



Projects and Procurement Sub-Committee – Main Agenda Pack

Date: TUESDAY, 18 NOVEMBER 2025
Time: 3.45 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Deputy Benjamin Murphy (Chairman) Stephen Hodgson
Philip Woodhouse (Deputy Chairman) Deputy Andrien Meyers
Simon Burrows
Deputy Timothy Butcher
Deputy Anne Corbett

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Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**

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

3. **MINUTES**

To approve the public minutes and non-public summary of the meeting held on 14th October 2025.

For Decision
(Pages 7 - 14)

4. **OUTSTANDING (PUBLIC) ACTIONS LOG**

Report of the Town Clerk.

For Information
(Pages 15 - 16)

5. **ANNUAL REVIEW OF COMPOSITION AND TERMS OF REFERENCE**

Report of the Town Clerk.

For Decision
(Pages 17 - 22)

6. **IFM FORWARD STRATEGY TO 2033**

Report of the City Surveyor.

For Decision
(Pages 23 - 36)

7. ***GW3: CROSSRAIL LIVERPOOL STREET URBAN INTEGRATION (PHASE 2)**

Report of the Executive Director, Environment.

For Information

8. ***GW4: AIR SOURCE HEAT PUMP AND PHOTOVOLTAIC INSTALLATION AT THE MANSION HOUSE**

Report of the City Surveyor.

For Information

9. ***GW4: PIPE SUBWAYS OF HOLBORN VIADUCT AND SNOW HILL OVER THAMESLINK**

Report of the Executive Director, Environment.

For Information

10. ***GW6: DECENT HOMES CALL-BACKS 2020-22**

Report of the Director of Community & Children's Services.

For Information

11. ***GW6: RENEWAL OF FLAT ROOF COVERINGS AT PETTICOAT SQUARE, MIDDLESEX STREET**

Report of the Director of Community & Children's Services.

For Information

12. ***GW6: RENEWAL OF ROOF COVERINGS AT DRON HOUSE, TOWER HAMLETS**

Report of the Director of Community & Children's Services.

For Information

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

14. **ANY URGENT BUSINESS**

15. **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 item(s) 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 1972.

For Decision

16. **NON-PUBLIC MINUTES**

To approve the non-public minutes of the meeting held on 14th October 2025.

For Decision
(Pages 37 - 40)

17. **OUTSTANDING (NON-PUBLIC) ACTIONS LOG**

Report of the Town Clerk.

For Information
(Pages 41 - 42)

18. **PAN LONDON SEXUAL HEALTH PROGRAMME ESERVICE (SHL.UK)**

Joint Report of the Director of Community & Children's Services and the Chamberlain.

For Decision
(Pages 43 - 54)

19. **HEAT NETWORK ZONING (PHASE 1) PROCUREMENT STAGE 1**

Report of the City Surveyor.

For Decision
(Pages 55 - 100)

20. **UPDATED CORPORATE RISK 33**

Report of the Chamberlain.

For Decision
(Pages 101 - 104)

21. **CITY OF LONDON ENTERPRISE PORTFOLIO REPORTING (OCTOBER 2025)**

Report of the Chamberlain.

For Information
(Pages 105 - 110)

22. **UPDATE ON THE IMPLEMENTATION AND IMPLICATIONS OF THE PROCUREMENT ACT 2023**

Report of the Chamberlain.

For Information
(Pages 111 - 134)

23. ***GW5: GUILDHALL COOLING PLANT REPLACEMENT**

Report of the City Surveyor.

For Information

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

25. **NON-PUBLIC ANY URGENT BUSINESS**

PROJECTS AND PROCUREMENT SUB-COMMITTEE

Tuesday, 14 October 2025

Minutes of the meeting of the Projects and Procurement Sub-Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Tuesday, 14 October 2025 at 3.00 pm

Present

Members:

Deputy Benjamin Murphy (Chairman)
Philip Woodhouse (Deputy Chairman)
Simon Burrows
Deputy Timothy Butcher
Deputy Anne Corbett
Alderman Timothy Hailes JP
Stephen Hodgson

Observer:

Deputy Andrien Meyers

Officers:

Genine Whitehorne	- Commercial Director
Ian Hughes	- City Operations Director
Ola Obadara	- Property Projects Director
Nadhim Ahmed	- Chamberlain's Department
Kashi Akhtar	- Chamberlain's Department
Gideon Botha	- Chamberlain's Department
James Carter	- Chamberlain's Department
Michael Curtis	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Charlene Ulett-Fakolujo	- Chamberlain's Department
Aga Watt	- Chamberlain's Department
Sarah Baker	- City Surveyor's Department
John Galvin	- City Surveyor's Department
Ben Bishop	- Environment Department
Gillian Howard	- Environment Department
Bruce McVean	- Environment Department
Paul Monaghan	- Environment Department
Tom Noble	- Environment Department
Kristian Turner	- Environment Department
John Cater	- Committee Clerk

1. APOLOGIES

An apology for absence was received from Deputy Andrien Meyers.

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

There were no Declarations under the Code of Conduct.

3. **MINUTES**

RESOLVED: - that the public minutes and non-public summaries of the meetings of the Sub-Committee held on 21st July and 4th September were approved as accurate records.

4. **PROCUREMENT IMPROVEMENT AND TRANSFORMATION PROGRAMME RESET**

The Sub-Committee considered a Report of the Chamberlain regarding progress to date on delivery of the Procurement Improvement Programme.

The Commercial Director emphasised that the initial support for the increase in the threshold from £5m to £20m at which contract award approvals are presented to the Court of Common Council for consideration was led by the Project and Procurement Sub-Committee. Given that this sum not been reviewed in the previous 10 – 15 years, the Sub-Committee considered the £5m threshold as disproportionately low and a hinderance to efficient governance; £20m was considered a more appropriate reflection of the Corporation's risk tolerance. It was also stressed that the Projects and Procurement Sub-Committee and the Finance Committee would continue to carry out with vigour their scrutiny roles on contract awards.

A Member queried how many contract awards would have gone to the Court of Common Council for approval if the £20m threshold had been in place over the past five years. The Commercial Director responded that she would come back to the Member after the meeting with the figure.

A Member highlighted that the tendency in the past for the team to be reprioritised elsewhere to deal with BAU issues and risks that had emerged in other parts of the organisation at the cost of change and transformation efforts was being rectified. The Commercial Director responded that, whilst she acknowledged that the team would continue to serve as a critical enabling function for the City Corporation, the Programme's progress had been hindered by the lack of capacity for current team members to take forward actions, in addition to undertaking their substantive day-to-day roles. Bolstering the team with new dedicated roles focussing primarily on progressing the Programme would provide current team members with capacity gains over the coming period, and she welcomed the Sub-Committee's support for the expansion in her team.

Noting the updated Terms of Reference for Category Boards and newly established procurement pipeline document, the Chairman asked the Commercial Director to provide a central depository of all key governance documents via SharePoint which would be accessible for Members of the Sub-Committee to review.

Reflecting on the Redesigning Procurement Processes and Governance section on page 21, the Chairman stated that it would be helpful to see the process workflows from different views, i.e. from the perspective of officers internally and the vendors externally to gain valuable insights which, in turn,

can drive efficiencies, such as the elimination of duplication and the introduction of AI.

