROJECT CLOSURES**

The Sub-committee considered a report o the Town Clerk setting out a number of projects that had not reached Gateway 5 of the City's Project Procedure and that are no longer being progressed.

A Member accepted that there was likely to be a good rationale for the project closures, whilst remarking on the huge amount of abortive costs incurred at a time when finances at the City Corporation were under such huge pressure.

The Chairman acknowledged this point, whilst also stressing that the projects were from a different period of time when there was not the same level of financial oversight and scrutiny, with a new template now in place for reporting to include financial implications.

**RESOLVED**, that Members: -

- Approve 65/65a Basinghall Street (Justice Rooms) project for closure.

10. **CORPORATE PROPERTY ASSET MANAGEMENT STRATEGY 2020-25**

The Sub-committee considered a report of the City Surveyor seeking approval for the Corporate Property Asset Management Strategy 2020-2025.

The City Surveyor confirmed that the Corporate Asset Management Strategy was presented for approval following a comprehensive consultation exercise with Members and officers. It was proposed the Strategy be adopted across the City Corporation's operational property estate, with it being subject to an annual review by this Sub-committee.

The Chairman welcomed the Strategy remarking on how it offered the Sub-committee a more focussed property asset management strategy and would allow a level of focus on key areas e.g. energy performance. The Chairman welcomed the opportunity for an annual review of the Corporate Asset Management Strategy.

The City Surveyor confirmed the next steps for the Corporate Asset Management Strategy being to report to Finance Committee seeking approval and then cascading and sharing it with other property decision making Committees and make all Members aware of it.

**RESOLVED**, that Member: -

- Approve the Corporate Asset Management Strategy 2020-25

11. **CYCLICAL WORKS PROGRAMME - PROGRESS REPORT Q1/Q2 AND PROGRAMME LEVELLING RECOMMENDATIONS**

The Sub-committee considered a report of the City Surveyor providing an overview of the progress and expenditure of the current Cyclical Works Programme at the end of Q2 and proposing a rephasing of the programme and budget.

The City Surveyor explained how allowing a rephasing of a number of three-year projects into a fourth year would allow an opportunity to catch up from the impacts of the Covid-19 pandemic.

**RESOLVED**, that Members: -

- Note the progress of current Cyclical Works Programme of work;

- Approve the rephrasing of existing three-year cyclical works packages so they are completed over four rather than three financial years;
- Approve as a consequence of this rephrasing of projects into a fourth financial year, that £1.939m of spend for the 2018/19 programme be carried into 2021/22 financial year; that £3.142m of spend for the 2019/20 be carried into 2022/23 financial year; and that £1.376m of the 2020/21 programme be carried into 2023/24 financial year.

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

There were no questions.

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

There were no urgent items of business.

**14. EXCLUSION OF THE PUBLIC**

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

**15. NON-PUBLIC MINUTES**

**RESOLVED**, that the non-public minutes of the previous meeting held on 15<sup>th</sup> September 2020 were approved as an accurate record.

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

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

**17. ACTION TAKEN BETWEEN MEETINGS**

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

**18. CITIGEN UPDATE**

The Sub-committee received an oral update from the City Surveyor in relation to commercial negotiations with Citigen.

**19. ANNUAL REPORT ON OPERATIONAL PROPERTY PORTFOLIO**

The Sub-committee received a report providing an annual update on the Operational Property Portfolio.

**20. GUILDHALL WEST WING - PROVISION OF UPGRADED LAVATORIES AND CLOAKROOM FACILITIES FOR MEMBERS AND GUILDHALL GUESTS**

The Sub-committee considered a Gateway 6 Outcome Report relating to Guildhall West Wing – Provision of Upgraded Lavatories and Cloakroom Facilities for Members and Guildhall Guests.

**21. ORACLE PROPERTY MANAGER (OPN) REPLACEMENT**

The Sub-committee considered a report of the City Surveyor in relation to an Oracle Property Manager (OPN) Replacement system.

22. **ST LAWRENCE JEWRY CHURCH UPDATE - ISSUES REPORT**

The Sub-committee considered a report of the City Surveyor relating to St Lawrence Jewry Church.

23. **WALBROOK WHARF DEPOT - REPLACEMENT OF MECHANICAL AND ELECTRICAL SERVICES**

The Sub-committee considered a report of the City Surveyor relating to Walbrook Wharf – Replacement of Mechanical and Electrical Services.

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

A Member questioned whether a review of abortive project costs had ever been undertaken, with there appearing to be significant wastage. It was questioned whether any lessons had been learned from abortive projects.

The Chairman acknowledged this point and suggested Projects Sub-committee would be better placed to review abortive project costs. The City Surveyor referred to Corporate Projects Board that had a role in reviewing completed projects, but not did not currently include abortive projects. The City Surveyor proposed Corporate Projects Board include a review of aborted projects, which Members welcomed and approved.

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

There were no additional items of business.

**The meeting ended at 3.35pm**

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Chairman

**Contact Officer: Chris Rumbles**  
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# Agenda Item 4

<b>Committee:</b> Corporate Asset Sub-committee	<b>Date:</b> <b>18 January 2021</b>
<b>Subject:</b> Annual Review of the Sub-Committee's Terms of Reference	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Decision</b>
<b>Report author:</b> Chris Rumbles, Town Clerk's Department	

## **Summary**

As part of the post-implementation review of the changes made to the governance arrangements in 2011, it was agreed that all committees should review their terms of reference annually. This enables any proposed changes to be considered in time for the reappointment of Committees by the Court of Common Council.

It is not proposed to make any amendments to the Sub Committee's terms of reference. The terms of reference of the Corporate Asset Sub Committee are attached as an appendix to this report for your consideration.

## **Recommendation**

It is recommended that the Sub-committee:

- Subject to any comments, approves the terms of reference of the Corporate Asset Sub Committee for submission to the Court (as a sub set of the Finance Committee Terms of Reference) as set out in appendix 1;

## **Appendices**

- Appendix 1 – Corporate Asset Sub Committee Terms of Reference

## **Contact:**

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## Corporate Asset Sub-Committee – Carry Forward Public Actions

	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress update
Page 11	NP01/2019	30.01.19	<u>Asset Management</u>	Paul Friend	<p>ONGOING</p> <p>AM recommendations approved by CASC / Finance Committee in April/May 2019, along with the establishment of an officer Operational Property Change Board (OPCB), with delegated responsibility to implement the approved recommendations.</p> <p>UPDATE: Put on hold pending outcome of Governance Review.</p>
	P05/2019	05.06.19	<u>Sub Committee Terms of Reference</u>	Peter Young	<p>At time of the Corporate Asset Management Strategy amendment to terms of reference to be considered.</p> <p>ONGOING:</p> <p>Officers to report back on whether the terms of reference provide for advising on all bids for Heritage Lottery funding – noted that any clarification of Sub Committee terms of reference could be made at time of other future amendments arising from outcome of Corporate Asset Management Strategy.</p> <p>UPDATE: On hold pending the outcome of the Governance Review.</p>

