



## Corporate Asset Sub (Finance) Committee

**Date:** MONDAY, 17 JANUARY 2022  
**Time:** 1.45 pm  
**Venue:** INFORMAL HYBRID PUBLIC MEETING (ACCESSIBLE REMOTELY)

**Members:** James de Sausmarez (Chairman) Michael Hudson  
Shravan Joshi (Deputy Chairman) Jeremy Mayhew  
Deputy Jamie Ingham Clark Christopher Hayward  
Randall Anderson Deputy Edward Lord  
Marianne Fredericks Deputy Roger Chadwick  
Alderman & Sheriff Alison Susan Pearson  
Gowman

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

### Accessing the virtual public meeting

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

<https://youtu.be/vL6D-04qvzA>

This meeting will be a hybrid meeting with participation virtually and from a physical location. Any views reached by the Committee today will have to be considered by the City Surveyor after the meeting in accordance with the Court of Common Council's Covid Approval Procedure who will make a formal decision having considered all relevant matters. This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court of Common Council's decision of 16<sup>th</sup> December 2021, to recommence hybrid meetings and take formal decisions through a delegation to the Town Clerk and other officers nominated by him after the informal meeting has taken place and the will of the Committee is known in open session. Details of all decisions taken under the Covid Approval Procedure will be available online via the City Corporation's webpages.

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 Corporate Asset Sub-committee meeting held on 24<sup>th</sup> November 2021.

**For Decision**  
(Pages 7 - 16)

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

Report of the Town Clerk.

**For Information**  
(Pages 17 - 18)

5. **WORK PROGRAMME FOR FUTURE MEETINGS**

Joint report of the Town Clerk and City Surveyor.

**For Information**  
(Pages 19 - 20)

6. **REQUEST FOR DELEGATED AUTHORITY BETWEEN JANUARY AND MAY 2022 COMMITTEE MEETINGS**

Report of the City Surveyor.

**For Decision**  
(Pages 21 - 22)

7. **CYCLICAL WORKS PROGRAMME - UPDATE REPORT Q3 2021/22**

Joint report of the City Surveyor and Chamberlain.

**For Decision**  
(Pages 23 - 26)

8. **BACKLOG OF MAINTENANCE AND 5 YEAR CYCLICAL WORKS PROGRAMME LOOK AHEAD - CITY'S NON-HOUSING OPERATIONAL PORTFOLIO**

Report of the City Surveyor.

**For Information**  
(Pages 27 - 34)

9. **SECURITY UPDATE**

City Surveyor to be heard.

**For Information**

10. **CLIMATE ACTION STRATEGY NZ1, NZ3 AND RS3 WORKSTREAM UPDATE**

Report of the City Surveyor.

**For Information**  
(Pages 35 - 40)

11. **PSDS PROJECT: LMA VENTILATION PSDS PROJECT**

Report of the City Surveyor.

**For Information**  
(Pages 41 - 44)

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

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

14. **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**

15. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the Corporate Asset Sub-committee meeting held on 24<sup>th</sup> November 2021.

**For Decision**  
(Pages 45 - 50)

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

Report of the Town Clerk.

**For Information**  
(Pages 51 - 52)

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

Report of the City Surveyor (TO FOLLOW).

**For Decision**

18. **OFA CLUBHOUSE - CITY OF LONDON FREEMEN'S SCHOOL**

Report of the Head of City of London Freemen's School.

**For Decision**  
(Pages 53 - 56)

19. **CITIGEN STRATEGY**

Report of the City Surveyor.

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

20. **CITY OF LONDON OPERATIONAL TENANTS - ARREARS UPDATE AND RENTAL SUPPORT**

Joint report of the Chamberlain and City Surveyor.

**For Information**  
(Pages 63 - 68)

21. **NON PUBLIC ACTION TAKEN BETWEEN MEETINGS**

Report of the Town Clerk.

**For Information**  
(Pages 69 - 72)

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

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

**Part 3 - Confidential Agenda**

24. **FM ENABLING SERVICES - OPTIONS APPRAISAL**

Report of the City Surveyor.

**For Decision**

25. **TARGET OPERATING MODEL PROPOSAL - CITY SURVEYOR'S DEPARTMENT  
(CENTRAL CRIMINAL COURT & ENABLING SERVICES)**

Report of the City Surveyor.

**For Decision**

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## **CORPORATE ASSET SUB (FINANCE) COMMITTEE** **Wednesday, 24 November 2021**

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 24 November 2021 at 1.45 pm

### **Present**

#### **Members:**

James de Sausmarez (Chairman)  
Shravan Joshi (Deputy Chairman)  
Deputy Jamie Ingham Clark  
Randall Anderson  
Marianne Fredericks  
Michael Hudson  
Jeremy Mayhew  
Christopher Hayward  
Deputy Edward Lord  
Deputy Roger Chadwick

#### **Officers:**

Simon Causer	- City Surveyor's Department
Paul Wilkinson	- City Surveyor
Peter Young	- City Surveyor's Department
Peter Collinson	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
John Galvin	- City Surveyor's Department
Alison Bunn	- City Surveyor's Department
Jonathan Cooper	- City Surveyor's Department
Graeme Low	- City Surveyor's Department
Fiona McKeith	- City Surveyor's Department
Jonathon Poyner	- Barbican Centre
Dorian Price	- City Surveyor's Department
Mark Donaldson	- City Surveyor's Department
Julie Brown	- City Surveyor's Department
Andrew Little	- Chamberlain's Department
Chris Rumbles, Clerk	- Town Clerk's Department

#### **1. APOLOGIES**

Apologies were received from Alison Gowman.

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

There were no declarations.

#### **3. MINUTES**

**RESOLVED** – That the public minutes and non-public summary of the previous meeting held on 30 September 2021 be approved as an accurate record.

### **Matters arising**

**Automatic Doors** – A Member referred to the new automatic doors leading to the Members’ Reading Room having stopped working again shortly after having been fitted. The Member remarked on her disappointment with the operation of all automatic doors within the Guildhall Complex, which she considered presented a huge barrier to people in wheelchairs when they were not working. The City Surveyor assured Members that planned maintenance continued on all automatic doors within the Guildhall Complex. The team were aware of an issue with the automatic doors leading to the Members’ Reading Room and efforts remained ongoing to resolve the issue.

**Baby Changing Facilities** – A Member referred to baby changing facilities currently being located in Guildhall Art Gallery, which in her opinion did not meet the requirement of facilities being easily accessible to all visitors. The Member suggested baby changing facilities were needed in Guildhall, West Wing close to Guildhall Club. The City Surveyor agreed to review options and provide an update at the next meeting.

#### **4. OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

**RESOLVED** – That the Sub-committee notes 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.

**RESOLVED** – That the Sub-committee notes the report.

#### **6. ENERGY REDUCTION PROGRAMME - PHASE 1**

The Sub-committee considered a report of the City Surveyor updating on a programme of energy efficiency projects within the corporate operational site portfolio.

The Chairman acknowledged the importance of this programme of work with funding being in place an important consideration.

**RESOLVED:** That Members: \_

Approve option 3:

- a) Change in scope to limit the project to the three sub-projects, for LED Lighting at: Central Criminal Court, Smithfield Car Park and Tower Hill Coach and Car Park. These to be received for further approval as



separate gateway papers (as set out under 'Next Gateway'). Note the total estimated project cost including risk is £574,288 for completion in 2022/23.

- b) Increase of allocated S106 Carbon Offset funding from £247k to £304k which will be wholly used to fund the LED lighting and the Central Criminal Court.
- c) Reallocation of £229,200 of unrequired provisional funding allocation to the 'BEMS Upgrade Project-CPG Estate – Phase 1' to support energy reduction for the Guildhall.
- d) Withdraw provisional funding allocation of £245,610 which is no longer required for this project.