The Chairman asked that it would be useful in future to be provided more information about the differences between the change team and the BAU team, whether that is, for instance, standard contract management, responding to emails in a timely manner, rolling contracts in contrast to designing new systems, policies and strategic work which would fit into a transformation focus. The Director responded that she would like to work with Members over the coming months to refine what the reporting to the Sub-Committee looks like, both from the Transformation end and the BAU areas, drawing out the key metrics therein.

The Deputy Chairman asked that the procurement team differentiate between local authority functions and private functions. He noted that some of the institutions, such as the City Schools, have faced frustration and constraints in procuring goods and services in the current one-size-fits-all model. The Director confirmed that this was one of the expected outcomes of the programme, in addition to releasing benefits from the updated Procurement Act. A Member agreed that a one-size-fits-all approach was sub-optimal, and the organisation should recognise and encourage those who are able to move more nimbly to do so, however, that did not mean that people could simply go away and do their own thing; factoring this into the model going forward was crucial.

RESOLVED: - that the Sub-Committee:

- Approved the revised project plan and associated timeline
- Endorsed the allocation of £270,000 from the Finance Committee Project Contingency, under delegated authority, to resource the improvement programme as set out in paragraph 25.
- Approved the extension of the increased threshold (£20m) at which contract award approvals are presented to Court of Common Council to May 2026 when the new policy is due to be in effect

5. COOL STREETS AND GREENING - PROGRAMME UPDATE

The Sub-Committee received a Report of the Executive Director, Environment Department concerning the Cool Streets and Greening Programme.

The Deputy Chairman queried whether officers could explore opportunities for major businesses in the Square Mile to sponsor some of these projects.

Officers responded that this was something on the Department's radar via an advertising workstream which was looking specifically at opportunities for branding and sponsorship, this was especially pertinent as the projects were concerned with climate action; a key focus for on many corporates CSR agenda.

The Natural Environment Board was taking the lead on governance for these matters; officers were also working with the Chamberlain's Department on the detail. Currently, there were two schools of thought - a "big bang" approach, encompassing all elements of the Programme with an associated promotional push by the Corporation to secure one headline partner or a bit more of a segmented approach which looked at each City Garden as distinct spaces that could attract individual sponsors.

Whilst highlighting that the Income Generation Working Party was the central function for leading on these types of matters, a Member was greatly encouraged that the NEB and officers were showing initiative in this particular area.

RESOLVED: - that the Sub-Committee noted the Report.

6. ***GW2: BARBICAN ESTATE ROOF AND BALCONY RENEWAL PROGRAMME**

The Sub-Committee received a Report of the Director of Community and Children's Services concerning the Barbican Residential Estate Roof and Balcony Renewal Programme.

RESOLVED: - that the Sub-Committee noted the Report.

7. ***GW2: BARBICAN ESTATE WINDOW REPAIRS PROGRAMME**

The Sub-Committee received a Report of the Director of Community and Children's Services concerning the Barbican Residential Estate Windows Repairs Programme.

RESOLVED: - that the Sub-Committee noted the Report.

8. ***GW2: COMBINED SECTION 278 PROJECT INITIATION REPORT**

The Sub-Committee received a Report of the Executive Director, Environment concerning combined Section 278 Projects.

RESOLVED: - that the Sub-Committee noted the Report.

9. ***GW3: SMITHFIELD AREA PUBLIC REALM AND TRANSPORTATION PROGRAMME (PHASE 1B)**

The Sub-Committee received a Report of the Executive Director, Environment concerning the Smithfield Area Public Realm and Transportation Programme (Phase 1b).

RESOLVED: - that the Sub-Committee noted the Report.

10. ***GW3/4: ALDGATE TO BLACKFRIARS CYCLEWAY**

The Sub-Committee received a Report of the Executive Director, Environment concerning the Aldgate to Blackfriars Cycleway.

RESOLVED: - that the Sub-Committee noted the Report.

11. ***GW3/4: DAUNTSEY HOUSE, FREDERICK'S PLACE - PUBLIC REALM IMPROVEMENTS (S278)**

The Sub-Committee received a Report of the Executive Director, Environment concerning public realm improvements at Dauntsey House, Frederick's Place.

RESOLVED: - that the Sub-Committee noted the Report.

12. ***GW3/4/5: PUBLIC SWITCHED TELEPHONE NETWORK (PSTN) REPLACEMENT**

The Sub-Committee received a Report of the Chamberlain concerning the Public Switched Telephone Network (PSTN) Replacement.

RESOLVED: - that the Sub-Committee noted the Report.

13. ***GW5: PEDESTRIAN PRIORITY STREETS PROGRAMME - THREADNEEDLE STREET & OLD BROAD STREET AND PROGRAMME UPDATE**

The Sub-Committee received a Report of the Executive Director, Environment concerning the Pedestrian Priority Streets Programme for Threadneedle Street & Old Broad Street.

RESOLVED: - that the Sub-Committee noted the Report.

14. ***GW5: PEDESTRIAN PRIORITY STREETS PROGRAMME - OLD JEWRY**

The Sub-Committee received a Report of the Executive Director, Environment concerning the Pedestrian Priority Streets Programme for Old Jewry.

RESOLVED: - that the Sub-Committee noted the Report.

15. ***GW6: MANSION HOUSE STATIONS ENVIRONS - LITTLE TRINITY LANE (PHASE 1)**

The Sub-Committee received a Report of the Executive Director, Environment concerning public realm improvements at the southern end of Little Trinity Lane.

RESOLVED: - that the Sub-Committee noted the Report.

16. ***GW6: 150 ALDERSGATE STREET SECTION 278**

The Sub-Committee received a Report of the Executive Director, Environment concerning Section 278 Works at 150 Aldersgate Street.

RESOLVED: - that the Sub-Committee noted the Report.

17. ***GW6: 16 OLD BAILEY - SECTION 278 HIGHWAY WORKS**

The Sub-Committee received a Report of the Executive Director, Environment concerning Section 278 Works at 16 Old Bailey.

RESOLVED: - that the Sub-Committee noted the Report.

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

There were no public questions.

19. **ANY URGENT BUSINESS**

There was no additional urgent public business.

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**

RESOLVED: - that the non-public minutes of the meetings of the Sub-Committee held on 21st July and 4th September were approved as accurate records.

22. **CITY OF LONDON ENTERPRISE PORTFOLIO REPORTING (SEPTEMBER 2025)**

The Sub-Committee received a Report of the Chamberlain providing an overview of the Enterprise Portfolio of projects and programmes.

23. ***GW4: BALDWINS AND BIRCH HALL PONDS**

The Sub-Committee received a Report of the Executive Director, Environment concerning Baldwins Pond.

24. ***GW6: MOORGATE CROSSRAIL STATION LINKS: FINSBURY CIRCUS WESTERN ARM**

The Sub-Committee received a Report of the Executive Director, Environment concerning the Moorgate Crossrail Station Links (MCSL) project.

RESOLVED: - that the Sub-Committee noted the Report.