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## Corporate Asset Sub-Committee: Work Programme January - November 2021

COMMITTEE DATE	18/01/2021	28/04/2021	22/06/2021	27/07/2021	30/09/2021	24/11/2021
<b>SUSTAINABLE MANAGEMENT OF THE CORPORATION'S OPERATIONAL PROPERTY PORTFOLIO</b>						
Corporate Property Asset Management Strategy						Annual Report of Corporate Property Asset Management Strategy 2020/25
City Surveyor's Business Plan	Business Plan 2020/21 Q2 outcome report  Proposed Business Plan 2021/22  Guildhall/Walbrook Wharf Budget Performance Q1 and Q2 2020/21 report	Business Plan 2020/21 Q3 outcome report		Business Plan 2020/21 Q4 outcome report	Business Plan 2021/22 Q1 outcome report	Business Plan 2021/22 Q2 outcome report
City Surveyor's Risk Register	Risk Register 2020/21 Q2 report	Risk Register 2020/21 Q3 report		Risk Register 2020/21 Q4 report	Risk Register 2021/22 Q1 report	Risk Register 2021/22 Q2 Report
Facilities Management	Security update	Security update	Security update	Security update  FM Annual Update Report	Security update	Security update
Portfolio management information					Annual report on Operational Property Portfolio	
Operational Property Review <i>(note individual assets will be reported as declared surplus by service committees)</i> and other disposals						
<b>UPKEEP, MAINTENANCE AND FURNISHING OF OPERATIONAL PROPERTIES NOT WITHIN THE REMIT OF ANOTHER SERVICE COMMITTEE</b>						
		Annual Backlog Maintenance – no residential operational portfolio Report	CWP progress report		CWP 2022/23 Annual Bid Report	CWP Progress Report
<b>RESPONSIBILITY FOR STRATEGIES, PERFORMANCE AND MONITORING INITIATIVES IN RELATION TO SUSTAINABILITY, CLIMATE ACTION and ENERGY/ CARBON REDUCTION</b>						
	Sustainability Forward Planning proposal	Energy Performance Q3 2020/21 Report	Energy Performance Annual 2020/21 Report		Energy Performance Q1 2021/22 Report	Energy Performance Q2 2021/2022 Report

COMMITTEE DATE	18/01/2021	28/04/2021	22/06/2021	27/07/2021	30/09/2021	24/11/2021
MONITORING AND ADVISING ON HERITAGE PORTFOLIO and BIDS FOR HERITAGE LOTTERY FUNDING						
		Heritage Areas of Focus for 2021/22	Heritage At Risk annual report			

Peter Young  
10 December 2020

<b>Committee</b>	<b>Dated:</b>
Corporate Asset Sub Committee	18 January 2021
Efficiency and Performance Sub Committee	26 January 2021
Establishment Committee	27 January 2021
<b>Subject:</b> Guildhall - New Ways of Working Update Report	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>1, 2, 3, 4, 5, 8, 9, 10, 12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>Y</b>
<b>If so, how much?</b>	<b>Estimated £1m</b>
<b>What is the source of Funding?</b>	<b>City's Cash</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N</b>
<b>Report of:</b> City Surveyor	<b>For Information</b>
<b>Report author:</b> Dorian Price	

## Summary

Following on from the September 2020 report of City Surveyor, Chamberlain (IT), and Town Clerk (HR); Guildhall Complex – Road Map for Return to the Office report, the purpose of this report is to focus on the future new ways of working.

Covid-19 has demonstrated that it is possible for our business to operate without access to Guildhall. However, Covid-19 has also demonstrated that this is not without challenges and recent staff surveys have provided evidence that the office still has a major role to play in the workplace, as a destination for staff to meet and collaborate and for anybody who simply cannot work from home for health and wellbeing reasons or has a need to work on-site physically.

The City Surveyor's remote working departmental survey undertaken in September 2020 highlights that over 90% of staff would choose to work at least 2 days per week remotely/from home. This fact is supported by various recent external surveys that suggest 70-80% of people would like to work from home more often in the future, but not necessarily 100% of the time as experienced during the pandemic and lockdown periods.

An independent poll conducted in September 2020 and commissioned by the British Council for Offices (BCO) of just over 2,000 office workers across a range of job roles in all regions of the UK shows that, once Government measures allow, Britain is set to move to a 'mixed' or 'hybrid' working style, where time in the office is balanced with time working from other locations including at home (see Appendix 1 – From Desk Office to Destination Office)

What is becoming clear is that the changes made by the Corporation during this time, which in March 2020 were short-term changes driven by necessity, are now having a profound long-term impact on how we work.

The Corporation offices need to be more than places to just house staff, they need to be a destination of choice; and transformed into environments our staff see as great places to work. The positive changes being made now will undoubtedly become permanent shifts in working practices as we integrate these into:

- a. Our new Target Operating Model and help to embed positive culture change.
- b. The Guildhall Masterplan, offering flexible workspace for a more agile workforce and creating an exemplar sustainable building.
- c. The City's Corporate Property Asset Management Strategy 2020-25 (approved at the December meeting of Finance Committee), to better utilise our operational assets.

Retaining some of the best practices that are now commonplace, whilst rethinking the Property role of workplace design, the People role of changing working patterns and the Technology role to deliver digital solutions to support the destination office offering flexible working patterns, will be critical stepping stones to deliver the next normal.

To further support the delivery of all workstreams, the City Surveyor has established and will lead a new Workplace Steering Group formed of City Surveyor, HR, IT and Finance officers.

## **Recommendations**

Members are asked to:

- Note the proposal to continue developing the Hybrid workplace model that will be a stepping stone to support the Target Operating Model and the Corporate Property Asset Management Strategy to deliver an organisation that is efficient, agile and better joined up.
- Note further reports will be provided as proposals are developed by the City Surveyor's new Workplace Steering Group.

## **Main Report**

### **Background**

1. Officers from across departments have been working collaboratively (through the Smart Working Group) to prepare for more staff return to Guildhall and other Corporation locations in a safe way, whilst introducing new ways of working that supports a future agile workforce. This is subject to ongoing Government and Public Health Guidance at the time and is covered in 3 key principles as set out by the Chair of Policy and Resources at Court. These are:
  - Our staff safety is paramount
  - Our workplaces are Covid secure
  - Our new flexible ways of working are embedded.