7. **BEMS UPGRADE PROJECT-CPG ESTATE - PHASE 1**

The Sub-committee considered a report of the City Surveyor updating on the Building Energy Management Systems upgrade project.

Members noted that the project covered three sites and would be looking to replace obsolete controllers, with the main purpose of the project being to ensure business continuity of these services and offer increased efficiency in line with the Climate Action Strategy.

A Member questioned if additional funding would be needed for the project, and it was clarified that all funding was in place and had been approved by the Chamberlain.

RESOLVED: That Members: -

Approve Option 3 as follows:

- a) Approval for reallocation of £229,200 of the now unrequired central funding (£114,600 City Fund and £114,600 City's Cash) from 'Energy Reduction Programme – Phase 1' to the 'BEMS Upgrade Project-CPG Estate – Phase 1 (stage 2)'.
- b) Approve that the CWP funds within the project 'C1522CW002L' are used to meet the costs of the Guildhall East wing control upgrades within the BEMS Upgrade Project-CPG Estate – Phase 1 (stage 2).
- c) Approve that the CWP funds within the project 'R0722CW003L' are used to meet the costs of the LMA controls upgrades within the BEMS Upgrade Project-CPG Estate – Phase 1 (stage 2).

8. **2021/22 ENERGY PERFORMANCE Q2 UPDATE**

The Sub-committee received a report of the City Surveyor presenting the 2021/22 Quarter 2 energy performance for City Corporation operational sites.

Members noted that there had been a 10% reduction in energy performance across the same period last year. There had been a slight uplift when looking at the previous quarter, but it would be hoped the PSDS projects would help the City Corporation move the level of performance back downwards.

A Member remarked on Barbican Centre being one of the largest energy users and questioned if anything had been done to modify their usage. It was clarified that the Covid pandemic had impacted on energy usage at the Barbican Centre, with PSDS projects likely to deliver energy savings over Q3/4 and hopefully see a big impact on their emissions in the future.

A Member remarked on Bishopsgate Police Station having been open and operational throughout the pandemic and so the energy reductions achieved at this site being achieved through action being taken. It was acknowledged that Bishopsgate Police Station was an example of managing energy usage in a good way through putting in place control measures and managing their unused spaces.

A Member referred to Sundial Court showing twice and with different figures for each. The City Surveyor agreed to look into the discrepancy and respond to the Member outside of the meeting.

RESOLVED: That Members: -

- Note the progress of PSDS projects, supported by £9.4m, 100% grant funding from BEIS.
- Note the progress towards the 2026/7 CAS targets.

9. **CAS NZ1, NZ3 AND RS3 WORKSTREAM UPDATE FOR THE OPERATIONAL PORTFOLIO**

The Sub-committee received a report of the City Surveyor updating on key actions of the operational buildings workstreams as part of the Climate Action Strategy (CAS).

The Chairman remarked on the good progress that was being made.

RESOLVED: That Members: -

- Note the progress made on actions within the report.
- Note the appointment of Arcadis and the review of the Centre of Excellence.

10. **CYCLICAL WORKS PROGRAMME (CWP) - PROGRESS REPORT Q1/Q2**

The Sub-committee received a report of the City Surveyor providing an overview of the progress and expenditure of the current Cyclical Works Programmes (CWP 18/19, CWP 19/20, CWP 20/21 and CWP 21/22).

A Member noted that CWP funding had yet to be fully committed to at the Barbican Centre. It was stressed that any money spent as part of CWP must not be repeated and wasted as part of the £200m proposed refurbishment of the Barbican Centre. The Managing Director of the Barbican Centre apologised for the delay in delivering works at the Barbican Centre but assured Members that efforts continued to deliver these works through ongoing engagement with City Corporation colleagues in looking to achieve this.

Members were assured that all works carried out to the Barbican Centre through CWP would be part of an overall strategy towards the Barbican Renewal project and that there would be no duplication of works, which was welcomed by Members.

The Managing Director explained how resourcing and time available to deliver works presented an ongoing issue at the Barbican Centre and Guildhall School. There was less time being made available to get on site and deliver the works required owing to productions running and school holiday periods.

A Member, also Chairman of Finance Committee, remarked on CWP moving to a one-year cycle was to imply some sort of urgency and apply pace to these projects. There appeared to be no change in pace in delivering certain works even though CWP had moved to a one-year budget cycle. Concern was expressed at there being a potential bow wave to deal with; there was a need to get works done speedily and not create bigger maintenance problems down the line, which the Chairman acknowledged.

The City Surveyor offered an assurance that the new approach to CWP from 22/23 would be looking to inject pace. The update presented at this meeting reported on the current system of delivering works over three years. From 22/23 CWP bids would all be about adding pace and identifying urgent projects.

RESOLVED: That Members: -

- Note the progress of current CWP programmes of work;
- Approve the requirement for up to £1.5 million of the 21/22 CWP Programme funding to be carried forward in to a second year. Projects affecting this carry forward will be reported in the end of year outturn report.

#### 11. **CYCLICAL WORKS PROGRAMME 22/23 BID REPORT**

The Sub-committee considered a report of the City Surveyor setting out the bid for the 22/23 Cyclical Works Programme (CWP) in line with the new approach to the CWP which was agreed by this Sub-committee on the 15 September 2020.

Members noted that the entirety of the CWP was unlikely to be affordable given the current financial pressures and that a risk-based approach had been adopted in looking to reduce costs. It was further highlighted that the Chairman had requested a deep dive into the current backlog of maintenance and what the next five years of CWP funding requirement was likely to be. The Chairman welcomed the deep dive session in helping to understand and address the backlog.

The Chairman assured Members that the deep dive would include reference to addressing CWP moving forward, and choices being presented to agree criteria. It was highlighted how Major projects in the planning pipeline were likely to remove a lot of the CWP and this would be a part of the deep dive.

RESOLVED: That Members: -

- Note the required level of funding of £29.9m for the CWP 22/23 Bid
- Agree the risk-based approach which requires funding of £11,090,000
- Agree that the programme will be delivered over a 2-year period
- Note the list of capital projects valued at £17,167,000 put forward as part of the 22/23 capital bid process
- Note the level of backlog maintenance for 22/23
- Note that required funding for repair and maintenance on operational assets is likely to remain substantially unfunded unless/until the number of property assets can be reduced

**12. BUSINESS PLAN 2021-26 QUARTER 2 2021/22 UPDATE**

The Sub-committee received a report of the City Surveyor providing details of progress in quarter 2 (July to September) 2021/22 against the 2021-26 Business Plan.

Members noted that as at the end of Q2 the department was projecting a year end overspend. £3m of the start of year savings target of £4.125m had been achieved and efforts of the management team remained ongoing in exploring steps to bring this closer to balance by year-end.

RESOLVED That the report be received and its content noted.

**13. CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER -QUARTER 2 2021/22 UPDATE**

The Sub-committee considered a report of the City Surveyor that provided Members with a quarterly update on the management of risks within the City Surveyor's Department.

Members noted that the Risk Register had undergone a significant revision since the last update presented in September. This followed a review programme undertaken over the summer recess. The resultant risks were now more strategic in scope, and much better aligned to the Business Plan.

A member questioned whether the 'Repairs and Maintenance' risk focussed on operational property rather than investment and questioned if there should be a separate risk for each area. The City Surveyor clarified that investment properties had different risks. The risks presented to this Sub-committee related to the operational property portfolio.

RESOLVED: That the report be received, and its content noted.

**14. DRAFT CITY SURVEYOR'S DEPARTMENT BUSINESS PLAN FOR 2022/23**

The Sub-committee received a report of the City Surveyor presenting a draft Business Plan for the City Surveyor's Department for 2022/23.