25. ***GW6: ORACLE PROPERTY MANAGER (OPN) REPLACEMENT (MRI HORIZON IMPLEMENTATION, PHASES 1 AND 2)**

The Sub-Committee received a Report of the City Surveyor concerning the Oracle Property Manager (OPN) Replacement (MRI) Horizon Implementation Programme.

26. **NON-PUBLIC QUESTIONS RELATING TO THE WORK OF THE SUB COMMITTEE**

There were no non-public questions.

27. **NON-PUBLIC ANY URGENT BUSINESS**

There was no additional urgent non-public business.

The meeting ended at 3.35 pm

Chairman

Contact Officer: John Cater
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PROJECTS AND PROCUREMENT SUB-COMMITTEE – Action Tracker – November 2025

Items from meeting held 14 October 2025		
ITEM	Action	Officer and target date
4. PROCUREMENT IMPROVEMENT AND TRANSFORMATION PROGRAMME RESET	How many contract awards would have gone to the Court of Common Council for approval if the £20m threshold had been in place over the past five years, rather than the current £5m	Commercial Director – 18 November 2025
4. PROCUREMENT IMPROVEMENT AND TRANSFORMATION PROGRAMME RESET	Create a central depository of all key governance documents via SharePoint which would be accessible for Members of the Sub-Committee.	Commercial Director – 28 January 2026
4. PROCUREMENT IMPROVEMENT AND TRANSFORMATION PROGRAMME RESET	Produce procurement processes and aligned governance workflow charts to bring clarity and open opportunities for simplification and automation.	Commercial Director – 25 March 2026
4. PROCUREMENT IMPROVEMENT AND TRANSFORMATION PROGRAMME RESET	Working with Members, the Director will propose KPI reporting to identify BAU and change progress.	Commercial Director – 25 March 2026

*Closed items will be removed from the tracker

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City of London Corporation Committee Report

Committee(s): Projects and Procurement Sub-Committee	Dated: 18 November 2025
Subject: Annual Review of Composition and Terms of Reference	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Town Clerk
Report author:	John Cater

Summary

This Report calls for the annual review of the Sub-Committee's own Terms of Reference for onward approval to the Finance Committee in January 2026.

Whilst one change to the **composition** of the Sub-Committee is proposed, namely, the establishment of an automatic annual appointment of the Chair of the Capital Buildings Board to the Sub-Committee, no material changes to the **Terms of Reference** are proposed at this time; however, Members may wish to make suggestions and provide feedback to be incorporated and approved, either at today's meeting or, if further consideration is required, by the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Sub-Committee under Delegated Authority procedures after the meeting.

Any amendments to the Sub-Committee's terms of reference require the approval of the Finance Committee, which will consider these alongside its own Terms of Reference at its January 2026 meeting.

Recommendation(s)

Members are asked to:

- Consider the Sub-Committee's Terms of Reference set out at Appendix A and agree whether they sufficiently encapsulate the responsibilities of the Sub-Committee;
- Consider the Sub-Committee's Composition, also set out at Appendix A, and agree that the Chair of the Capital Buildings Board should be added to the Composition as an automatic appointment going forward (effective immediately).
- If material amendments are required, agree that Delegated Authority be given to the Town Clerk in consultation with the Chairman and Deputy Chairman, to consider the final wording of the revised terms of reference, for consideration by the Finance Committee in January.

Main Report

Current Position

1. The Sub-Committee Terms of Reference document is set out at Appendix A.
2. No significant changes are proposed at this time to the **Terms of Reference**; if Members feel that material updates are necessary, caution should be exercised if attempting to draft wording in the meeting as it can have unintended consequences/implications. Therefore, should the need arise, it is recommended that Officers would be instructed to draft proposed amendments and report back to the Town Clerk, in consultation with the Chairman and Deputy Chairman, via the Delegated Authority arrangements.
3. One change to the composition of the Sub-Committee is proposed, namely, the establishment of an automatic annual appointment of the Chair of the Capital Buildings Board to the Sub-Committee (if approved, effective immediately).
4. By bringing this Report to the November meeting of the Sub-Committee, there is a good amount time to ensure any amendments are settled for the Finance Committee meeting in January.

Corporate & Strategic Implications

- **Strategic implications** – Any changes should facilitate efficiencies in the delivery of the City of London Corporation Strategy.
- **Financial and Resource implications** – None, providing no additional changes are required. Financial and Resource Implications will need to be considered should the Sub-Committee seek to make amendments of this nature.
- **Legal implications** – any changes proposed will change internal organisational administrative procedures at the City of London Corporation.
- **Risk implications** – None, providing no changes are required. Risk Implications will need to be considered should the Sub-Committee seek to make amendments.

- **Equalities implications** – Under the Equality Act 2010, all public bodies have a duty to ensure that when exercising their functions they have due regard to the need to advance equality of opportunity between people who share a protected characteristic and to take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people and encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low. The proposals contained in this report do not have any potential negative impact on a particular group of people based on their protected characteristics.
- **Climate implications** - The proposals included in this paper do not carry any significant implications for the Climate Action programme.
- **Security implications** – None

Conclusion

5. It is recommended that this Sub-Committee, expand its composition to include the Chair of the Capital Buildings Board going forward and consider its terms of reference and decide whether the document accurately reflects the nature of its work and suitably supports the City Corporation in the exercising of its various duties.

Appendices

- Appendix A – Project and Procurement Sub-Committee Terms of Reference and Composition.

John Cater

Committee Clerk

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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City of London Corporation Committee Report

Committee(s): Projects & Procurement Sub Committee – For Decision Finance Committee – For Decision Court of Common Council – For Decision	Dated: 18/11/2025 09/12/2025 15/01/2026
Subject: IFM Forward Strategy to 2033	Public report: For Decision
This proposal: <ul style="list-style-type: none"> delivers Corporate Plan 2024-29 outcomes 	Providing Excellent Services Leading Sustainable Environment Diverse Engaged Communities Flourishing Public Spaces
Does this proposal require extra revenue and/or capital spending?	
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of:	City Surveyor
Report author:	Matt Baker, Assistant Director – Head of Facilities Management

Summary

This report outlines the proposed strategy for the integrated facilities management (IFM) approach implemented across the Corporation's property (non-housing) portfolio to 2033. The current model is a 10-year contract across 6 Lot that commenced in 2022. There is a break clause available at the end of year 5. The IFM model is currently in its third year and is proving to be very successful. This paper is therefore proposing to not utilise the break clause but take advantage of the economies of scale and further consolidate disparate FM supply. This however requires an uplift in the financial threshold of the IFM model. Please note no increase in budget is required. The continuation of the contract is already anticipated in the City's budget plans and any consolidation of service will utilise the budgets already approved which will be transferred across.

Recommendation(s)

Members are asked to:

- Support the continuation of the 6 Integrated Facilities Management (IFM) contracts and **not** utilise the break clause.
- Approve the further consolidation strategy, and associated increase in contract value, of outlying facilities management contracts (BMS and Lifts) into the relevant IFM contract to deliver financial and operational efficiencies. Enable the City Surveyor to identify further efficiencies by taking advantage of additional economies of scale.