## Current Position

2. Top actions the Corporation has taken to provide returning workers with confidence that their workplace is Covid-19 safe by introducing the following workplace standards;
  - Enhanced office cleaning
  - Reduced capacity due to social distancing requirements
  - Redesigned workspaces to support social distance guidelines
  - Improved air quality – the mechanical ventilation has been set to ensure adequate fresh air to North and West wing office buildings is delivered.
  - Clear Desks
  - Assigned Desk Booking and contact track and tracing App.
3. The Corporation now has a unique opportunity to consider how the next normal can continue to support the new ways of working that we have all followed during the Covid-19 pandemic and support the new Target Operating Model (TOM).
4. The vision of the TOM is an organisation that is efficient, agile and better joined up. Improved ways of working and offering flexible workspace can be critical ingredients to meet these aims by helping to foster better collaboration and reduce organisational drag (the collection of institutional factors that slow things down, decrease output, and drain people's energy).
5. For example, open planned seating areas and “collaboration spaces” are tools that can help remove silos and make it easier for teams to informally collaborate and strengthen relationships. Better working relationships and closer collaboration from the start, help departments and individuals understand where they fit into the whole corporation and how they can have the most impact, without the necessity to always be present in the workplace. This also results in increased organisational knowledge which can inform process improvements and generate opportunistic innovations.
6. Technology has made advancements that would be unimaginable when the Corporation was first established. There has been some good progress made during 2020 for creating an improved and inclusive digital environment supporting new ways of working for Staff, Customers and Members. Some examples are detailed below:
  - a. **Firmstep Forms** – The IT Development Team have continued to manage a development pipeline of forms and workflow requests to facilitate more online services and digital ways of working. This year they have received over 15k form submissions and taken over £5.21m in online and telephone payments using the forms. Highlights include the Test and Trace Support Payment Scheme, new Online Licensing Forms, Hampstead Heath Swimming Season Ticket application and Open Spaces Online Donation Form.
  - b. **Microsoft Teams** – Teams has been the major technology success story this year, facilitating thousands of meetings and webinars across the organisation. Although the product was only launched by the Corporation in 2019, the use

of Teams has increased significantly in 2020 with over 80% staff now using the product on a regular basis.

- c. **Teams Telephony** – The additional Microsoft Teams functionality allows staff to make and receive telephone calls using the Teams application on their laptop or mobile device. This has enabled services to operate remotely and flexibly, removing the need for staff to attend Guildhall during lockdown periods or be constrained by their work location.
  - d. **Teams Meeting Rooms** – Audio visual equipment has been installed to over 25 corporate meeting rooms and private offices. These facilitate a more flexible meeting approach, with hybrid meetings consisting of staff based at Guildhall and staff working remotely.
  - e. **Virtual Committee Meetings** – All Committee Meetings are now delivered virtually through Microsoft Teams and streamed to the Corporation's YouTube Channel allowing access to members of the public. The IT Division have worked with Committee Services to support Members throughout this period and exploit new features such as the 'Raise Hand' feature and the Microsoft Forms integration which is now being used to streamline voting in meetings.
  - f. **Automated desk booking system** – to support the COVID changes to office working and preparing the ground for allocated desking in the future, a new booking app for desks was introduced available on laptops and mobile devices.
  - g. **Automated device set up** – IT have introduced Microsoft tools and new contractual arrangements that enable devices to be built by suppliers on our behalf and shipped direct to the customer which cuts down the device build and shipping time by 4-5 days.
7. These advancements can and must be leveraged to meet the current challenges the organisation faces. The most recent employee survey shows that the shift to more homeworking has been welcomed by many colleagues. One benefit of remote working that will contribute to the TOM's vision of an agile organisation, is the ability to quickly meet with colleagues based across different sites. Whilst this is not a substitute for in-person relationship building, it does offer a practical advantage of setting up discussions quickly and contributes to speeding up slow processes.

## Proposals

- 8. We know a large proportion (70% to 80+%) of Corporation staff are favouring greater flexibility at work and there is overall support for a split working model (split between remote and office work).
- 9. Proposal 1 – continue working with the Hybrid workplace model, that will support;
  - a. Presenteeism challenges – New ways of working may make presenteeism and its underlying conditions harder to spot and deal with. Supporting the Hybrid workplace model will empower staff and give them the choice to work in various locations, home, office, satellite office, café etc. This in turn



- will provide the balance of increased flexibility and autonomy with better time management, job security and engagement.
  - b. The office as a place to connect and collaborate.
  - c. Member Hybrid meeting arrangements that have been introduced to allow some Members to meet physically at Guildhall and “attend” formal committee meetings.
10. Proposal 2 – The City Surveyor will establish and lead a new Workplace Steering Group formed of City Surveyor, HR, IT and Finance officers. The main purpose of the group being to plan and communicate how the next normal can continue to; prepare the Corporation for;
- a. A post Covid-19 workplace and the longer term financial implications to make the office a destination of choice.
  - b. The Target Operating Model and help to embed positive culture change.
  - c. The introduction of the Corporate Property Asset Management Strategy (approved in December by Finance Committee) to better utilise our assets and release those where they are under-utilised or entirely surplus.
  - d. The Guildhall Masterplan, offering flexible workspace for an agile workforce and creating an exemplar sustainable building reducing our estimated annual carbon emissions to circa 750 tonnes per year. (currently 38,000 tonnes)

### Corporate & Strategic Implications

- **Strategic implications** – The New Normal ways of working will support the TOM and the Corporate Property Asset Management Strategy that seeks to further improve the efficiency and sustainability of operational assets to deliver an efficient, agile and joined up organisation. Improved ways of working and maximising traditional office space will be critical ingredients to meet these aims by helping to foster better collaboration and reduce organisational drag.
- **People implications** – HR consider it is too early to formalise any future working patterns while the workplace landscape remains unclear due to the ongoing Covid-19 pandemic. In the meantime, HR colleagues are developing and supporting our capacity to work virtually and anticipate that future working patterns, will where possible, include more virtual working. Training methods are being transferred as much as possible to virtual training platforms.
- **Financial implications** - The short term costs associated with adapting Guildhall for the return of staff has to date been absorbed by the City Surveyor’s local risk budget, and has in part been helped by the reduction in other costs such as lower energy consumption. Longer term financial implications are yet to be assessed.
- **Equalities implications** – Giving employees more flexibility in choosing when and where they work can increase gender equality via two pathways. First, research has long established that remote work can help mothers better balance their work and family responsibilities, which makes them less likely to sacrifice one for the other. Second, data collected during the pandemic suggests that working from home may also make the father more involved. More couples share family responsibilities more equally now than they did before the pandemic.
- The new Workplace Steering Group will continue to ensure that these proposals comply with our public Sector Equality Duty 2010.

## Conclusion

11. For decades, the office has been the default location for knowledge, collaborating and the place to work. The future of work and ways of working has now become complex with multi-faceted issues.
12. To support new normal working practices and make the office a destination of choice, will require aligning **people** (culture and behaviour), **workspace** (for a future agile workforce) and a robust **technology** backbone with a suite of digital tools to enable the work to be done in a variety of settings. The pandemic has provided a unique opportunity and stepping stone to accelerate change for the Corporation.