Members noted that the Business Plan had been presented in line with guidance from Town Clerk's Department. With changes to departments across the organisation through the Target Operating Model (TOM), the plan was

being presented to give a current view of the department, hence the Central Criminal had not yet been included.

The Chairman remarked on it being of interest to see how the Business Plan evolves following delivery of the TOM.

RESOLVED: That Members: -

- Note the factors taken into consideration in compiling the City Surveyor's Departmental Business Plan; and
- Approve the departmental Business Plan for 2022/23 (or the elements therein that fall within this committee's Terms of Reference).

**15. THE CITY'S HERITAGE ESTATE - MID YEAR UPDATE**

The Sub-committee received a report of the City Surveyor providing an update on the objectives previously agreed together with a review of the overall programme undertaken by the City Surveyor in respect to the asset management and maintenance of the City of London Corporation's extensive and unique Heritage Estate of over 870 assets.

Members noted the report offered a mid-year update on activity on the City Corporation's Heritage Estate, with a dashboard and RAG status included as had previously been requested.

The Chairman acknowledged the importance of this Sub-committee keeping the Heritage Estate under review and welcomed the good progress that was being made.

RESOLVED: That the report be received, and its content noted.

**16. CORPORATE ASSET MANAGEMENT STRATEGY 2020-25 - PROGRESS UPDATE**

The Sub-committee received a report of the City Surveyor providing a summary of the progress made on delivering the Asset Management Strategy and its objectives.

Members noted that this was the first annual report following agreement of the Asset Management Strategy last year. Good progress was being made and with a key area of focus moving forward being better utilisation of assets and meeting the standard of good across the entire operational property portfolio.

The Chairman welcomed the good progress that was being made.

RESOLVED: That Members: -

- Note the progress on the new Corporate Property Asset Management Strategy 2020-25.

**17. SECURITY UPDATE**

Members received an oral update on key areas relating to security as follows:

- Progress continued with action against the two individuals considered responsible for damage to Guildhall as part of the Extinction Rebellion protest. Both individuals had pleaded not guilty to an offence and were due to go on trial.
- UK terror threat level having moved to severe meaning an attack was considered highly likely. All event security plans at the City Corporation had been reviewed to ensure robust security measures were in place. This had seen no significant changes as the City Corporation was already operating at heightened alert. Each event would be reviewed to ensure appropriate measures were put in place.

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

**Clocks** – A Member highlighted clocks in the building all showing different times and asked for these be put on the correct time, which the City Surveyor agreed to arrange.

**Outstanding Items** - A Member referred to items that were being kept under review by this Sub-committee and questioned what would happen to these as part of the proposed merger of committees as part of the Governance Review. The Chairman assured Members that he would ensure that the business of this Sub-committee would be properly addressed in any new committee.

**Scenic Lift Tower Car Park** – A Member thanked officers for resolving issues with the lift. It was suggested signage be displayed in future directing people to an alternative lift when a lift was out of order. Members noted that there was an agreed process to follow for displaying signs and that the City Surveyor would follow up on this to make sure the team were following this process.

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

There were no urgent items.

20. **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.

21. **NON-PUBLIC MINUTES**

The non-public minutes of the previous meeting held on 30 September 2021 be approved as an accurate record.

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

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

RECEIVED

23. **GUILDHALL COMPLEX - REFURBISHMENT OPTIONS FOR THE NORTH AND WEST WINGS**  
The Sub-committee considered a report of the City Surveyor relating to refurbishment options for the Guildhall Complex North and West Wings.
24. **HIGHWAY LAND DISPOSAL: 4 LINDSEY STREET, EC1A**  
The Sub-committee considered a report of the City Surveyor relating to a highway land disposal at 4 Lindsey Street EC1A.
25. **HIGHWAY LAND DISPOSAL: 50 FENCHURCH STREET, EC3M 3JY**  
The Sub-committee considered a report of the City Surveyor relating to a highway land disposal at 50 Fenchurch Street EC3M 3JY.
26. **ANNUAL REPORT ON OPERATIONAL PROPERTY PORFOLIO**  
The Sub-committee received a report of the City Surveyor providing an annual update report on the City Corporation's operational property portfolio.
27. **WOODREDEN FARM AND EQUESTRIAN CENTRE**  
The Sub-committee received a report of the City Surveyor relating to Woodreden Farm and Equestrian Centre.
28. **NON PUBLIC ACTION TAKEN BETWEEN MEETINGS**  
The Sub-committee received a report of the Town Clerk updating on non-public decisions taken under delegated or urgency procedures since the last meeting.
29. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**  
There were no questions.
30. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
There were no items of urgent business

**The meeting ended at 3.31pm**

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Chairman

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

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

	<b>Date</b>	<b>Item and Action</b>	<b>Officer responsible</b>	<b>To be completed/ progressed to next stage</b>	<b>Progress update</b>
PO1/2019	30.01.19	<p><b><u>Asset Management</u></b></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>	Paul Friend		<p><b><u>ONGOING</u></b></p> <p>UPDATE: Put on hold pending outcome of Governance Review.</p>
PO5/2019	05.06.19	<p><b><u>Sub Committee Terms of Reference</u></b></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>	Peter Young	At time of the Corporate Asset Management Strategy amendment to terms of reference to be considered.	<p><b><u>ONGOING:</u></b></p> <p>UPDATE: To be picked up as part of amendments to terms of reference as part of the governance review implementation</p>
PO6/2021	30.9.21	<p><b><u>Operational Property Management Audit – Update Report</u></b></p>	Matt Lock		<p><b><u>Ongoing</u></b></p> <p>Formal follow up report now likley to follow in</p>

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

		Interim update offering a pulse check issued in September 2021. Formal follow up report due to be issues in February 2022.			April or May owing to staffing impacts within the team and their need to focus on planned / full audit reviews over the next three months rather than follow up work.
PO8/2021	21.11.21	<p><b><u>Baby Changing Facilities</u></b></p> <p>City Surveyor agreed to explore options for locating baby changing facilities in Guildhall, West Wing close to Guildhall Club and provide an update at the next meeting.</p>	Dorian Price		<p><b><u>COMPLETE</u></b></p> <p>Further to a Member tour of Guildhall, 29/11/21, 2 further areas were identified to install baby changing facilities (West Wing 2<sup>nd</sup> and 3<sup>rd</sup> floor accessible wc's). Baby changing units have been ordered (December) and we are currently awaiting delivery and installation, mid-January 2022 – Action completed.</p>
PO9/2021	21.11.21	<p><b><u>Energy Performance</u></b></p> <p>Sundial Court presented twice with different figures. City Surveyor agreed to look into this discrepancy and respond to the Member outside of the meeting.</p>	Graeme Low		<p><b><u>COMPLETE</u></b></p> <p>Acting Head of Energy and Sustainability followed up with the Member to address the point raised.</p>

## Corporate Asset Sub-Committee: Work Programme 2022

COMMITTEE DATE	17/01/2022	23/05/2022	11/07/2022	12/09/2022	21/11/2022
<b>SUSTAINABLE MANAGEMENT OF THE CORPORATION'S OPERATIONAL PROPERTY PORTFOLIO</b>					
Corporate Property Asset Management Strategy					Annual Progress Review of Corporate Property Asset Management Strategy 2020/25
City Surveyor's Business Plan		Business Plan 2021/22 Q3 outcome Business Plan End of Year 2021/22		Business Plan 2022/23 Q1	Business Plan 2022/23 Q2
City Surveyor's Risk Register		2021/22 Q3-Q4	2022/23 Q1		2022/23 Q2
Facilities Management	Security update	Security update	Security update General Facilities Management Update	Security update	Security update
Operational Property Portfolio management	GLA Roads update Operational Property Portfolio (non-housing) - Backlog of Maintenance and 5 Year CWP look ahead Arrears within Operational Portfolio	Arrears within Operational Portfolio			Annual report on Operational Property Portfolio Arrears within Operational Portfolio
Operational Property Review <i>(note individual assets will be reported as declared surplus by service committees) and other disposals</i>		West Ham Park Nursery site disposal Heads of Terms Woodredon Farm and Equestrian Centre –TBC			
<b>UPKEEP, MAINTENANCE AND FURNISHING OF OPERATIONAL PROPERTIES NOT WITHIN THE REMIT OF ANOTHER SERVICE COMMITTEE</b>					
	CWP 2021/22 Progress Update	CWP 2021/22 Outcome		CWP 2023/24 – Annual Bid Submission including Backlog of Maintenance status Annual Bid for Guildhall and Walbrook Wharf	CWP 2022/23 Progress Update
<b>RESPONSIBILITY FOR STRATEGIES, PERFORMANCE AND MONITORING INITIATIVES IN RELATION TO SUSTAINABILITY, CLIMATE ACTION and ENERGY/CARBON REDUCTION</b>					