Main Report

Current Situation

1. In December 2022 members approved the award of 6 individual IFM contracts via the City's IFM Services Framework Agreement for a period of up to 10 years. These are outlined as follows:

Table 1.0

Lot	Supplier	Annual Fixed Costs
1 (Corporate Property)	CBRE	£2,666,227.49
2 (Investment Property)	CBRE	£1,530,026.88
3 (Barbican & GSMD)	OCS	£3,364,026.61
4 (Guildhall/LMA/Walbrook Wharf)	CBRE	£2,220,342.50
5 (Independent Schools)	ISS	£2,803,322.40
6 (Police & Courts)	OCS	£2,212,453.78
	Total	£14,796,399.70

2. Members also agreed annual increases to operational budgets to reflect the impacts of CPI, National Living Wage (NLW), London Living Wage (LLW) or changes in law impacting service delivery.
3. Each IFM contract is for a 10-year term and incorporates a break clause at the end of year 5. This gives the option for the Corporation to terminate giving six months prior notice at any time after the expiry of a minimum term of five years (for each of Lots 1 to 5) or 3 years (for Lot 6 only due to the City of London Police Accommodation Programme).
4. Prior to the end of the minimum term the only cause for termination is due to poor performance.
5. The IFM contracts are currently in their third contract year.
6. Lift & Escalator servicing and Building Management System (**BMS**) servicing remain key services that currently sit outside of the IFM contracts. These were awarded to Amalgamated Lifts Limited (£269,137/annum fixed cost, expires June 2027) and Schneider Electric Limited (£202,396.68/annum fixed cost expires March 2026). It is intended to incorporate the Lifts and BMS provision into the IFM Lot model.
7. Pursuant to rule 30.4 of the City's Procurement Code, approvals are required for uplifted contract values under each IFM contract.

Contract(s) Performance

8. A full summary of IFM supplier performance (by LOT), Lift & Escalator Contract performance and Building Management System (BMS) contractor is provided in Appendix 1 and 3 respectively.
9. The City Surveyor acknowledge the current stable and effective service delivery from all IFM suppliers which is robustly managed both operationally and commercially. Performance is measured objectively via SLAs, KPIs and commercial contract scorecard (see appendix 2 for performance and appendix 4 for an example) against all holistic contract requirements (e.g. Responsible Procurement (Sustainability and Social Value), innovation objectives, risk management etc.)
10. Statutory Compliance performance is consistently strong with full visibility available on the City's Computer Aided Facilities Management (**CAFM**) system. A monthly dashboard is provided to department directors outlining this (See appendix 5).
11. Any poor performance has been robustly managed with service fee deductions enforced in line with the contracts when applicable. However, since year 1 of the contract there have been no deductions due to good performance.
12. A monthly Net Promoter Score (NPS) is obtained subjectively from key stakeholders/service users on perceived IFM performance. The average score since contract start is 8 out of 10 which meets our target.
13. BMS and Lift Contractor performance is variable and their contribution to wider City objectives is significantly less when compared to the IFM suppliers.
14. City Surveyor's believe that the Amalgamated Lifts and Schneider Electric contracts can be managed much more effectively via the IFM contract now that it is performing to a high standard.
15. Value for money was established as part of tender evaluation prior to contract award. The only increases in cost since award have been through CPI increases and LLW increases.

Options

16. The following options have been considered.
 - a. Continue with IFM contracts, do not utilise the break clause and consolidate BMS and Lift contracts into IFM contracts.
 - b. Continue with IFM contracts but do not consolidate BMS and Lift contracts into IFM contracts.
 - c. Utilise the break clause and retender IFM contracts. Retender BMS and Lift Contracts separately at the end of their existing term.

Proposal

17. The City Surveyor's recommendation is for members to approve option a.
18. Do not utilise the break clause available at the end of the minimum term for each IFM contract but note that should performance decline to an unacceptable level, the City has remediation procedures under each contract and the option to utilise the break clause upon giving 6 months prior written notice.
19. Approve the integration of BMS and Lifts & Escalator servicing into the relevant IFM contract on the basis that this delivers financial efficiencies with a target of

10% reduction. As a result, approve the increase in the IFM approved contract values as outlined below in Table 2.0.

Table 2.0

Combined Lifts & Escalators/BMS		Contract Year	4	5	6	7	8	9	10	
Supplier	Lot	Year	26/27	27/28	28/29	29/30	30/31	31/32	32/33	Total
CBRE	Lot 1	CPG	£ 43,433.00	£ 99,080.66	£ 101,062.27	£ 103,083.52	£ 105,145.19	£ 107,248.09	£ 109,393.05	£ 668,445.79
CBRE	Lot 2	IPG	£ -	£ 55,833.00	£ 56,949.66	£ 58,088.65	£ 59,250.43	£ 60,435.43	£ 61,644.14	£ 352,201.32
OCS	Lot 3	Barbican/GSMD	£ -	£ 48,430.00	£ 49,398.60	£ 50,386.57	£ 51,394.30	£ 52,422.19	£ 53,470.63	£ 305,502.30
CBRE	Lot 4	Guildhall/WW/TLA	£ 91,113.38	£ 159,732.65	£ 162,927.30	£ 166,185.85	£ 169,509.56	£ 172,899.75	£ 176,357.75	£ 1,098,726.24
ISS	Lot 5	Schools	£ 46,510.50	£ 59,820.71	£ 61,017.12	£ 62,237.47	£ 63,482.22	£ 64,751.86	£ 66,046.90	£ 423,866.77
OCS	Lot 6	Police & Courts	£ 21,341.35	£ 52,686.18	£ 53,739.90	£ 54,814.70	£ 55,910.99	£ 57,029.21	£ 58,169.80	£ 353,692.13
			£ 202,398.23	£ 475,583.19	£ 485,094.86	£ 494,796.76	£ 504,692.69	£ 514,786.54	£ 525,082.28	£ 3,202,434.55

20. BMS integration to commence in April 2026 when the existing contract with Schnieder expires. Lift and escalator integration to commence in June 2027 when the existing Amalgamated Lifts contract expires

Benefits Of Not Utilising Break Clause

21. The City will continue working with 3 suppliers who are performing well as illustrated in their KPI performance, Net Promoter Scores, Compliance Performance and contributions to wider city objectives.
22. Not utilising the break clause at year 5 also removes the operational and financial risk of any re-procurement exercise and mobilisation of significant operational contracts which are performing well. Procurement and mobilisation costs are estimated at approximately £100,000 per contract (Total £600,000)
23. By entering and retaining long term partnerships with suppliers where performance is stable, we obtain the benefits of not only cost savings (7% at contract award) and certainty on the mechanisms for any future cost increases (CPI) but also supplier investment in wider city objectives, continuous improvements and innovation through a long-term relationship.
24. Market intelligence shared in Appendix 7 is also telling us that the FM market remains volatile due to inflationary pressures and the majority of providers are predicting increased selling costs (outstripping CPI) for the foreseeable future. Therefore, entering the market now is not sensible given that we have the benefit of the locked mechanism in CPI for the remainder of the contract term.
25. There is a risk of significant reputational damage to the City by sending mixed messages to the market on genuine commitment to these long-term partnerships when we have a recognised stable performance.
26. By integrating BMS and lifts into IFM, it enables City Surveyors to build upon the success endorsed by the external Human Engine audit on contract management. It also paves the way to identify further financial efficiencies with a target of 10% saving against existing costs.
27. Further integration supports resource efficiency allowing the City to administer fewer contracts with greater strategic focus, provide further corporate wide benefits, including reducing vendor management and impact on other City departments (e.g. accounts payable) and reduces software administration and user numbers.