## Appendix 1 - From Desk Office to Destination Office

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<b>Committee(s)</b>	<b>Dated:</b>
Planning and Transportation Committee – For Decision Corporate Asset Sub Committee – For Information	15 December 2020 18 January 2021
<b>Subject:</b> London Wall Car Park – partial repurposing for last mile logistics hub	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>1, 5, 9, 11</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>Report of:</b> Carolyn Dwyer – Department of the Built Environment	<b>For Information</b>
<b>Report author:</b> Kieran Mackay – Department of the Built Environment	

## Summary

This report recommends the repurposing of 39 spaces in London Wall Car Park for their use as a last mile logistics hub to be operated by Amazon Logistics.

The recently adopted 25-year Transport Strategy provides a strong mandate to deliver a radical freight programme. Last mile logistics hubs facilitate deliveries by cargo cycles and pedestrian porters, removing large numbers of delivery vehicles from City streets.

A review of parking data indicates that changing the use of these 39 spaces will leave an average of 9 free spaces in London Wall Car Park at peak use each day. On occasions where the car park is full, there is significant spare capacity in the immediate area at both Smithfield and NCP Aldersgate to support the small number of displaced vehicles.

From the hub, the operator would deliver parcels to customers using pedestrian porters and cargo cycles. The hub would allow the operator to complete all deliveries within a 2km radius without the need for motorised freight vehicles. This covers the whole of the City of London as well as other parts of central London. The hub would take up to 85 vehicles off the roads each day, which is the equivalent of up to 23,000 vehicle journeys taken off the roads of central London each year.

The hub would generate income from a presently underutilised asset.

## **Recommendation(s)**

Members agree to:

- The repurposing of 39 spaces in London Wall Car Park for use as a last mile logistics hub, with responsibility for the facility remaining with the Department of the Built Environment.
- Lease the hub to Amazon Logistics subject to final agreement of the terms set out in the non-public appendix 1, with such terms to be agreed under delegated authority by the City Surveyor.
- Approve the necessary enabling works subject to planning approvals, the cost of which would be covered by the operator.

## **Main Report**

### **Background**

1. The City of London's 25-year Transport Strategy aims to ensure that the Square Mile is a healthy, attractive and easy place to live, work learn and visit. Over 54 proposals, the Strategy outlines how we achieve this in the short, medium and long term.
2. Amongst several commitments to reduce the impact of freight vehicles in the Square Mile, the Strategy targets to deliver three last mile logistics hubs by 2022 and a further two by 2025.
3. The draft City Plan 2036 states that underutilised spaces in car parks should be considered as a priority for use as last mile logistics hubs to support this ambition.
4. Of the City owned public car parks, London Wall Car Park has comparatively good access when considering the low height restrictions. Parcels into the site would be loaded from the service road that adjoins the main entrance to the car park.
5. We have done extensive soft market testing with the logistics industry to identify the feasibility of a logistics hub at this and other City Corporation assets. We have established credible demand for such spaces with demand significantly outstripping supply. Several major logistics operators and parcel delivery companies have expressed significant interest in sites across the Square Mile.
6. 10 operators were initially invited to bid for the space in February 2020. This was put on hold due to the COVID-19 coronavirus pandemic. Bidding was reopened in June 2020 and Amazon Logistics were the successful bidder.

## **Proposals**

7. Appendix 2 illustrates the 39 spaces recommended for conversion to use as a logistics hub.
8. This location is proposed as it most effectively supports the continued operation of the car park. This site is preferable as it;
  - a. Does not disrupt access to the two nested car parks within the facility.
  - b. Does not disrupt the existing operation of the car park as both east and westbound exits are maintained. Whilst the main entrance will become entry only, almost all vehicles exit by the exit only ramps so it will not change effective operation of the car park.
  - c. Proximity to the western entrance is essential to facilitate secure and quick loading into the facility from the loading bay and service road. This is because large vehicles cannot enter the car park due to height restrictions.

## **Present and projected utilisation**

9. London Wall Car Park has 195 car parking spaces, as well as space for motorcycle and bicycle parking.
10. Reviewing a neutral week of parking data each month from October 2018 – April 2020 there is an average of 48 spaces spare when the car park is at peak use.
11. Therefore, on average, each day there would still be an average of 9 spare spaces when at peak capacity with the logistics hub in place.
12. Of the 95 days analysed there would have been 25 occasions where the car park would have been 'over capacity'. This would typically have only been for one or two hours between 11am and 2pm on these days.
13. On the occasions in which the car park would have been over capacity, this was by an average of 10 vehicles. There is no discernible pattern to when or why the car park is busier on certain neutral weekdays. The potential loss of income from the occasions in which the car park would be over capacity is estimated at £5,000 a year.
14. Between May and September occupancy of the car park increased, before falling back to pre COVID-19 levels. It is not possible to determine exactly why this is the case, but it is likely a combination of factors including the easing of lockdown while public transport use was discouraged, and the free parking scheme for staff of St Bart's Hospital.

15. There is significant spare capacity at all other City of London and NCP car parks in the vicinity to accommodate these vehicles. For example, taking the same neutral week in September 2019, Smithfield has an average of 239 spare spaces at peak usage.
16. Additionally, NCP's Director of Real Estate has informed the City Corporation that their facility at Aldersgate has at least 500 spare spaces when at peak usage. This facility is the closest to London Wall, the two entrances only 250 metres apart.
17. Whilst London Wall is closer to full capacity than other City Corporation owned car parks it is being brought forward first as it is the strongest option for a last mile logistics hub. This is due to the shape of the facility lending itself well to use as a logistics hub, loading access from the main entrance and adjacent servicing road and the noted spare capacity within the immediate vicinity.

### **Logistics hubs**

18. Last mile logistics hubs are an effective method of reducing and remodelling freight deliveries. They can be used as either micro-consolidation or micro-distribution hubs
  - Micro-consolidation hubs are where a single provider will deliver various organisations goods through the hub
  - Micro-distribution hubs are where a single carrier uses the hub to remode its own parcels
19. The soft market testing indicated that there was significantly more demand for use of the space by the freight industry as their own dedicated micro-distribution hub.
20. This also reduces the number of inbound vehicles to the site, ensuring that fewer, larger vehicles load the hub before moving the goods onto the cargo cycles or small, city appropriate electric vehicles. Therefore, this option is more effective in delivering the Transport Strategy as well as being commercially operative for the haulier.
21. Detail on the operation of the proposed logistics hub is included in non-public appendix 1.

### **Terms of Lease**

22. The proposed terms of the lease are provided in non-public appendix 1.

23. The lease will include a requirement for an agreed strategy to monitor the impact of operation. This will help us understand the challenges and successes of non-motorised freight delivery in the Square Mile to best inform future approaches.