COMMITTEE DATE	17/01/2022	23/05/2022	11/07/2022	12/09/2022	21/11/2022
	Climate Action Strategy – progress update	Energy and decarbonisation performance Q3 2021/22 Climate Action Strategy- progress update	Energy and decarbonisation performance Q4 2021/22 Climate Action Strategy- progress update	Energy and decarbonisation Q1 2022/23 Climate Action Strategy- progress update	Energy and decarbonisation Q2 2022/23 Climate Action Strategy- progress update
<b>MONITORING AND ADVISING ON HERITAGE PORTFOLIO and BIDS FOR HERITAGE LOTTERY FUNDING</b>					
		Heritage Estate – End of year outcome and Areas of Focus for 2022/23	Heritage At Risk Register Annual report		Heritage Estate – Areas of Focus 2022/23 progress

Peter Young  
22 December 2021

# Agenda Item 6

<b>Committee(s):</b> Corporate Asset Sub Committee – For decision	<b>Dated:</b> 17 January 2022
<b>Subject:</b> Request for Delegated Authority between January and May 2022 Committee Meetings	Public
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	Various
<b>Does this proposal require extra revenue and/or capital spending?</b>	No, but resource implications will be stated in reports.
<b>If so, how much?</b>	
<b>What is the source of Funding?</b>	Will be included in reports.
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	Y
<b>Report of:</b> City Surveyor	<b>For Decision</b>
<b>Report author:</b> Peter Young, Corporate Property Director	

## Summary

Due to the forthcoming City elections, there are no planned meetings of your committee until 23 May 2022. Consequently, this report sets out a number of future reports that will require committee approval before your next formal meeting.

The full schedule of reports is attached at Appendix A, providing the report title, purpose of the report and decisions to be requested. A summary of the reports is as follows:

- West Ham Park – Ex Nursery site disposal and selection of Preferred Purchaser
- West Ham Park – Ex Nursery site disposal and approval of final Heads of Terms
- Woodredon Farm and Equestrian Centre - Disposal and selection of Preferred Purchaser
- Woodredon Farm and Equestrian Centre – Disposal and approval of final Heads of Terms
- Building Energy Management System Upgrade Project - Phase 1, Stage 3 - Guildhall East Wing Remaining Systems: Gateway 3-4 report
- Building Energy Management System Upgrade Project – Phase 1, Stage 2 - London Metropolitan Archive and Walbrook Wharf: Gateway 3-5 report
- Energy Reduction - Smithfield Market Lighting Project: Gateway 3-5 report
- Energy Reduction - Central Criminal Court Lighting: Gateway 3-4 report
- Energy Reduction - Tower Hill Coach and Carpark Lighting: Gateway 3-5 report
- Walbrook Wharf - Replacement of M&E services: Gateway 5 report
- Guildhall Cooling Plant Replacement: Gateway 4 report
- Guildhall Cooling Plant Replacement: Gateway 4C report
- 115-123 Houndsditch, EC3A 7BU – Highway Disposal
- 62 Aldgate High Street, EC3N 1AL - Highway Disposal

## **Recommendation(s)**

Members are requested to:

- Approve that the proposed reports as summarised above and in detail in Appendix A are to be considered and approved under Delegated Authority granted to the Town Clerk in consultation with the Chairman and Deputy Chairman;
- Note any decisions approved under Delegated Authority will be reported to your next committee.

## **Main Report**

### **Background**

1. Following your committee today, there will be no further formal committee meetings until the 23 May 2022, post the forthcoming City elections.
2. There are a number of transactions and projects that are ongoing and will require timely approval to avoid delay and potential cost implications.
3. This report sets out the various reports and reasons for Delegated Authority to be granted, so they can be considered between meetings and approved as necessary.

### **Conclusion**

4. The forthcoming elections and lack of formal committee meetings until May 2022 will require the use of Delegated Authority to ensure timely decisions can be made across a number of projects and transactions. This is to avoid project slippage, potential increased costs or risks to the disposal process involving external parties. Your committee is requested to approve the use of Delegated Authority to ensure these particular reports can be approved between committee meetings.

### **Appendices**

Appendix A - Delegation Authority Requests between 17 January and 23 May 2022

### **Background Papers**

None

### **Author**

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# Agenda Item 7

<b>Committee(s)</b>	<b>Dated:</b>
Corporate Asset Sub Committee – For Approval	17 <sup>th</sup> January 2022
<b>Subject:</b> Cyclical Works Programme – Update Report Q3 2021/22	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>Yes</b>
<b>If so, how much?</b>	<b>£1,119,312</b>
<b>What is the source of Funding?</b>	<b>CWP Allocation 2021/22</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>Yes</b>
<b>Report of:</b> The City Surveyor and Chamberlain	<b>For Approval</b>
<b>Report author:</b> Alison Bunn, City Surveyor’s Department Andrew Little, Chamberlain’s Department	

## Summary

The Peer Review Group have undertaken a review of the projects from the Cyclical Works Programme Reserve lists that can be undertaken utilising savings identified from projects that will not be spent in 2021/2022.

Any projects that have been deferred in this exercise will form part of either a different funding stream such as the PSDS or will form part of a future CWP bid.

As part of the Governance of the Peer Review Group, this report provides details of those projects that have been promoted from the Reserve List via the delegation to the Peer Review Group to progress schemes on the Reserve List if further resources become available within the relevant fund. Projects totalling £1,119,312 have been identified by the Peer Review Group and are set out in appendix 1.

## Recommendations

Members are asked to:

1. Approve the projects promoted from the Reserve List to be undertaken in the 2021/22 financial year

## **Main Report**

### **Background**

1. There is need to conduct planned refurbishment and replacement of buildings and their associated equipment in addition to routine serving and repairs. Resources being limited, such works need to be prioritised across the entire corporate operational estate. The Cyclical Works Programmes consider the requirements of each and prioritises individual projects in the context of the whole to ensure that the City's overall property maintenance objectives are met.
2. The CWP is overseen by the City Surveyor's department who undertake most of the project delivery, however projects undertaken by the Barbican and Guildhall School and the engineering projects for the Department of the Built Environment (DBE) are delivered by their own teams and so are accountable for their element of project delivery not the City Surveyors' Department.
3. The Peer Review Group, chaired by the Chamberlain, has delegated authority as part of its governance to agree funding increases and to divert funding to new projects from the Reserve List that meet a jointly agreed criterion when funding becomes available within the approved programme funding envelope. This ensures that project issues can be dealt with promptly and has the potential to reduce the backlog of maintenance (bow-wave) where projects can be brought forward.