Risks

28. IFM supplier performance declines. Mitigation: City Surveyors will continue to manage this through our contract management framework. The Corporation retain the right to terminate from year 6 of the contract giving 6 months' notice.
29. Contract consolidation (Lifts and BMS) does not provide financial efficiencies. Mitigation: City Surveyors will revisit the strategy on further consolidation.
30. The Corporation is unable to increase budgets to fund increases due to CPI and LLW as approved by Members. Mitigation: City Surveyors will either have to reduce service levels or find efficiencies to deliver cost savings.

Legal Comment

31. The Comptroller & City Solicitor's department was consulted in the preparation of this report and noted the following:
 - a. each Lot of the City's IFM Services Framework and subsequent call-off of the IFM contracts was tendered in compliance with the Public Contract Regulations 2015 (**PCR**);
 - b. although the PCR has been superseded by the Procurement Act 2023, modifications to the IFM contracts continue to be governed by regulation 72 of the PCR;
 - c. provided that each of the proposed modifications do not increase the contract value by more than 50%, they will be permissible under regulation 72(1)(b), without the need for a further competitive procedure, on the basis that a change in supplier would cause significant inconvenience or substantial duplication of costs for the City;
 - d. Lifts and BMS both fall within the scope of the City's IFM Services Framework which expressed the intention that a single supplier would be engaged to provide all FM services within each Lot;
 - e. each IFM contract incorporates terms to allow variation of both the services performed and the premises to be maintained.

Responsible Procurement Comment

32. All three IFM suppliers are delivering a positive impact for our communities and environment. Each has been featured in the Responsible Procurement Annual Impact Reports and have continued to deliver in their third year. This year they are taking a collaborative approach to maximise their social value impact and all three are considered 'Top 25' suppliers under the City's Purchased Goods and Services project plan under the Climate Action Strategy. The proposed inclusion of lift maintenance and the BEMS under IFM control presents a promising opportunity for innovation and sustainability gains.
33. Supplier diversity is a key component of responsible procurement delivery across all three IFM suppliers. They would be encouraged to seek quotes from SMEs and diverse suppliers for any additional services not delivered in house. Given the varied nature of the City Corporation's lift portfolio, it is unlikely that large incumbent suppliers alone would be able to meet our requirements, further reinforcing the case for engaging a broader supplier base.

Appendices

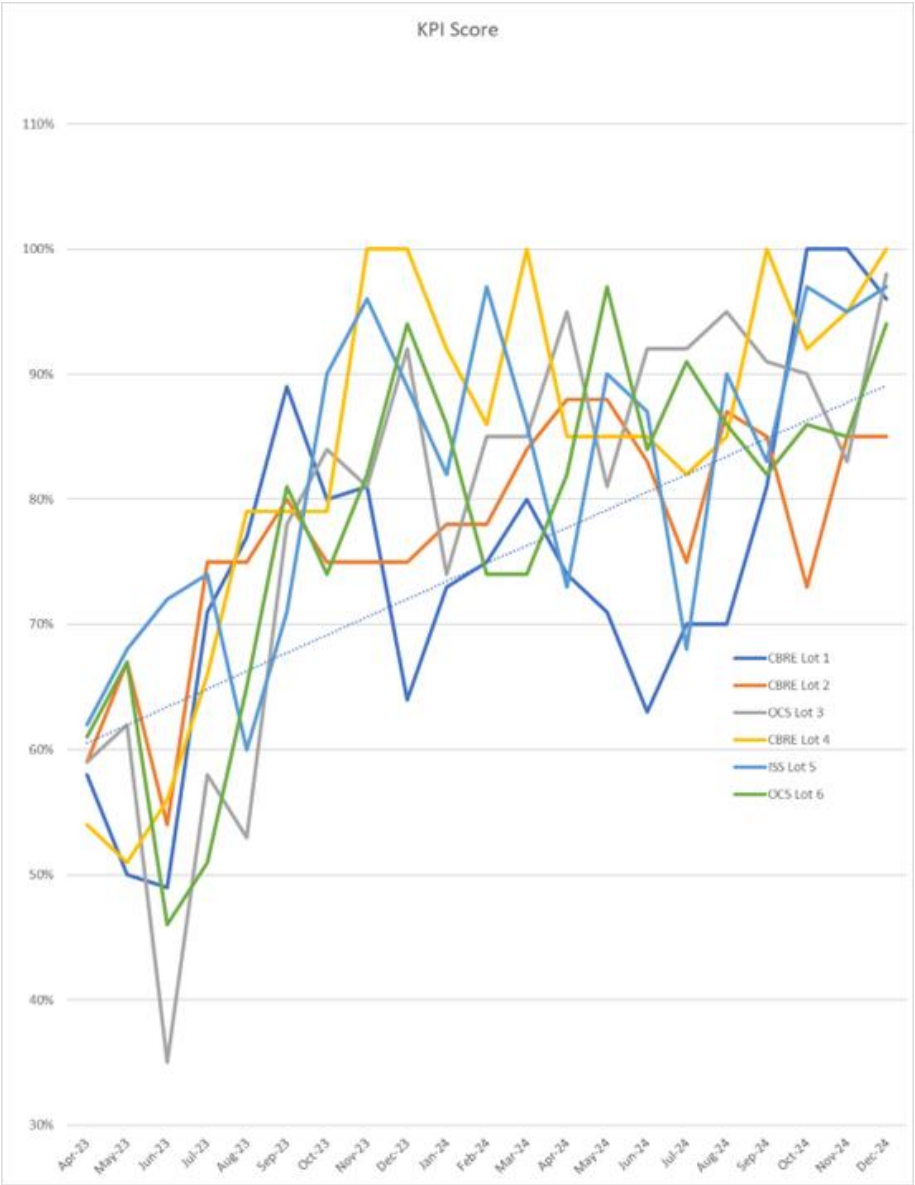
- Appendix 1 – IFM Supplier KPI performance data
- Appendix 2 – IFM Supplier Scorecard data
- Appendix 3 – Example Commercial Contract Management Supplier Scorecard
- Appendix 4 – Amalgamated Lifts performance data
- Appendix 5 – FM Contract Strategy Planning Timetable
- Appendix 6 – Example Monthly Dashboard provided at director level
- Appendix 7 – Market Intelligence Report

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Appendix 1 – IFM Contractor KPI performance data