## **Corporate & Strategic Implications**

### **Strategic implications**

24. Approval of the recommendation supports delivery of Proposal 38 of the City Corporation's 25-year Transport Strategy. This is our commitment to reduce the number of motorised freight vehicles in the Square Mile and support deliveries outside of regular peak hours.
25. The recommendation supports outcomes 1, 5, 9 and 11 of the Corporate Plan.
26. The logistics hub infrastructure will be light touch so, if required, it can be removed to support schemes delivering Culture Mile and Centre for Music. This will be reflected in the contractual arrangement for releasing the land.

### **Financial implications**

27. The rental income from the logistics hub will be accrued to the Department of the Built Environment's local risk budget.
28. Any loss in revenue from occasions identified in the occupancy analysis where demand for parking spaces would exceed future capacity would be offset by the income from the logistics hub.
29. The cost of any necessary enabling works to bring the space into use as a logistics hub will be paid for by the operator.

### **Property Implications**

30. The City Surveyor has delegated authority to agree a lease at a market rent to the operator for the use of the 39 car spaces as a logistics hub, subject to obtaining planning consent, as detailed at appendix 2 and 3.
31. The City Surveyor is of the opinion that the rent offered represents market rent for the car parking spaces, the main heads of terms of the lease being detailed at the non-public appendix 1.
32. The enabling works to deliver the hub and future operation of the hub will require ongoing consultation with the City Surveyor about the ventilation, electrical, fire alarm and sprinkler works scheduled to commence in October 2021.

33. As the car parking spaces are not being declared surplus, and the proposal concerns a letting of property, the governance is under Standing Order 58, as opposed to Standing Order 56, and therefore the report will be presented to Corporate Asset Sub Committee for information only.

### **Legal implications**

34. The London Wall car park land was acquired and is held for planning purposes. An interest in the land may be disposed of to secure the best use of the land. Disposal must be at best consideration<sup>1</sup>.
35. It is considered that these criteria (to achieve best use of the land and best consideration) are satisfied.

### **Equalities implications**

36. A Test of Relevance has identified the need for an in-depth Equalities Analysis (EA), should the proposals be taken forward.
37. The indicative layout of the hub proposes the removal of parking spaces and the relocation of disabled parking spaces, both of which could affect people with certain protected characteristics.
38. The EA will seek to inform the design of the hub and understand and mitigate any negative impacts prior to implementation. As the proposals are developed, these considerations will be further informed based on feedback from stakeholders.
39. The impact of activity from the operational hub on people with protected characteristics will be monitored through the agreed monitoring strategy.

### **Climate implications**

40. The proposal would deliver against the following action to support the achievement of net zero as detailed in the City Corporation's Climate Action Strategy 2020 – 2027;
- Support organisations in the Square Mile to build circular, low-carbon and resilient supply chains
41. Amazon is committed to building a sustainable business for its customers and the planet, and last year co-founded The Climate Pledge – a commitment to be net zero carbon across its business by 2040, 10 years ahead of the Paris Agreement. The company is on a path to 100% renewable energy by 2025.

### **Next Steps**

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<sup>1</sup> S.233 Town and Country Planning Act 1990



42. Should the recommendation be approved, the Strategic Transportation team will work with the Chamberlains, City Surveyors, Comptrollers and the operator to release the space. This will include;
- a. Completing an Equalities Analysis of the proposed change of use of the area to inform the final design and any necessary mitigation
  - b. Finalising the terms of the lease and entering into an agreement with the operator
  - c. Applying for planning permission for the change of use of the space
  - d. Enabling works for the conversion of the space into the hub

## **Conclusion**

43. The City of London's 25-year Transport Strategy commits to ensuring that the Square Mile is a healthy, attractive and easy place to live, work, learn and visit. Reducing the impact of motorised freight on City streets is fundamental to achieving this.
44. Approval of the recommendation will support the delivery of the City's first last mile logistics hub and generate revenue back to the City Corporation using a presently underutilised asset.

## **Appendices**

Appendix 1 – Non-public appendix

Appendix 2 – Plan showing the 39 spaces to be repurposed

Appendix 3 – Indicative layout of the proposed logistics hub

## **Background Papers**

Last Mile Logistics Hubs Update – May 2019

Freight Programme Update – December 2019

**Kieran Mackay**

Department of the Built Environment

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<b>Committee(s)</b>	<b>Dated:</b>
Property Investment Board Corporate Asset Sub Committee	December 2020 January
<b>Subject:</b> Business Plan 2020-25 Quarter 2020/21	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>4, 7, 12</b>
<b>Does this proposal require extra revenue and/or capital spending? N/A</b>	<b>N</b>
<b>If so, how much? N/A</b>	<b>N/A</b>
<b>What is the source of Funding? N/A</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department? N/A</b>	<b>N/A</b>
<b>Report of: The City Surveyor (CS 416/20)</b>	<b>For Information</b>
<b>Report author:</b> 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 2 (June to September) 2020/21 against the 2020-25 Business Plan as well as an update on the commercial property market and a financial statement.

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 changed external environment has shifted the department's priorities in the short-term. There has been much greater emphasis on tenant retention, in both the investment and corporate estates. This is expected to continue into calendar 2021.

Our capacity to deliver projects has also been compromised, as social distancing has placed a lower limit on productivity. We are now measuring our sites productivity and will be reporting this through to Members.

Members should note that we will continue to report through our KPI performance against all the 17 agreed measures.

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

The amber indicators were the following:

- KPI. 1 – Asset realisation and additional income (CAsC)
- KPI. 3 – Space utilisation (CAsC)

The City Surveyor is currently forecasting a year-end overspend of £277k on a budget of £32.429m (0.85%). 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(s)**

Members are asked to note the content of this report.

### **Main Report**

#### **Background**

1. In line with the City Corporation's performance management system, this is a quarterly report on the progress made during quarter 2 (June – Sept) 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. Appendix A reveals that the City Surveyor is projecting an overspend of £277,000 against the latest budget of £32.429m (0.85%). This overspend is mainly due to reduced professional fee income as a result of the pandemic; an overspend on salaries as fundamental review savings anticipated in the budget are on hold pending the Target Operating Model; and the overspend from 2019/20 carried forward to be recovered for this year's budget.
6. These additional costs have in part been offset by savings due to lower occupancy of premises, principally the Guildhall, as a result of Covid-19. The City Surveyor is reviewing his expenditure plans with the aim of eliminating this deficit at year-end.

#### **Market commentary**

7. For the occupier market, JLL reported that central London office take-up in the June to September quarter totaled 0.9 million sq ft. This was down from 1.1 million sq ft in the three months prior, and 64% below the 10-year quarterly average (2.6 million sq ft). The last quarter was the lowest figure recorded since January – March 2009. The impact of COVID-19 can be seen in subdued leasing activity

across all the London sub-markets. There is more confidence in the pre-let market, which accounted for 22% of the quarterly take up, where large occupiers are taking a long-term view. At least one significant pre-let has recently gone under offer on a new office scheme within the City core. This suggests talk of the demise of the office is wide of the mark even if a degree of remote working remains post the pandemic. Without doubt 'wellness' will rise further up occupiers' agenda - developers and investors will need to reflect this in their schemes. The days of dense occupation which put a strain on building services like ventilation systems look to be over for now and the next generation of building will need to be enabled to cope with the technology required for a mixture of physical and remote working.