### **Current Position**

4. As part of the Governance of the Peer Review Group, the table in appendix 1 shows the projects totalling £1,119,312 for City's Cash, City Fund and Guildhall properties from the Cyclical Works Programme Reserve lists that can be undertaken utilising savings identified from projects that will not be spent in 2021/2022, thus assisting the backlog of maintenance that is also being reported to your committee at this meeting.
5. The funding for these projects has been due to:
  - Some carbon reduction projects had been planned that were later funded by the Public Sector Decarbonisation Scheme (PSDS)
  - The City Surveyor's Operations group reviewed the full CWP programme to identify any projects that were partly complete and still retaining funding. These projects have dealt with any urgent issues regarding H&S or asset maintenance but might be dependent on either departmental access or the completion of a project elsewhere. These aspects of the projects are no longer urgent, and any outstanding works will be re-programmed into a later year.

### **Project Allocation**

6. The projects which have been allocated to the funding have come from the following streams:
  - In priority order from the current reserve list of projects



- Projects which are included in the CWP 22/23 bid but can be brought forward to be undertaken now
- Projects that can be completed by the end of the financial year 21/22

## **Conclusion**

7. Various cost savings have been sought from many projects, these savings have been returned to the central funding pot and have been diverted to high scoring projects that may not have had previous funding. This will reduce funding pressures on future works programmes and enable the City Surveyor to address high priority maintenance projects across the corporate portfolio.

## **Report Authors**

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Appendix 1 – Detail of projects promoted from the Cyclical Works Programme Reserve List

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# Agenda Item 8

<b>Committee(s):</b> Corporate Asset Sub Committee – For Information	<b>Dated:</b> 17 <sup>th</sup> January 2022
<b>Subject:</b> Backlog of Maintenance and 5 Year Cyclical Works Programme Look Ahead – City’s Non-Housing Operational Portfolio	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	Shape outstanding Environments – Our spaces are secure, resilient, and well-maintained
<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> City Surveyor	<b>For Information</b>
<b>Report author:</b> Alison Bunn – Head of Facilities Management	

## Summary

The report sets out the current backlog of maintenance to achieve the Corporate Property Asset Management Strategy 2020/25 (CPAMS) level of good across all its assets as approved in November 2020. In addition, the report gives a five year look ahead for Cyclical Works Programme (CWP) funding from year 2023/24 onwards.

In relation to this report the operational property excludes housing and ring-fenced properties but includes everything else such as Mansion House, Central Criminal Court to name a few. The purpose of this report is to inform Members of the future funding requirements for the CWP and major Capital Projects to allow the City to reduce the backlog of maintenance to an acceptable level.

The overall backlog currently sits at £83.3m; after excluding the funded projects from the CWP for 2022/23. The data is split into three categories: Capital Projects (projects valued over £250,000), CWP (projects valued under £250,000) and the Barbican and Guildhall School.

The 5 year look ahead for the CWP and major capital requirements amount to £138m, however this is likely to rise by an anticipated inflationary rise and a projected increase in material costs of c.20% over the next five years. This would allow the properties to be maintained to a good level.

Please note that due to a different reporting process, that this report does not include information on the backlog of maintenance for ring fenced properties, in this instance these are Police Sites, the 3 Independent Schools, Billingsgate Market and New

Spitalfields Market. This is because their 2022/23 bids are currently being finalised and approved by their respective service committees.

### **Recommendation**

- Members are asked to note the content of this report

### **Main Report**

#### **Background**

1. In September 2020, a new approach to the CWP was approved by this Committee: the changes were designed to enhance the CWP and to give an opportunity to over time reduce the backlog of maintenance across the Operational portfolio excluding housing and the ring-fenced properties.
2. The main changes to the CWP are:
  - Projects below £10,000 to be removed from the scoring process and automatically funded from the CWP
  - Statutory Inspections for the Department of the Built Environment (DBE) were to be removed from the scoring process and automatically funded through CWP
  - Quinquennial Inspections for the Heritage Team within City Surveyors were to be removed from the scoring process and automatically funded through the CWP
  - A revamp of the project prioritisation scoring process to remove Income Generation and replace with Sustainability and Equality
  - Allow for sustainability projects to include improvement rather than just a like for like replacement in line with the climate action strategy (CAS)
  - Provide funding for all projects that are required
  - Categorise projects into the following specific areas: Corporate estate; Barbican and Guildhall School of Music & Drama; Heritage and Open Spaces
  - Provide a focused programme delivery into a single financial year with a caveat that some may take longer due to planning and statutory permissions
3. The CWP is overseen by the City Surveyor's department who deliver an element of the projects. Projects undertaken by the Barbican and Guildhall School and the engineering projects for the Department of the Built Environment (DBE) are delivered by their own teams.
4. At this committee in November 2021 the CWP bid for 2022/23 was approved at £11,090,000 and these projects have been excluded from the backlog of maintenance total assuming Resource Allocation Sub-Committee will agree the funding.

- The operational properties are split into three funds: City Cash, City Fund and Guildhall according to their funding streams.

### Backlog of Maintenance

- The current backlog of maintenance stands at £83.3m, this is the most up to date data and includes projects which were deferred from the 2022/23 bid list due to lack of funding.
- The backlog of maintenance figures has been created from the up-to-date forward maintenance plans for each property. In essence the list of projects that form the backlog are anything that has been deferred due to lack of funding.
- There is an element of projects which are naturally deferred as the City Surveyors make an informed decision to sweat our assets, these are not included in the backlog of maintenance figures.
- The backlog of maintenance is split as follows:

	City Fund	Guildhall	City Cash	Total
Capital Value Projects	£2,401,000	£10,395,000	£2,707,500	<b>£15,503,500</b>
CWP	£12,022,000	£8,148,500	£14,144,000	<b>£34,314,500</b>
Barbican/Guildhall School	£30,000,000	£0	£3,500,000	<b>£33,500,000</b>
<b>Total</b>	<b>£44,423,000</b>	<b>£18,543,500</b>	<b>£20,351,500</b>	<b>£83,318,000</b>

- The backlog split into the operational property grouping is as follows:

Categories	City Fund	City Cash	Guildhall	Total
Barbican	£30,000,000	N/A	N/A	<b>£30,000,000</b>
Heritage	£3,124,000	£4,358,000	N/A	<b>£7,482,000</b>
Corporate Property	£11,299,000	£1,205,500	N/A	<b>£12,504,500</b>
Open Spaces	N/A	£11,288,000	N/A	<b>£11,288,000</b>
Guildhall School	N/A	£3,500,000	N/A	<b>£3,500,000</b>
Guildhall Complex	N/A	N/A	£18,543,500	£18,543,500
<b>Total</b>	<b>£44,423,000</b>	<b>£20,351,500</b>	<b>£18,543,500</b>	<b>£83,318,000</b>

- Please note the figures for the capital value projects only relate to information from the Forward Maintenance Plans and do not include other non-M&E and Fabric related projects such as implanting new ways of working.