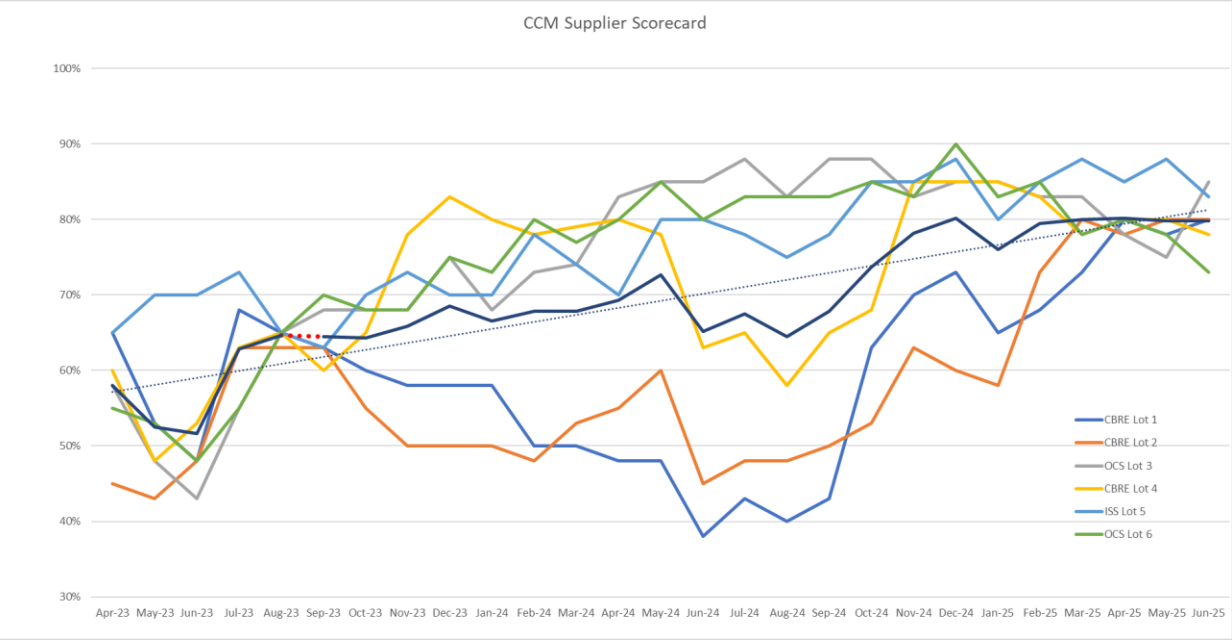


		CBRE	CBRE	OCS	CBRE	ISS	OCS	
	KPI Score (>90%)	Lot 1	Lot 2	Lot 3	Lot 4	Lot 5	Lot 6	Average
Year 1	Apr-23	58%	59%	59%	54%	62%	61%	59%
	May-23	50%	67%	62%	51%	68%	67%	61%
	Jun-23	49%	54%	35%	56%	72%	46%	52%
	Jul-23	71%	75%	58%	66%	74%	51%	66%
	Aug-23	77%	75%	53%	79%	60%	65%	68%
	Sep-23	89%	80%	78%	79%	71%	81%	80%
	Oct-23	80%	75%	84%	79%	90%	74%	80%
	Nov-23	81%	75%	81%	100%	96%	82%	86%
	Dec-23	64%	75%	92%	100%	89%	94%	86%
	Jan-24	73%	78%	74%	92%	82%	86%	81%
	Feb-24	75%	78%	85%	86%	97%	74%	83%
	Mar-24	80%	84%	85%	100%	86%	74%	85%
Year 2	Apr-24	74%	88%	95%	85%	73%	82%	83%
	May-24	71%	88%	81%	85%	90%	97%	85%
	Jun-24	63%	83%	92%	85%	87%	84%	82%
	Jul-24	70%	75%	92%	82%	68%	91%	80%
	Aug-24	70%	87%	95%	85%	90%	86%	86%
	Sep-24	81%	85%	91%	100%	83%	82%	87%
	Oct-24	100%	73%	90%	92%	97%	86%	90%
	Nov-24	100%	85%	83%	95%	95%	85%	91%
	Dec-24	96%	85%	98%	100%	97%	94%	95%
	Jan-25	92%	90%	77%	100%	83%	72%	86%
	Feb-25	92%	100%	84%	100%	97%	80%	92%
	Mar-25	93%	99%	95%	100%	97%	84%	95%
Year 3	Apr-25	96%	92%	79%	100%	87%	91%	91%
	May-25	93%	99%	94%	100%	97%	95%	96%
	Jun-25	100%	96%	96%	92%	93%	95%	95%
	Contract Average	79%	81%	81%	87%	84%	80%	82%
	Year 2/3 Average	86%	88%	89%	93%	89%	87%	89%

Notes

- 1. Target score is >90%
- 2. Year 1 performance poor (average KPI score of 74%).
- 3. Year 2 performance improvement to 88%
- 4. Year 3 performance 94%
- 5. Through effective contract management there has been a positive trend in performance across all lots to a stable and acceptable performance level.

Appendix 2 – IFM Contractor Supplier Scorecard performance data

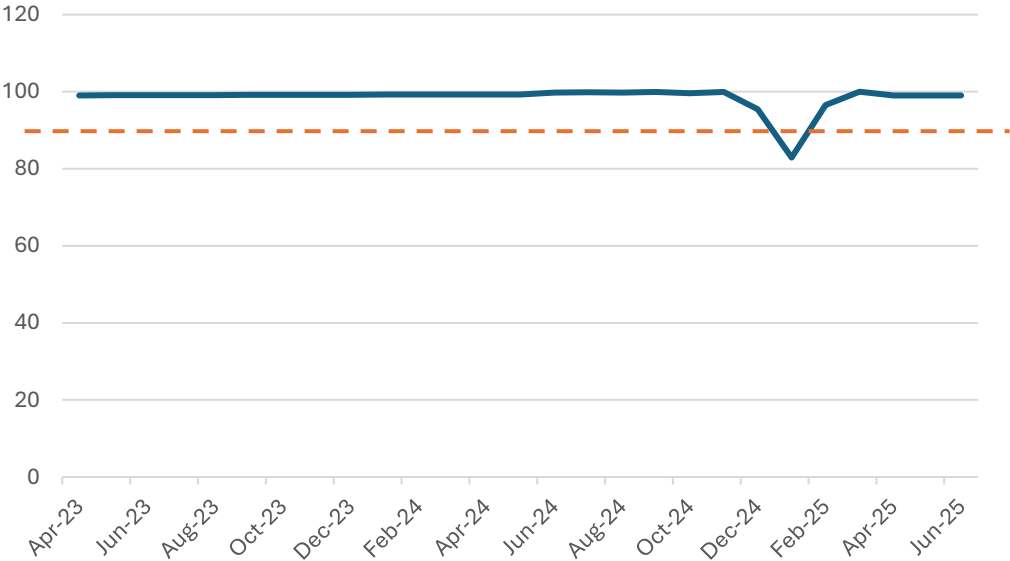


Notes

- 1. Target score is >80%
- 2. Year 1 average score 63%. Driven by KPI performance and lack of understanding on City expectations.
- 3. Year 2 average score 73%. Improvement due to better understanding and more stable KPI performance allowing more focus on environment, social value and innovation.
- 4. Year 3 average score 80% with all suppliers at a stable and acceptable performance level.
- 5. CCM scorecard captures the contractors' approach to Innovation, commercial management, supply chain management, economic risk, risk management and their contribution to the City’s environmental and social objectives.