8. The vacancy rate has hit 5.9% and remains above the 10-year average of 5.0%, however, the vacancy rate for new stock is stable at 0.8% and remains below the 10-year average of 1.1%. There has been a noticeable increase in tenant space being released back to the market since the national lockdown and this trend is likely to continue but it is hoped that shortages of speculative supply will dilute the impact. In respect of the retail sector a significant number of tenants are struggling to pay rent on existing sites and are turning to their landlords for assistance. On a positive note, in the West End, Colliers has reported that some retailers are acquiring new stores initially on a turnover basis. An increase in the number of retail businesses entering administration was seen in the six months from April which again is a trend which is expected to continue – especially among A1 food operators. COVID-19 has accelerated the rise of internet shopping and the need for retailers with high street and City centre units to be more experiential and service-based to prosper.
9. COVID-19 continues to cast a shadow over the central London office investment market. According to JLL, £1.1 billion was transacted in the three months to September which is 71% below the 10-year quarterly average of £3.7 billion. Year to date investment volumes stood at £4.0 billion significantly below the 10-year annual average of £15 billion. A stronger final quarter is anticipated with circa £3 billion of stock currently under offer.
10. JLL's Prime City yield is 4.00%, which compares with the West End prime yield of 3.75%. Prime rents in the City have fallen marginally to £72.50 psf and rent-free periods have moved out to 27 months on a 10-year term. In the West End the prime rent has remained stable at £117.50 psf although rent-free periods have moved out to 24 months on a 10-year term.

#### **Quarter 2 2020/21 update Coronavirus**

11. 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.
12. 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
- B. KPI. 12 – Minimise arrears
- C. KPI. 13 – Minimise voids

13. KPI. 1- asset realisation and additional income is also anticipated to be impacted by Covid-19. This item is principally delivered by our Corporate Property Group. Over the last six months their focus has been on tenant retention and lease negotiations. This has limited their capacity to progress asset realisation activities.

14. The department will be tracking an additional performance measure whilst the coronavirus situation continues. This indicator relates to the productivity of our project sites, and compares this to national average, taking into consideration compliance with site operating procedures for Covid-19.

Results for the quarter were: July – 89%, August – 90% and September – 91%. This was running ahead of the national average for the period of 80%.

15. Members will note the inclusion of the thematic Covid-19 risk register as part of your regular Risk Report (CS 419/20). This includes specific risks relating to the impact on our investment property returns and site productivity.

## Performance

16. 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 <sup>1</sup>	Green	Amber	Red	No RAG	N/A
Corporate Asset Sub Committee	10	2			1
Property Investment Board	8			3	1
Overall <sup>2</sup>	10	2		3	2

17. Of the seventeen KPIs being monitored, all KPIs have been affected by the impact of Covid-19.

18. The amber indicators were the following:

- A. KPI. 1 – Asset realisation and additional income (CAsC)

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

<sup>2</sup> Some KPIs relate to both PIB and CAsC. Therefore, row indicating KPIs overall is not a total of the PIB and CAsC rows.

Covid-19 continues to have an impact on our ability to secure additional rental income from existing lease events and new lettings. Unless trading and business activity for tenants returns to pre-pandemic levels soon, there is considerable risk that the target of £1.5m per annum additional income will not be secured in-year.

Woodredon Farm has been delayed due to a combination of an element of the site awaiting to be formally declared surplus by the service Committee, and delays in surveying due to Covid-19.

#### **B. KPI. 3 – Space utilisation (CAsC)**

The Guildhall introduced a phased return to the workplace this quarter for some categories of staff. However more recent restrictions have reversed some of this return. The department continues to focus on ensuring staff safety, and that the workplaces are Covid-19 secure.

### **Strategic implications**

19. The work of the department supports the delivery of the organisation's Corporate Plan. The impact of Covid-19 has been keenly felt in our ability to generate income on behalf of the organisation. The department will continue to work hard to minimise the negative impacts of this issue.

### **Conclusion**

20. This report provides an update at quarter 2 (June to September) against the department's Business Plan.

### **Appendices**

- Appendix A – Budget Monitoring Statement
- Appendix B – KPI Tables
- Appendix C – Headline Performance Charts

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<b>Committee(s)</b>	<b>Dated:</b>
Property Investment Board – For information	16 <sup>th</sup> December 2020
Corporate Asset Sub (Finance) Committee – For information	18 January 2021
<b>Subject:</b> City Surveyor's Departmental Risk Register – Update	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>5</b>
<b>Does this proposal require extra revenue and/or capital spending? N/A</b>	<b>N</b>
<b>If so, how much? N/A</b>	<b>N/A</b>
<b>What is the source of Funding? N/A</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department? N/A</b>	<b>N/A</b>
<b>Report of: City Surveyor (CS 419/20)</b>	<b>For Information</b>
<b>Report author:</b> <b>Faith Bowman / John Galvin</b> <b>City Surveyor's Department</b>	

## 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). The department is also 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 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**

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 departmental 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.
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). Risks relating to Covid-19 are regularly reported through to the Audit and Risk Management Committee.
6. The department also manages the repairs and maintenance risks associated with the City Bridges, of which there are currently three red risks. The details for these risks are included in Appendix 3.

## **Changes since last review**

7. Members will be aware that the City of London has recently approved the Climate Action Strategy (CAS). The organisation's earlier Carbon Descent Plan (CDP) has been integrated into this strategy.

The City Surveyor's Department currently holds a risk relating to the delivery of the CDP. Meetings have been arranged with departmental leads to understand what uncertainties relate to the attainment of the CAS's strategic objectives. It is anticipated that the current CDP risk will be removed, potentially to be replaced by one relating to the CAS.

8. The department continues to manage the thematic Covid-19 risks (Appendix 2) and discussions are held frequently with the risk owners to ensure that our information remains current. The current upswing in Covid-19 cases, and the re-introduction of lock-down, have prevented the de-escalation of these risks.
9. The department also manages the risks associated with repairs and maintenance on the City Bridges (Appendix 3).

In our last update we referred to the upcoming partial closure of London Bridge, and noted that this may impact the number of heavy goods vehicles (HGVs) crossing Tower Bridge. The City of London has been able to reach an agreement with Transport for London (TfL) regarding an alternative route for HGVs which minimised their likelihood of crossing Tower Bridge. The frequency of HGVs crossing Tower Bridge is being monitored regularly, and this will determine the success of the re-routing.

The mitigations that have been put in place justifies the on-going management of this risk at a Group level. We will advise Members should this situation change.