### 5 Year CWP and Capital Look Ahead

- The estimated 5-year CWP and Capital monetary requirement is £137,895,000, broken down as follows:

<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>Total</b>
£65,047,500	£23,646,000	£23,352,500	£13,003,000	£12,846,000	<b>£137,895,000</b>

13. The split per fund is:

<b>Guildhall</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>Total</b>
CWP	£9,186,000	£3,825,500	£3,195,500	£3,001,500	£2,918,000	£22,126,500
Capital	£8,990,000	£1,555,000	£6,150,000	£600,000	£0	£17,295,000
	<b>£18,176,000</b>	<b>£5,380,500</b>	<b>£9,345,500</b>	<b>£3,601,500</b>	<b>£2,918,000</b>	<b>£39,421,500</b>

<b>City Fund</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>Total</b>
CWP	£15,262,000	£5,506,500	£5,570,000	£3,673,500	£4,246,000	£34,258,000
Capital	£5,169,000	£3,480,000	£0	£350,000	£720,000	£9,719,000
	<b>£20,431,000</b>	<b>£8,986,500</b>	<b>£5,570,000</b>	<b>£4,023,500</b>	<b>£4,966,000</b>	<b>£43,977,000</b>

<b>City Cash</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>Total</b>
CWP	£21,205,500	£5,979,000	£6,707,000	£4,033,000	£4,962,000	£42,886,500
Capital	£5,235,000	£3,300,000	£1,730,000	£1,345,000	£0	£11,610,000
	<b>£26,440,500</b>	<b>£9,279,000</b>	<b>£8,437,000</b>	<b>£5,378,000</b>	<b>£4,962,000</b>	<b>£54,496,500</b>

14. The split into the operational property grouping is as follows:

<b>City Fund</b>						
<b>Categories</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>Overall Total</b>
Barbican	£782,000	£782,000	£782,000	£782,000	£782,000	£3,910,000
Heritage	£3,105,000	£2,099,000	£739,500	£402,000	£1,722,000	£8,067,500
Corporate Property	£16,544,000	£6,105,500	£4,048,500	£2,839,500	£2,462,000	£31,999,500
	<b>£20,431,000</b>	<b>£8,986,500</b>	<b>£5,570,000</b>	<b>£4,023,500</b>	<b>£4,966,000</b>	<b>£43,977,000</b>
<b>City Cash</b>						
<b>Categories</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>Overall Total</b>
Heritage	£12,093,500	£4,783,500	£4,050,500	£1,053,500	£1,535,000	£23,516,000
Open Spaces	£12,486,500	£3,822,500	£3,922,000	£2,891,500	£2,932,000	£26,054,500
Corporate Property	£1,380,500	£193,000	£-15,500	£953,000	£15,000	£2,526,000
Guildhall School	£480,000	£480,000	£480,000	£480,000	£480,000	£2,400,000
	<b>£26,440,500</b>	<b>£9,279,000</b>	<b>£8,437,000</b>	<b>£5,378,000</b>	<b>£4,962,000</b>	<b>£54,496,500</b>

15. The values in year 23/24 are significantly higher as they incorporate the backlog of maintenance spend, as each year a project is not funded it is deferred to the following year when it becomes part of the bid process again. When in the bid process other factors such as site redevelopment are considered to determine if the project should be put forward in the bid or deferred to a future year.

16. Appendix 2 includes a full list of projects which make up the 5 year look ahead figures.

### **Redevelopment Opportunities**

17. There are several proposed refurbishment and redevelopment opportunities within the Operational portfolio which if progressed and executed will result in a significant reduction of the backlog of maintenance. These include north and west wings at Guildhall, Walbrook Wharf, the 3 wholesale markets and Barbican Centre. However, it needs to be noted that it will not necessarily mean a large reduction in the CWP, or major projects spend over the next five years as whilst the buildings are still in occupation by the City and in certain properties our third-party tenants they need to be maintained to a safe and compliant state and in accordance with the City's repairing obligations within leases.

18. For example:

- Guildhall Refurbishment programme would result in a reduction of circa £6m from the backlog of maintenance due to the re-development or refurbishment of the North and West Wings, subject to committee approval.
- Walbrook Wharf redevelopment would result in a reduction of circa £1.8m from the backlog of maintenance due to the re-development of the entire building, again should redevelopment be the preferred option going forward.
- Redevelop and future-proof the Barbican Centre for the next generation

Please note the above three projects are subject to final design, specification, and approved funding.

### **Corporate & Strategic Implications**

19. Strategic implications – The funding of the CWP and Capital Projects will ensure that we are able to deliver the following Corporate Plan objective: Shape Outstanding Environments – our spaces are secure, resilient, and well-maintained. It also allows the City Surveyor's department to deliver the following objectives in its business plan:

**Strategic asset management:** We will develop asset management strategies that align Corporate Property Asset Management Strategy 2020/25 and risks. We will ensure that we unlock the potential of our property assets in a way that supports the efficient delivery of the Corporate Plan and Service Departments' objectives.

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

20. Risk implications – The figures produced do not consider any increases in prices due to the pandemic, inflationary increases and the implications of Brexit which are currently unknown.
21. There is a risk to the City if it doesn't perform its lease repairing obligations for its third part tenants which could result in a breach in covenant and potential legal actions by tenants.
22. If the major projects/programmes are not progressed or delivered it needs to be noted that significant investment would be required to bring these properties back into the good level of maintenance set by the City.
23. The ring-fenced properties namely New Spitalfields Market, Billingsgate Market, Police Sites and the three Independent Schools have not been included in the backlog of maintenance analysis. These sites operate an annual cyclical maintenance bid process which is currently being finalised, it is therefore proposed to give an accurate picture that a further report on the backlog of maintenance for the ring-fenced properties is submitted to the next committee in May 2022.

## **Conclusion**

24. The current backlog of maintenance for the Operational portfolio (excluding housing and ring-fenced properties) sits at an estimated £83.3m to achieve the good level of maintenance set by the CPAMS.
25. The 5 year look ahead for CWP and Capital project requirements is £138m which would be subject to inflationary rises as time progresses.
26. It is recognised that this is a significant financial commitment required by the City to ensure that its properties are maintained in a safe and compliant manner which aligns to the Corporate Property Asset Management Strategy 2020-25 and target condition of Good overall.
27. The consequence of not investing in the operational portfolio is that overtime the buildings will become uncompliant and potentially uninhabitable. The other option for the City could be to look to reduce the number of operational assets which will inevitably reduce the backlog of maintenance and future CWP spend going forward.
28. A benchmarking exercise is now being undertaken to compare our FM costs against similar organisations, previously we have not been able to complete this task but now with meaningful data in place we are able to ensure that any benchmarking completed is accurate and a real comparison.



## **Appendices**

- Appendix 1 – Backlog of Maintenance Data
- Appendix 2 – 5 Year Forecast of Projects

## **Background Papers**

- Review of the Cyclical Works Programme (CWP) – 15<sup>th</sup> September 2020
- Cyclical Maintenance Back Log – 29<sup>th</sup> January 2020
- CWP Bid List 22/23 – 24<sup>th</sup> November 2021

**Alison Bunn**

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<b>Committee(s)</b>	<b>Dated:</b>
Corporate Asset Sub-Committee (CASC)	January 17 <sup>th</sup> 2022
<b>Subject: CAS NZ1, NZ3 and RS3 Workstream update for the Operational Portfolio</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>5,11 &amp; 12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>Yes</b>
<b>If so, how much?</b>	<b>£2.995m (first 12 months) mix of revenue and capital</b>
<b>What is the source of Funding?</b>	<b>CAS Budget / HRA Capital Works</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>Yes</b>
<b>Report of: The City Surveyor</b>	<b>For Information</b>
<b>Report author: Graeme Low</b>	

## Summary

This report presents an update on the key actions of the operational buildings workstreams as part of the climate action strategy (CAS). Progress has been made in the following key areas:

- Vital Energi have started a programme of building energy surveys, ten out of fifteen buildings have received initial surveys.
- £800k Social Housing Decarbonisation Fund bid for William Blake and Southwark Estates.
- Scoping study underway with Etude for whole life cycle carbon assessment.
- Appointment of Arcadis to provide assurance and support to City Surveyors led CAS Projects (NZ1, RS3 & NZ3).
- Two Energy Project Manager posts are currently in recruitment.

## Recommendation(s)

- Note the progress made on actions within the report.
- Note the completion of the review of the Centre of Excellence.