	Supplier Scorecard (Target >80%)	CBRE Lot 1	CBRE Lot 2	OCS Lot 3	CBRE Lot 4	ISS Lot 5	OCS Lot 6	Average
Year 1	Apr-23	65%	45%	58%	60%	65%	55%	58%
	May-23	53%	43%	48%	48%	70%	53%	53%
	Jun-23	48%	48%	43%	53%	70%	48%	52%
	Jul-23	68%	63%	55%	63%	73%	55%	63%
	Aug-23	65%	63%	65%	65%	65%	65%	65%
	Sep-23	63%	63%	68%	60%	63%	70%	65%
	Oct-23	60%	55%	68%	65%	70%	68%	64%
	Nov-23	58%	50%	68%	78%	73%	68%	66%
	Dec-23	58%	50%	75%	83%	70%	75%	69%
	Jan-24	58%	50%	68%	80%	70%	73%	67%
	Feb-24	50%	48%	73%	78%	78%	80%	68%
	Mar-24	50%	53%	74%	79%	74%	77%	68%
Year 2	Apr-24	48%	55%	83%	80%	70%	80%	69%
	May-24	48%	60%	85%	78%	80%	85%	73%
	Jun-24	38%	45%	85%	63%	80%	80%	65%
	Jul-24	43%	48%	88%	65%	78%	83%	68%
	Aug-24	40%	48%	83%	58%	75%	83%	65%
	Sep-24	43%	50%	88%	65%	78%	83%	68%
	Oct-24	63%	53%	88%	68%	85%	85%	74%
	Nov-24	70%	63%	83%	85%	85%	83%	78%
	Dec-24	73%	60%	85%	85%	88%	90%	80%
	Jan-25	65%	58%	85%	85%	80%	83%	76%
	Feb-25	68%	73%	83%	83%	85%	85%	80%
	Mar-25	73%	80%	83%	78%	88%	78%	80%
Year 3	Apr-25	80%	78%	78%	80%	85%	80%	80%
	May-25	78%	80%	75%	80%	88%	78%	80%
	Jun-25	80%	80%	85%	78%	83%	73%	80%
	Average	59%	58%	75%	72%	77%	75%	69%
	Year 2/3 Average	61%	62%	84%	75%	82%	82%	74%

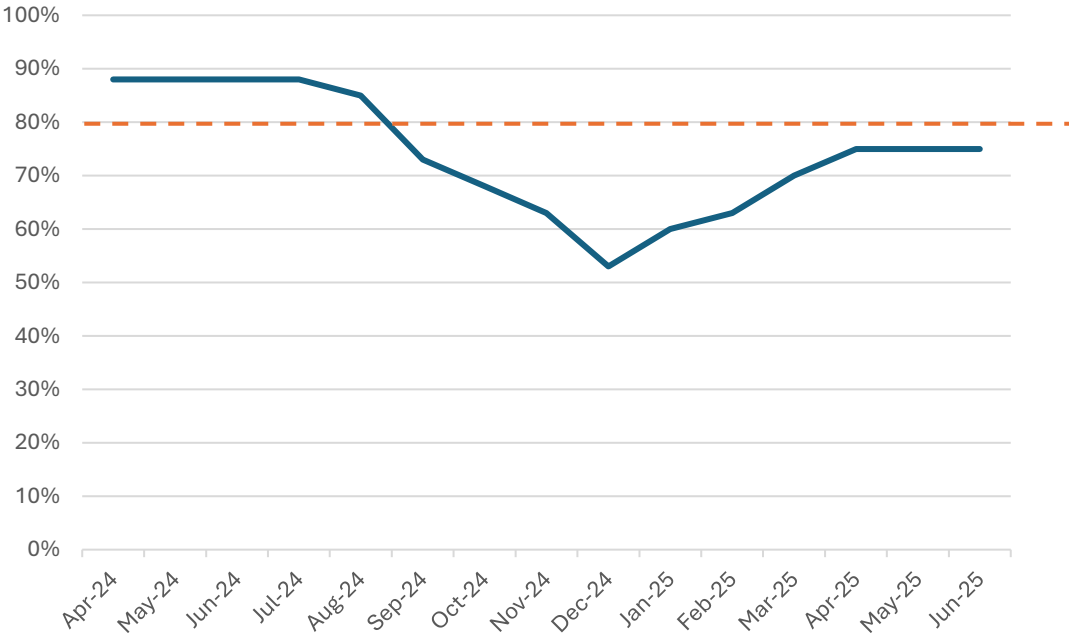
Amalgamated KPI Performance



Notes

- 1. Target score is >90% aggregated over 12 months
- 2. Whilst KPI performance appears positive there are concerns around quality-of-service delivery and provision of accurate paperwork

Amalgamated Lifts - CCM Scorecard



Notes

- 1. Target score is >80%
- 2. Measurement started April 2024
- 3. No significant engagement with wider City objectives on environment and social value objectives.
- 4. CCM scorecard captures the contractors' approach to Innovation, commercial management, supply chain management, economic risk, risk management and their contribution to the City's environmental and social objectives.

Appendix 4 – Example Commercial Contract Management Supplier Scorecard

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	CBRE Lot1 2025/26														Accepted Minimum/ Target
	April	May	June	July	August	September	October	November	December	January	February	March	Average		
Supplier Performance and Service Delivery	5	4	5										5	3	
Commercialism and Innovation	4	4	4										4	3	
Internal Contract Management Performance	2	2	2										2	3	
Supplier Relationship and Supply Chain Management	4	4	4										4	3	
Economic and Financial Standing	5	5	5										5	3	
Risk Management	4	4	4										4	3	
Environmental	4	4	4										4	3	
Social Value	4	4	4										4	3	
Total (out of 40)	32	31	32	0	0	0	0	0	0	0	0	0	8	24	
Total %	80	78	80	0	0	0	0	0	0	0	0	0	20	80	
KPI Score %	96	93	100	0	0	0	0	0	0	0	0	0	24	90	

Score Key:

1 = Unacceptable, a number of items require improvement and the contracts performance or the City's reputation is at risk (Red)

2 = Poor, one aspect of the criteria requires improvement or mitigation to deliver performance or protect the City's reputation (Red)

3 = Satisfactory, all requirements are being met and the City's reputation is not at risk but no evidence of continuous improvement or service excellence (Amber)

4 = Good, all requirements are being met and evidence of continuous improvement/ additional value being implemented (Green)

5 = Excellent, all requirements are being met and evidence of continuous improvement/ additional value implemented with tangible benefits evidenced (Green)



Summary

Supplier Performance and Service Delivery: KPI score 100%

Commercialism and Innovation: Odorbac - Chemical free cleaning trialled - Cost neutral product. Sensor Technology for Tower Bridge toilets trial possible move to proactive cleaning, the dashboard preview indicates that the data will enable better management of the cleaning service. Co-robotics at Mansion House trial. Trackersack innovation is being implemented at the Commercial Offices which helps identify any waste contamination. CBRE have proposed to self delivery Gas Engineering which would deliver a c£70k saving for CoL (across all 3 Lots)(1st Supplier to make a suggestion after benchmarking).