## **Heatmap**

10. 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 (left). 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 (September) is included as the table on the right. Note that this is not tracking individual risks over time, rather it is a snapshot comparison of our overall risk profile.
11. Whilst it may appear that the risks have not changed this period, Members will recall that there was a more substantive change in the September report (comparing our position to June). There is still considerable uncertainty relating to Covid-19, and it is difficult to reduce the scores on impacted risks this period.

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

Table 1: December 2020 Risk Heatmap

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

Table 2: September 2020 Risk Heatmap

## Conclusion

12. 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 – September Update (CS 301/20)

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<b>Committee:</b>	<b>Date:</b>
Property Investment Board Corporate Asset Sub (Finance) Committee	16/12/2020 18/01/2021
<b>Subject:</b> Draft City Surveyor's Business Plan for 2021/22 (CS 347/20)	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>4, 7, 12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> Paul Wilkinson, City Surveyor	<b>For Decsion</b>
<b>Report author:</b> John Galvin, Business Performance and Improvement	

## Summary

This report presents for approval the Business Plan for the City Surveyor's Department for 2021/22.

## Recommendation

The Committee is recommended to:

- i) Note the factors taken into consideration in compiling the City Surveyor's Business Plan; and
- ii) Approve, subject to the incorporation of any changes sought by both Property Investment Board and Corporate Asset Sub (Finance) Committee, the departmental Business Plan for the City Surveyor's Department for 2021/22 (or the elements therein that fall within this committee's Terms of Reference).

## Main Report

## Background

1. Business Plans for 2021/22 are being presented based on current departmental structures. These will be adjusted, alongside budgets, when any changes to these structures are implemented.

## Current Position

2. Business Plans are aligned to departments, so all financial information presented within the Business Plan reflects the departmental budget rather than the Committee budget.

## Proposal

3. The draft high-level summary Business Plan for the City Surveyor's Department is presented at **Appendix 1**.

## Key Data

4. Key data is presented within the draft high-level summary Business Plan.

## Corporate & Strategic Implications

5. Strategic implications – Strategic priorities and commitments are expressed in **Appendix 1**.
6. Financial implications – The draft high-level summary Business Plan at **Appendix 1** has been drawn up on the basis of a 12% reduction in the departmental budget compared to 2020/21. This equates to £3.6m. On top of this there is a further £0.5m saving required for the Fundamental Review items, and £0.6m for inflation. The net impact is £4.7m or 15.7% on the City Cash and City Fund budgets. This is to support the achievement of an overall City Corporation budget reduction of 12%.

Members will be aware that much of the activity of the department is undertaken on behalf of client departments or the organisation generally. For instance, income generated by the investment estate appears under central risk and is therefore not covered in Appendix 1. Similarly, contract spend where we are delivering services on behalf of others, or much of our project spend is not covered in the attached Business Plan.

7. Risk implications – Key risks managed by the department are included in the draft high-level summary Business Plan at **Appendix 1**. Emerging risks include the capacity of staff to deliver increased demands in a time of limited financial resources.
8. Resource implications – Any changes to resources will be identified and delivered through the move to the Target Operating Model.
9. Equalities implications – The high-level summary Business Plan has highlighted the importance of delivering the departmental Equalities Action Plan. The department is committed to ensuring that there is an equality of opportunity for staff across the department.

10. Climate Implications – The Business Plan has noted that the City Surveyor's Department will carry out a key role in delivering the organisation's Climate Action Strategy. This includes both corporate and investment property estates.

11. Security implications – Whilst the Business Plan does not have any direct security implications, a number of projects / programmes that the department delivers have security elements associated with them.

## **Conclusion**

12. This report presents the draft high-level summary Business Plan for 2021/22 for the City Surveyor's Department. This committee is recommended to approve the plan.

## **Appendices**

- Appendix 1 – Draft High-level summary Business Plan 2021/22 for the City Surveyor's Department.

## **John Galvin**

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<b>Committee(s)</b> Corporate Asset Sub Committee - For decision	<b>Dated:</b> 18 January 2021
<b>Subject: Delegated Authority Request</b> Woodredon Farm (Riding School), Epping - For Appointment of External Property Advisor to advise on Marketing and Disposal Strategy Options	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>Y</b>
<b>If so, how much?</b>	<b>Indicative costs up to £25k (subject to quotes)</b>
<b>What is the source of Funding?</b>	<b>Operational Property Reserve</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>Yes</b>
<b>Report of:</b> City Surveyor	<b>For Decision</b>
<b>Report author:</b> Edward Martin	

## Summary

Epping Forest & Commons Committee in September 2016 declared Woodredon Farm, which is within the City Fund, surplus to operational requirements. The majority of the property is leased to a third party tenant. The curtilage of the property also includes the Red Cottage, which previously accommodated the Epping Forest herds person. Following this decision Epping Forest & Commons Committee clarified that Red Cottage could not be declared surplus until such time as a new herds person lodge was re-provided for utilising the receipt from the long leasehold sale of Woodredon Farm.

Structural funding issues have been identified that would prevent proceeds from a City Fund asset to be utilised for City's Cash purposes. Compensation from City's Cash to City Fund was in place for use of Red Cottage by the herds person. As a result, Epping Forest officers are now seeking approval of Epping Forest & Commons Committee on 18 January 2021 to declare the Red Cottage formally surplus to operational requirements. The herds person is currently housed at 46 The Plain, Epping, located 1 mile closer to Great Gregories Farm than Red Cottage.

In the event that Red Cottage is declared surplus, then the City Surveyor will move forward and seek to engage a commercial agent and develop a marketing and disposal strategy for the entire surplus Woodredon Farm property. It is a Fundamental Review option that members wished to pursue and raise a capital receipt in 2020/21. Due to Covid pandemic restrictions, and part of the property not being declared surplus, this has delayed the proposed disposal which will now be sought in 2021/22, subject to market conditions and receiving an acceptable offer.

The Delegated Authority is requested in order to seek approval of the appointment of an external local agent to advise on the disposal strategy, values and options in advance of the next Corporate Asset Sub Committee in April 2021, rather than later in 2021 and therefore optimise the opportunity to secure a capital receipt in 2021/22. The cost of this proposal is not expected to exceed £25k, and will be funded from the Operational Property Reserve.

### **Recommendation(s)**

- (i) That subject to Epping Forest & Commons Committee declaring Red Cottage surplus, that delegated authority is granted to the Town Clerk in consultation with Chairman and Deputy Chairman in respect of approving the appointment of an external agent to advise on the marketing and disposal strategy and options for the Woodredon Farm property that will then be reported to a future committee .

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<b>Committee:</b>	<b>Dated:</b>
Corporate Asset Sub Committee – For Information	18 January 2021
<b>Subject:</b> Guildhall Complex budget performance 2020/21 update report	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>5.</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>n/a</b>
<b>What is the source of Funding?</b>	
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>n/a</b>
<b>Report of:</b> The City Surveyor	<b>For Information</b>
<b>Report author:</b> Dorian Price	

## Summary

This report compares Guildhall Administration 2020/21 budget with performance to the end of Q2 and for the forecast year end.