## Main Report

### Background

1. The Climate Action Strategy (CAS) measured our direct building emissions in 18/19 as 36 ktCO<sub>2e</sub>, by 2026/7 this must reduce to 15.3 ktCO<sub>2e</sub> to reach our net zero target for our corporate properties and Housing portfolio CO<sub>2e</sub> emissions for Housing and Corporate properties are as follows:

**Table 1: Baseline and current carbon emissions by portfolio and 2027 target**

Portfolio	Baseline 18/19	12 months to Sept 21	2026/27 Target
Housing	10.6 kt/CO2e	7.5 kt/CO2e	4.5 kt/CO2e
Corporate Properties	22.2 kt/CO2e	16.8 kt/CO2e	10.8 kt/CO2e

- To support this goal, the CAS buildings approach was presented at the April Sub Committee with a series of discrete actions which conjoin to deliver the CAS strategy NZ1, NZ3 and RS3 for the Corporate buildings' portfolio – including housing. These actions are summarised in the table 2 below.

**Table 2: NZ1 - Corporate Property and Housing Landlord Areas Actions**

1 - Commission building energy surveys – Corporate assets & Housing
2 - Develop building controls management strategy
3 - Enhance monitoring and targeting programme
4 - Decarbonisation of Heat
5 - Deep fabric retrofit pilot – Commercial asset
6 - Additional energy specialist resources
7 - Capital programme roll-out

## Status Updates

**Action 1 Progress:** Commission building energy surveys – Corporate assets & Housing

### Corporate

- Through the GLA's retrofit accelerator framework, Vital Energi Ltd. have been appointed as the Energy Performance Contractor.
- They are providing energy efficiency audits for the PSDS project and additional audits to the top 15 sites (appendix 1) in support of the Climate Action Strategy. Their activities will first involve a high-level assessment of each site, to provide a list of projects that can be immediately undertaken, and a list of projects that rely on other existing CoL projects finishing.
- To date, ten sites (LMA, Mansion House, Central Criminal Court, Girls School, Boys School, Freeman's School, Tower Bridge, Walbrook Wharf, Smithfield, and New Spitalfields Market) have been through an initial survey, with high level assessment reports due in January. Recommendations will be aligned with strategic decisions related to each property.
- The remaining sites (Billingsgate, Guildhall, GSMD, Milton Court and the Barbican Arts Centre) will be surveyed initially in January with high level assessment reports due in March, except for Billingsgate which will be received in February.

## Housing

7. The Housing Action Plan has been drafted and presented to Committees for approval in September, returning to the CCS Committee for approval in the first half of 2022/23.
8. We have identified several potential pilot locations to trial energy efficiency measures including Insulation; renewable heat; air tightness and ventilation.
9. An application to the Social Housing Decarbonisation Fund has been submitted for William Blake Estate and Sumner Building (Southwark Estate). The value of this project is £1.6m, with 50% (£800k) grant funding with the remainder funded through the HRA capital works programme. The proposal provided the best fit with the grant funding criteria. A decision is expected in December 2021 (not yet received at the time of writing).

Next Steps – Action 1	
a.	<b>Corporate:</b> Completion of energy surveys / reports fed into Climate Action Strategy project pipeline.
b.	<b>Housing:</b> Commission building surveys and feasibility studies for pilot projects.

**Action 2 Progress:** Develop building controls management strategy.

10. The Building Analytics (Smart Buildings) platform contract is being finalised; we expect this to commence mobilisation stage in January 2022.
11. The Building Energy Management System Upgrade Phase 1 is currently at GW 2. Site surveys are being carried out to prepare GW3/4 report. Following submission of a GW2 issues report to CASC detailing increased project costs, additional, existing capital and CWP funding has been approved for reallocation to the project. This paper is due to go before RASC on 17<sup>th</sup> December '21 for final approval.
12. Guildhall Internet of Things (IoT) sensors - Proof of Concept project in progress, currently at the design stage. We anticipate mobilisation in Q1 of 2022.

**Action 3 Progress:** Enhance monitoring and targeting programme.

13. The TEAM Sigma software has been procured and is going through Beta testing. Training began in October. Following user engagement, the system will be rolled out early in January 2022.

**Action 4 Progress:** Decarbonisation of Heat

14. Citigen - 4MW of heat pumps due to be installed December 2021 – E.On estimate 25% carbon reduction.
15. Corporate estate – Capital works assessment being undertaken by PSDS partners to remove/ reduce fossil fuel derived heat provision. Further consultancy work will be required to develop.

16. Housing – Additional consultancy work will need to be commissioned as part of the programme to review opportunities focused on reducing fossil fuel-based heat provision.

<b>Next Steps – Action 4</b>	
a.	Identify additional funding streams for decarbonisation support.
b.	Continue with Citigen decarbonisation studies prior to review period in 2024.
c.	Undertake review of housing opportunity.

**Action 5 Progress:** Deep fabric retrofit pilot – Corporate asset

17. This project will be a proof of concept to inform our wider design and resilience standards. Scoping and delivery will be driven by the dedicated design resource within the Centre of Excellence.

**Action 6 Progress:** Additional energy specialist resources.

18. A review of the Centre of Excellence (CoE) structure and roles has been completed. We are actively recruiting two Energy Project Managers to support the delivery of NZ1. Initial approaches to resource all the Centre of Excellence roles via service procurement was unsuccessful and we are currently procuring this via a consultancy service approach. The Energy Project Managers will develop the asset-based decarbonisation plans from identified interventions.

19. We anticipate the CoE will be resourced from mid-January with the following:

<b>Centre of Excellence roles (proposals received)</b>	
Sustainable Investment Property Specialist	Heat Decarbonisation Engineering Support
Resilience and Sustainable Design	Energy Project Services (Housing)
Building Management Systems Operations	

20. This resource will also address the NZ3 and RS3 work streams plus the Investment portfolio (NZ4) approach. The Monitoring and Targeting support identified in the CoE is being procured separately and we anticipate this resource will be in place early in the new year.

<b>Next Steps – Action 6</b>	
a.	Appointment of Energy Project Managers and remaining resource requirement.
b.	Actions 1,2,3,4 & 5 are reliant on the mobilisation of the Centre of Excellence in Mid-January 2022.

**Action 7 Progress:** Capital programme roll-out

21. The main capital programme roll-out will flow from opportunities identified in action 1 energy surveys. It should be noted that existing carbon saving projects are also currently in progress with the £9.5m PSDS project (completing in March 2022),

Phase 1 & 2 of the Energy Reduction Programme (completion 22/23) and £4.5m Guildhall Cooling replacement project (completion expected summer 23).

**Next Steps – Action 7**

a.	Project resource requirement to be addressed as per the CAS project plans and embedded within the CSD Surveying and Engineering Projects team.
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**NZ3 Capital Projects Design Standards and RS3 Resilient Buildings**

22. The Energy and Sustainability Team are working closely with the Capital Projects team and liaising with DBE to identify synergies and opportunity for shared working. A scoping exercise has been commissioned via the projects team as the first step in the delivery of a suite of design standards to inform our future projects.

**Project support activities**

23. Arcadis have been appointed by the City Surveyor, to provide project support across each individual project (NZ1, RS3 & NZ3). As part of this brief support will be in place to cover initial assurance support; ongoing assurance; establishing and promoting the Centre of Excellence and to lead the development of an auditable energy management system

**Key Risks**

<b>Risk</b>	<b>Mitigation</b>
Delays in securing resource Impacts project delivery.	Review of Centre of Excellence completed to address this issue.
Funding gap emerges following investment grade proposals.	Existing funding allocation to be complemented with grant funding applications. Investigate Energy Performance Contracts option to minimise capital investment.
Carbon grid factors adversely affected.	Keep in review BEIS grid factors and their impact on reach the 2026/27 Targets.

**Corporate & Strategic Implications**

**Strategic implications:**

24. This suite of actions drives the objectives of the Climate action strategy, buildings stream and will provide linkage and co-ordination with ongoing property management, capital schemes and cyclical works

**Financial implications:**

25. The CAS tasks in this report are covered within the overall Climate Action Strategy programme. Capital and resource costs are estimated at £21m for the 6-year term for the tasks related to these project plans. This funding forms part of the £68m agreed at RASC and P&R committees in September 2020.