Internal Contract Management Performance: CBRE have submitted a number of documents in recent weeks in relation to outstanding matters which are being reviewed.

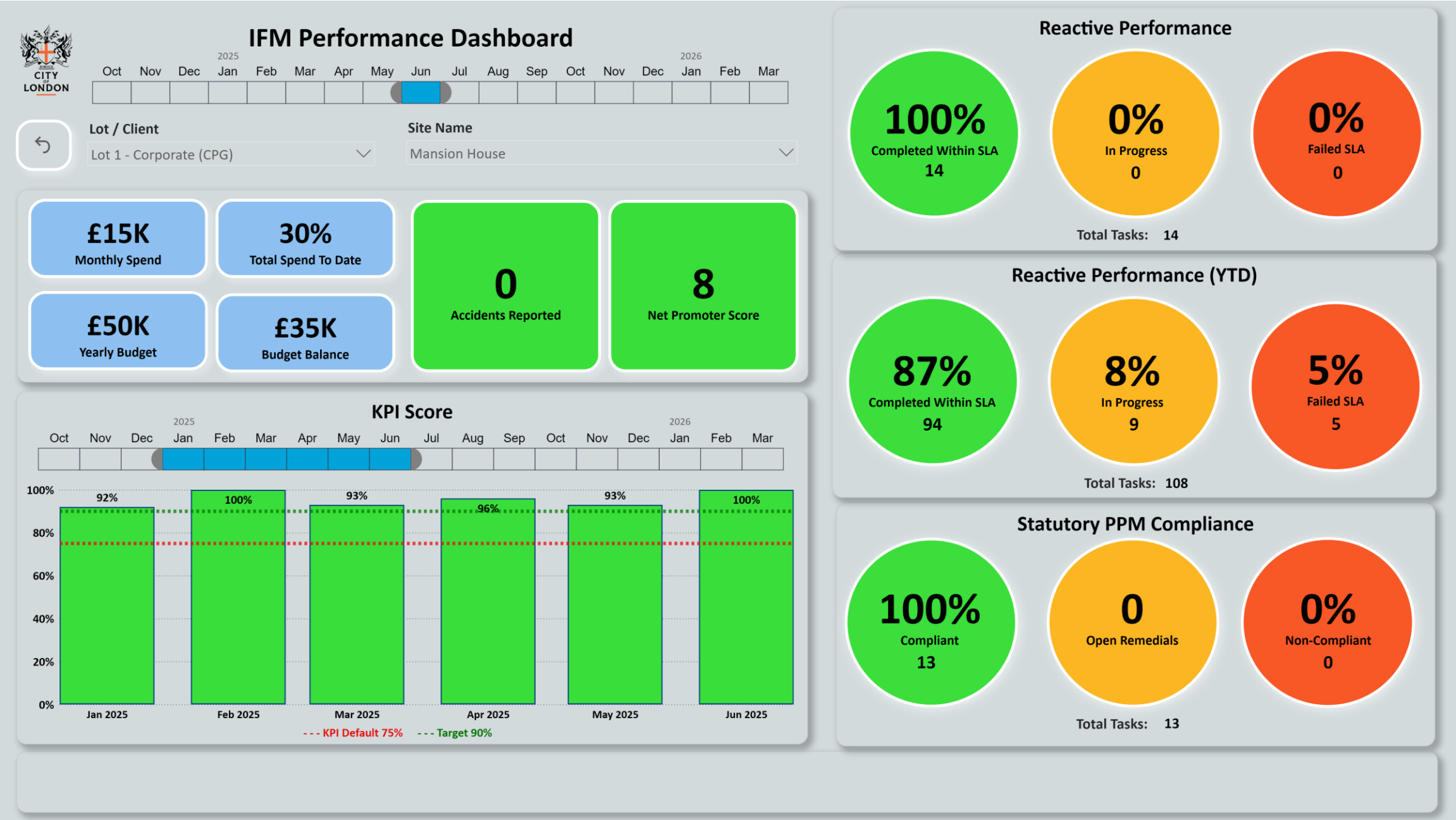
Supplier Relationship and Supply Chain Management: Subcontractor list provided; monthly report has a grading system based on performance. Pulse supplier management portal gives strong data from which to make informed decisions about sub-contractor performance across CoL and wider group performance; turning this data into actions over the following months will increase the score. Tower Bridge data from Kingdom provides good usage stats and evidence of using supply chain to effect improvement.

Economic and Financial Standing: : Accounts up to date on companies' house. Average time to pay invoices is 54 days. <30 days 24%, 31-60 days 57%, 61+ 19% Unpaid 25%

Risk Management: Monthly risk register meetings are positive, and risks are being progressed and discussed with constructive mitigations.

Environmental: Options of telematics for smarter driving. Chemical Free cleaning trials completed at Mansion House. Waste audits support Environment dept. Uniform recycling and reusing started in 2025. Focus needs to remain on scope 2 & 3 emissions.

Social Value: Supply chain diversity has increased. Update provided for integrating Tarem cleaning into a Lot1 site(s). Career event completed with a School in Islington with positive feedback and future engagement planned, Moon Hub VR utilised to engage students. Redecoration project was completed at Hackney based care home - *pro-bono*. CBRE will supporting CoL L&D Team by hosting a one week work experience placement. CBRE attended a civic centre in Islington to support elderly citizens with the use of technology.



Appendix 6: Market Intelligence & Value for Money (VfM) – Page 1 of 2

1. Source: Institute of Workplace and Facilities Management (IWFM) Market Intelligence Report 2025.

“Inflation is a key driver of cost; 86% of FM service providers report an increase in employment costs, and 89% report an increase in cost of supplies, partly driven by underlying inflation, but also by supply chain disruptions

Perhaps in response to this, 86% of FM service providers are expecting both an increase in the cost of supplies and employment costs to increase, and 59% are expecting customer selling prices to increase.”

“Our experts stress the importance of genuine partnership in trying to reconcile the tensions between these two priorities.”

2. Source: IWFM Market Outlook Survey 2025



3. Source: The Building Cost Information Service (BCIS) maintenance, cleaning and energy forecast: 2Q2025 – 2Q2030.

“Maintenance costs, as measured by the BCIS All-in Maintenance Cost Indices, are set to rise 15% by 2Q2030, according to our latest forecast data. Cleaning costs, mainly driven by labour costs, are expected to rise by 24% over the same period.”

Summary:

CPI is forecast to rise 2% year-on-year. The CPI link in the IFM contracts will see costs track below the forecasts of IWFM and BCIS who predict cost increases which will outstrip CPI. By locking in our contracts at CPI we have achieved better VfM than the current market outlook. Intelligence leads to the conclusion that the FM market is currently volatile in respect of pricing, and this is reflected in 52% of FM service providers forecasting significant increases in customer selling prices over the next 12 months. Based on market data the City currently receives VfM in its FM pricing and has an index-based mechanism in CPI which is tracking below the market outlook. Therefore, it would not be advantageous to enter the market in the current climate.

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