During this period, officers have been monitoring and dealing with the effects of the COVID-19 pandemic in order to ensure Guildhall offices are safe and Covid-19 secure for staff and Members to utilise. The phased return to our workplace has been guided by three principles:

- Our staff safety is paramount.
- Our workplaces are COVID-19 secure.
- Our new flexible ways of working are embedded.

The cost to deliver these principles at Guildhall (estimated at £770k), has been absorbed into the City Surveyor’s Guildhall Administration local risk and offset against some of the savings from lower usage of contract cleaning and reduced energy costs during lockdown. The net outturn expenditure is projected to be £8,342m, against an annual budget of £8,473m, representing a forecast underspend of £131k (-2%), as set out in Table 1 below.

Table 1 Guildhall Administration 2020/21 outturn revenue performance

	<b>Annual Budget</b>	<b>Projected Outturn Cost</b>	<b>Variance</b>		<b>Variation</b> Increase ▲ Decrease ▼	<b>Brief Explanation</b>
	£	£	£	%		
LOCAL RISK Expenditure						
<b>TOTAL Employees</b>	<b>3,467,000</b>	<b>2,729,355</b>	<b>-737,645</b>	<b>-21%</b>	<b>▼</b>	Reduced operational security overtime due to lower building use during the covid-19 lockdown - see para 4

<b>TOTAL Premises Expenses</b>	<b>5,055,000</b>	<b>5,243,729</b>	<b>188,729</b>	<b>4%</b>	<b>▲</b>	Absorbing exceptional items such as covid costs – see para 4
<b>TOTAL Supplies and Services</b>	<b>526,000</b>	<b>787,299</b>	<b>261,299</b>	<b>50%</b>	<b>▲</b>	Absorbing exceptional items such as covid costs – see para 4
<b>TOTAL Expenditure</b>	<b>9,048,000</b>	<b>8,760,383</b>	<b>-287,617</b>	<b>-3%</b>	<b>▼</b>	
<b>TOTAL Income</b>	<b>-575,000</b>	<b>-418,816</b>	<b>156,184</b>	<b>-27%</b>	<b>▼</b>	No security event overtime , normally charged to events, taking place due to covid lockdown. See para 4
<b>Projected Outturn Net Expenditure</b>	<b>8,473,000</b>	<b>8,341,567</b>	<b>-131,433</b>	<b>-2%</b>	<b>▼</b>	

The City Surveyor will continue to manage and absorb the exceptional items of cost of COVID-19 in the workplace over the forthcoming months. Officers have commenced reviewing each budget line for next year 2021/22 Guildhall Administration budget in order to contain and mitigate any ongoing impact of Covid-19 over the next 12 months affecting the new budget for 2021/22. Any changes to the new budget that may have an effect on the operating services, standards and upkeep will be reported to Members.

### Recommendations

Members are asked to:

- Note the Guildhall Administration revenue outturn forecast for 2020/21, that is absorbing exceptional costs of £770k due to covid and showing an estimated underspend to the annual budget of £131k.
- Note that the City Surveyor will continue to review current budget lines and identify how Guildhall services can be delivered more smartly and efficiently, informed by our covid experience and different ways of working in order to deliver 2021/22 revenue savings.

### Main Report

#### Background

1. The Guildhall Administration budget has experienced increased cost pressures since 2013/14 as a result of increased workplace utilisation, larger commercial events taking place at Guildhall complex and increases in the level of reactive repairs driven by greater usage of the building.

#### Current Position

2. The COVID-19 pandemic in March 2020 had an instant and unprecedented effect on working patterns all over the country, with the enforced lockdown and the resultant increased working from home.

3. The vast majority of City Corporation colleagues were suddenly expected to work from home, and this has had an effect on the Guildhall Administration budget, as the offices were largely vacated suddenly, only leaving some Key Workers, and services were reduced.
4. The net outturn expenditure on Guildhall Administration projected to be £8,342m, against an annual budget of £8,473m, representing a forecast underspend of £131k.
5. The main local risk variations comprise:
  - a. **Employment Costs - £737,645 projected underspend**  
Primarily due to no operational security overtime required during the covid lockdown.
  - b. **Premises Expenses - £188,729 projected overspend**  
Due to estimated costs of £770k to make Guildhall North and West Wings covid safe, being absorbed into the City Surveyor's Guildhall Administration local risk and offset by other costs reducing such as energy costs and soft FM costs.
  - c. **Supplies and Services - £261,299 projected overspend**  
Due to the estimated covid costs, as above, for reconfiguration of desks and IT to make Guildhall North and West Wings covid safe and to support new ways of working during these times.
  - d. **Income - £156,184 projected underspend**  
A shortfall in income is projected mainly due to extra security, normally charged to events, now not taking place during the covid lockdown.

## Corporate & Strategic Implications

- **Strategic implications** – Guildhall Management at the City supports the following objective in the City Surveyors Business Plan:
  - **Property assets and facilities management:** We will ensure buildings are fit for purpose, sustainable, safe and secure, providing access for all, meeting service needs and community expectations and delivering value for money through enhancing our efficiencies; this includes asset management plans, facilities management including hard (planned and reactive maintenance) and soft services (cleaning, security, etc.), cyclical projects and minor improvements and delivery of major capital projects for refurbishments and new builds
- **Financial implications** - The City Surveyor will continue to review current budget lines and identify how Guildhall services can be delivered more smartly and efficiently, informed by our COVID experience and new ways of working in order to deliver 2021/22 revenue savings.
- Q3 estimate report is currently being prepared by the central finance team for Finance Committee and if there are any material changes in the forecast, Members will be updated verbally at CASC.
- Members should note that it is planned to spend an estimated total of £5.0m in 2020/21 and the next two financial years from the Cyclical Works Programme (CWP) on the Guildhall to tackle the backlog of cyclical repairs. This expenditure is required to prevent further deterioration of the building; and the expenditure is in addition to the City Surveyor's Local Risk budget.

- Members should also note there are further projects that sit outside the CWP of minor works and arise from the 20 year Forward Maintenance Plans. These Major projects are subject to Member approval, and are required to address the higher value upkeep and the backlog of deferred works (Guildhall complex major projects currently estimated at £21.6m), and ensure the operational assets remain in a good, safe and statutory compliant condition, as outlined in the Corporate Property Asset Management Strategy.

## **Conclusion**

6. It is the intention of the City Surveyor to continue to operate the Guildhall complex on the existing budget allocation. Exceptional costs to maintain covid secure buildings have been absorbed within the current budget and offset by savings from other services e.g. soft FM contract and energy costs. This is enabling the City Surveyor to forecast a potential small underspend at year end, subject to any unforeseen demands made on the buildings between now and then, or any unknown carried forward covid-19 costs.

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