

Appendix 1 – Corporate Property Asset Management Strategy 2020-25 – RAG status November 2021

Ref	Theme	Objective	RAG Status	Comment
1	Efficiency	Seek to rationalise the operational estate through better utilisation to ensure a more efficient, effective and sustainable asset base		Chief officers continue to consider utilisation across the operational portfolio, including the requirements to report annually on any accommodation which is surplus to requirements. Total footprint across the operational estate decreased by 10,702 sqm GIA in 2021 (significantly due to the disposal of Wood Street Police Station). However, there is still an absence of a transparent and routine asset challenge process across the operational estate through both the annual business planning and Asset Management Plan processes (see further comments below).
2	Efficiency	Ensure capital and revenue investment into the operational estate is 'relevant and needed' to achieve Corporate Plan objectives.		Capital bids are evaluated by CSD and Chamberlain officer groups with categorisation in terms of for example 'Critical End of Life Replacement, High Profile Policy Initiative, Statutory Compliance/Health and Safety' etc prior to submission in the Annual Bid Process. In addition, similar criteria are assessed in revenue investment e.g. the CWP prior to bids going forward. However, the link between Business plan objectives and investment in operational assets could be improved and further challenged through a maturing of the Asset Management Plan process. Budgets allocated for capital investment may be limited in the short term due to availability of additional central resources.
3	Efficiency	Develop the current risk based approach to maintenance and renewal (subject to available budget)		Implementation of the replacement of the Computer Aided Facilities Management System (CAFM) is underway with the new system due to go live in November 2021. The new CAFM system will provide more accurate data on the operational estate enabling improved service provision and the driving of efficiencies

				through a risk based approach to maintenance and renewal. However, further clarification in respect of departmental accountability and responsibility for the repair and maintenance of all commercial operational assets is being developed.
4	Efficiency	Ensure capital and revenue projects are affordable, sustainable, prudent and directed to corporate priorities		Linking in with objective 2 above, projects are routinely challenged by CSD and Chamberlain officer groups and the Corporate Projects Board. Major ongoing projects aligned with Corporate priorities include Markets Co-location programme, Museum of London relocation, Police Accommodation Strategy, combined Courts and COLP facility at Salisbury Square, the emerging review of the Barbican Centre and CoL Primary Academy Islington (CoLPAI). The maturing Asset Management Plan process is also intended to help test the relevance of potential programmes and projects linking in turn to the Business Plan process.
5	Efficiency	Ensure annual revenue expenditure is efficiently managed to deliver value for money and reduce operational asset running costs		Approved annual revenue expenditure on the operational estate is routinely challenged by CSD and the Chamberlain department with support from City Procurement and the committee process. However, data on total costs of the operational estate and future financial sustainability for CoL is not currently measured or reported, although is proposed as part of the AM SBR recommendations.
6	Efficiency	Ensure future capital investment in the operational estate is aligned with 'invest to save' outcomes, full life cycle and both financial and non-financial assessment		Spend to save with associated payback periods is part of the evaluation process on capital project assessment, However full life cycle data is not yet a requirement of the Gateway Process. Reporting on the financial sustainability of the operational estate is a core recommendation of the AM SBR, currently on hold pending the outcome of the Governance review and Target Operating Model.
7	Effective	Ensure operational assets are maintained to a good, safe and statutory compliant condition		CSD continue to maintain the City's operational estate in a safe and compliant manner through the building repairs and maintenance contractor, the 2 nd generation CAFM system (which is designed to bring the in house teams onto the system and thus

				demonstrate compliance in one location). If the CWP bids are not funded in totality the backlog of maintenance will inevitably increase and the estate may not be maintained to a good condition within 22/23.
8	Effective	Maximise third party income for leased out property, including targeting effective support for businesses impacted by Covid-19		Current income (including service charge) from the third party estate (excluding Housing) stands at circa£12m per annum. A range of assistance packages have been offered to tenants and remain available to support tenants across the operational estate. This includes the COVID Recovery Fund Grant, temporary Rates Relief together with rent free, lease restructuring and repayment plans considered on a case by case basis. Since April 2020, additional rent has been secured by lease events on the operational estate. Note the risk of tenant default due to the effects of the pandemic remains high as routinely reported in the debt report to Resource Allocation Sub Committee.
9	Effective	Develop and mature the management of the portfolio by embedding the Asset Management (Service Based Review) recommendations		7 AM SBR recommendations have either been completed or substantially progressed into Business as Usual such as consolidating property data changes and systems management of building data, replacing OPN and enhancing Forward Maintenance Plans. The remaining 9 recommendations, including changes to committee Terms of References, Schemes of Delegations, Standing Orders etc, enhanced Asset Management Plan processes, Corporate Reporting, Operating Agreements etc are currently on hold at the direction of CASC awaiting the outcome of the Governance review and Target Operating Model, and some will require a business case.
10	Effective	Incorporate 'smart building technology', modern working practices post Covid-19 and improve connectivity for occupiers within the portfolio		Working practices have substantially changed as a result of Covid-19, including new entry, desk allocation and meeting requirements for Guildhall. Consideration of improved connectivity on operational assets will be introduced as part of the Openreach programme to replace their whole copper telephone network with fibre by 2026. In addition, the

				deployment of wireless infrastructure (wireless broadband, 4G and 5G mobile) across rooftops of operational assets continues with agents appointed to support COL.
11	Effective	Create added value through the property Asset Management Plan process		Asset Management Plans for the top 23 assets (by GIA) are now in circulation and quarterly progress meetings with occupiers ongoing. Joint engagement by the Asset Manager, Property Facilities Manager and the Business/Service lead of the occupying department is adding value in terms of coordinating, prioritising and providing a gap analysis on key property related issues. However, incorporation of Core processes, Asset Challenge and identifying opportunities for additional income/disposals is limited by current resources pending approval to all the AM SBR recommendations.
12	Effective	Ensure operational assets are relevant, fit for purpose and meet service delivery needs through a comprehensive Asset Challenge Process		Linked to 11 above, the development of Asset Management Plans and associated Asset Challenge process through the AM SBR is intended to ensure operational assets are relevant, fit for purpose and meet service delivery. However with implementation of the remaining AM SBR recommendations currently on hold there is concern on the pace to demonstrate efficient utilisation
13	Effective	Ensure asset management activity is aligned with Service Committee's business plans through the Asset Management Plan process to deliver asset related corporate and business objective		Linked to 11 and 12 above, Core Processes within the Asset Management Plan process are intended to strengthen the interrelationship between Service Committee's business plans and asset management activity. Currently there are 19 active requests for additional accommodation proposed by departments or circa 10,000 sq m (see Operational Property report) which have not been developed through the Asset Management Plan process. Note currently not all asset requirements arise directly from Business Plans which makes associated resource planning to support services challenging.
14	Sustainable	Support the proposed Climate Action Strategy; including the achievement of net zero carbon emissions, to build resilience and to champion sustainable growth		The Corporate Property Portfolio is supported through project plans NZ1 (Corporate Property and Landlord areas); RS3 (Resilient Buildings) and NZ3 (Capital Projects Design Standards). Following mobilisation of the Climate Action Strategy (CAS) in April. These

				<p>project plans have been developed to support the delivery of the CAS targets. Woven throughout these project plans is a Centre of Excellence, which is currently being put in place to provide the resource, skills and expertise required in areas such as Resilience, Energy Project Management and Design standards. Additionally, progress has begun on task CPG1A (Building Energy Surveys to top 15 sites by energy usage). Six sites (LMA, Mansion House, Central Criminal Court, Girls School, Boys School, