

Corporate Property Asset Management Strategy 2017-18

Our overriding corporate strategy is to manage the City's operational assets effectively, efficiently and sustainably to deliver strategic priorities and service needs



This is an interim update to the Corporate Property Asset Management Strategy 2012-16. A new comprehensive strategy, aligned with the outcomes from the ongoing Asset Management and Facilities Management service based reviews, will follow. Our current strategic objectives are as follows:-

- 1 Operational assets remain in a good, safe and statutory compliant condition.**
- 2 Operational assets are fit for purpose and meet service delivery needs**
- 3 Capital and revenue projects are affordable, sustainable, prudent and directed to the highest corporate priorities**
- 4 Annual revenue expenditure is efficiently managed to ensure value for money and reduce operational asset running costs wherever possible**
- 5 Opportunities to create added value from the operational property asset base, either capital or revenue, be pursued and promoted where feasible**
- 6 The City overall, in accordance with the Carbon Descent Plan 2015 (CDP-15) achieves a 9% energy reduction by 2018**
- 7 To remove assets from the Heritage at Risk Register wherever possible provided only that it is cost effective to do so**
- 8 Align asset management activity with Service Committee's business plans to deliver asset related corporate and business objectives**
- 9 To provide corporate oversight on the extent and value of third party agreements within the operational portfolio, seeking to ensure they managed in accordance with best practice at all times**
- 10 To seek to improve the efficiency and sustainability of operational assets in accordance with corporate objectives and statutory requirements**

The above objectives support the wider draft Corporate Plan 2018-23 aims to:-

Promote successful business

By championing the City as the best place in the world to do business

Benefit the communities we serve

By championing a culture of responsibility, inclusivity and opportunity

Shape the future City

By championing its connectivity, capacity and character

Strategic alignment

Things we currently do	Improvements we are making
<ul style="list-style-type: none"> a. Realise capital receipts and revenue savings from the Operational Property Review (target £47m capital receipts with £9m reduction on unfunded maintenance over next 3 years) b. Realise Highways disposals which facilitate development in the City c. (target £20m over next 3 years) d. Secure additional income from 'third party occupied' operational portfolio lease events e. Support to the Corporate Projects Board to deliver the capital programme for the operational portfolio through the Gateway process f. Incorporate a new operating model known as the Corporate Operating Model (COM) for each operational property. The COM integrates external stakeholders, all asset and facilities management components, and the local departmental occupier (s). g. Incorporate new Contract and Service Level Agreements (SLAs) to provide governance and support to the FM function and internal Operating Level Agreements (OLAs) to provide the same to the various local services necessary for the functioning of the operational asset. h. Collate data for the measurement of asset management performance of operational assets reporting to both the Corporate Asset Sub Committee and the relevant spending committee, providing transparency and corporate oversight 	<ul style="list-style-type: none"> a. Developing and implementing Asset Management Plans on key property assets across the operational portfolio to support the service business plans and corporate objectives b. Annual revenue expenditure will be reduced by adopting and implementing the efficiency measures identified from the FM and AM service based reviews c. Integrating all Corporate FM activity into the new COM, improving the operational effectiveness of our assets and delivering savings from more efficient maintenance d. Improving coordination between the service business and asset management support from City Surveyors e. Evaluating the benefit of an Energy Performance Contractor (EPC) to identify, evaluate and implement efficiency measures to deliver savings and improve the energy performance within operational assets f. Developing the annual Operational Property Review report to include more detailed analysis of the performance of operational assets from both service and corporate perspectives g. Developing a Corporate Energy Strategy to meet the Corporations goals for energy efficiency and reduction and to raise the profile of Energy within the Corporation and in the square mile h. Developing 'Masterplans' in association with occupiers of operational assets e.g. City of London Freeman's School, City of London Boy's School to support departments in strategic asset management and delivery of key

<ul style="list-style-type: none"> i. Develop the role of the Corporate Asset Manager within the COM ensuring appropriate coordination and delivery of the asset management component of the service business plans; the Corporate Asset Manager coordinates property asset management activity including asset strategy, estate management responsibilities such as third party agreements, rating, valuations and OPN Corporate Asset System data maintenance and reporting j. Incorporate Standing Order 55 and the implementation of efficiency measures identified from the recent Corporate Property Reviews more effectively within the new COM. k. Implement the Carbon Descent Plan (CDP) 2015 to meet corporate targets to reduce energy consumption and reduce associated carbon emissions l. Ensure reasonable endeavours are made to remove all the City's Assets from the Heritage at Risk Register 	<p>capital projects necessary to the success of business planning.</p> <ul style="list-style-type: none"> i. Develop Workplace management to better utilise our operational asset base, incorporating standards where appropriate to improve utilisation and customer satisfaction.
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Things we think we might have to do differently in future

- a. Provide more support to the ongoing feasibility into consolidation and/or better utilisation of operational assets as part of future Operational Property Reviews
- b. Develop Key Performance Indicators (KPI) that align asset management performance from either in house delivery or external providers to better meet the service business plan objectives
- c. Reduce our corporate risk with better corporate wide standard processes and procedures for managing third party occupiers and associated agreements
- d. Consider alternative models for delivering the Corporate Property Asset Management Strategy if the existing challenge (red risk) on recruitment and retention of staff cannot be sufficiently mitigated
- e. Incorporate the requirements of the Housing and Planning Act 2016, specifically in terms of reporting on improving efficiency and sustainability of buildings within the operational portfolio

How we'll develop our capabilities

- a. Build closer working relationships with third party occupiers within the operational portfolio and realise value therein through regularising and updating or standardising occupier agreements
- b. Measure and report upon current activity and improvements from this plan, including stakeholder satisfaction and review of progress into the Strategic Resources Group
- c. Improve the accuracy of our Corporate Asset Database (OPN) to meet the data and reporting requirements of asset management within the operational portfolio and to meet growing corporate and the wider government (transparency and Housing Act) agenda
- d. Mature our corporate asset management competency with more standard processes and reporting
- e. Review and continually develop the Corporate Property Asset Management Strategy to best suit the Operational and Corporate property requirements, objectives and standards.