**Climate implications:**

26. This action stream will deliver the Net zero carbon goals of the Corporation and support the climate residence goals of the broader programme

**Conclusion**

27. The City Surveyor has commenced the mobilisation of the 4 workstreams, 3 being relevant to this Sub Committee. We have encountered constraints around the supply of resource which has led to a review of the Centre of Excellence, now complete. A flexible approach will support our ability to moving the programme forward and meeting key milestones.

**Report author****Graeme Low**

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City Surveyor's Department

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<b>Committees:</b> Corporate Asset Sub-Committee for information Projects Sub for information PSDS Project Board for information Chief Officer for decision	<b>Dates:</b> 17 January 2022 25 January 2022 15 December 2021 17 December 2021
<b>Subject:</b> PSDS Project: LMA Ventilation PSDS Project <b>Unique Project Identifier:</b> 14100021	<b>Gateway 5                  Regular                  Issue Report</b>
<b>Report of:</b> City Surveyor <b>Report Author:</b> Mark Donaldson	<b>For Decision</b>
<h2 style="margin: 0;">PUBLIC</h2>	

<b>1. Status update</b>	<p><b>Project Description:</b> energy efficiency upgrades to the ventilation system which supplies the London Metropolitan Archives Extension building</p> <p><b>RAG Status:</b> Amber (Green at last report to Committee)</p> <p><b>Risk Status:</b> Low (Low at last report to committee)</p> <p><b>Total Estimated Cost of Project (excluding risk):</b> £112,694</p> <p><b>Change in Total Estimated Cost of Project (excluding risk):</b> Increase £21,397 since last report to Committee, based on the approval of option 2 for additional works, of which £3,952 has been funded from the costed risk provision</p> <p><b>Spend to Date:</b> £91,381</p> <p><b>Costed Risk Provision Utilised: £3,952</b> (of which £3,952 amount has been drawn down since the last report to Committee);</p> <p><b>Slippage:</b> none</p>
<b>2. Requested decisions</b>	<p><b>Next Gateway: Gateway 6</b></p> <p><b>Requested Decisions:</b></p> <ol style="list-style-type: none"> <li>1. that Option 2 is approved to both meet the costs for the additional essential works and the optional works to improve the ventilation efficiency;</li> </ol>

	<p>2. That additional budget of <b>£17,445</b> is approved, to implement Option 2, for meeting additional essential works identified during the project and for optional works to further improve the ventilation efficiency, to reach the next Gateway;</p> <p>3. Note the revised project budget of <b>£112,694</b> (excluding risk) for the recommended option 2.</p>																															
<p><b>3. Budget</b></p>	<p>Total estimated cost of the project based on the recommended option 2 is: £112,694 (including a costed risk budget of £0) which will be funded through</p> <ul style="list-style-type: none"> <li>• £105,105 (including a costed risk provision of £0) from the PSDS funds specifically allocated for these project works and the PSDS Project contingency funds, if required;</li> <li>• £7,589 (including a costed risk provision of £0) from the PSDS consultancy services budget approved at GW2 (see background paper).</li> </ul> <p>The budget breakdown for recommended option 2 (essential and optional works) to reach the next gateway:</p> <table border="1" data-bbox="528 969 1410 2004"> <thead> <tr> <th>Item</th> <th>Funds/ Source of Funding</th> <th>Approved Budget (£)</th> <th>Spend to date (£)</th> <th>Proposed Budget (£)</th> </tr> </thead> <tbody> <tr> <td>Works: original scope</td> <td rowspan="3">PSDS grant allocation for this project</td> <td>£80,400</td> <td>£80,400</td> <td>£80,400</td> </tr> <tr> <td>Works: Additional essential works</td> <td>£3,952*</td> <td>£3,952</td> <td>£12,934</td> </tr> <tr> <td>Works: Optional efficiency works</td> <td>£0</td> <td>£0</td> <td>£11,771</td> </tr> <tr> <td>Fees: Asbestos survey</td> <td rowspan="3">PSDS grant, via the GW2 PSDS consultanc y budget</td> <td>£500</td> <td>£418</td> <td>£418</td> </tr> <tr> <td>Fees: Project management and CDM consultancy services</td> <td>£9,226</td> <td>£6,000</td> <td>£6,000</td> </tr> <tr> <td>Fees: Validation checks</td> <td>£1,171</td> <td>£611</td> <td>£1,171</td> </tr> </tbody> </table>	Item	Funds/ Source of Funding	Approved Budget (£)	Spend to date (£)	Proposed Budget (£)	Works: original scope	PSDS grant allocation for this project	£80,400	£80,400	£80,400	Works: Additional essential works	£3,952*	£3,952	£12,934	Works: Optional efficiency works	£0	£0	£11,771	Fees: Asbestos survey	PSDS grant, via the GW2 PSDS consultanc y budget	£500	£418	£418	Fees: Project management and CDM consultancy services	£9,226	£6,000	£6,000	Fees: Validation checks	£1,171	£611	£1,171
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	Total		£95,249	£91,381	£112,694
<b>4. Issue description</b>	<p>*sum drawn down from costed risk provision under delegated authority.</p> <p>Following an approved extension, the revised terms of the PSDS grant funding award is for the works to be completed by 18<sup>th</sup> March 2022. All works will therefore be completed by this date to ensure this external funding is available.</p> <p>Should Members agree to option 2 this can be funded by drawing down the remainder of the costed risk provision of £5,838 (noting £3,952 has already been drawn down towards the cost) and agreeing to meet the remaining extra cost of £11,607 from unallocated PSDS funds.</p> <p>Members should note any net revenue savings arising from this project will be credited back to the Build Back Better fund. At present, with rising energy prices there is unlikely to be any such savings in the short term, though the works will assist with avoidance of additional energy cost.</p> <p><b>Costed Risk Provision requested for this Gateway: £0</b> (as detailed in the Risk Register – Appendix 2).</p> <p>1. There are two separate issues which this report addresses, as set out below.</p> <p>2. The identification of the additional essential works which have been identified during the installation stage. These amount to an additional £12,934 (16%) on top of the original works budget. These essential works include:</p> <ul style="list-style-type: none"> <li>• New lights to the fan chambers and their electrical supply, for safety.</li> <li>• Additional costs for the installation of power supplies for the ventilation fans and humidifiers.</li> <li>• Nonslip paint for the ventilation chamber for safety.</li> <li>• Supply and install fan guards for safety.</li> <li>• Additional costs from Schneider to attend the ventilation commissioning.</li> </ul> <p>The original budget was based on costs received from Sykes and Sons on an early specification. The above items were not included for in this quote due to a combination of specification development and further on-site contractor surveys. The risk of cost movement was understood at the time, with a CRP of £8,040 to address this risk, but unfortunately this has been exceeded by the £12,934 final cost.</p> <p>3. An opportunity has been identified for improving the efficiency of the ventilation system which will result in</p>				

	reduced energy cost and carbon emissions. These modifications are to the outlet ductwork from the Air Handling Unit, which will improve the air flow and reduce pressure losses, thus allowing the fans to deliver the same volume at reduced operating loads. The cost of these works is an additional £11,771.
<b>5. Options</b>	<p>1. Two options have been identified:</p> <ul style="list-style-type: none"> <li>a) Option1: undertake the essential additional works only, as set out in item 2 of the 'Issue description' above.</li> <li>b) Option 2: undertake both the essential and optional works, as set out in items 2 and 3 of the 'Issue description' above.</li> </ul> <p>2. Option 2 is recommended, as the additional essential works are within the total estimated cost for the original project scope, and the optional additional works can be met through unallocated funds available within the wider PSDS Project to allow for this measure which will further improve the efficiency of the system.</p>

### Appendices

<b>Appendix 1</b>	Project Coversheet
<b>Appendix 2</b>	Risk Register

### Contact

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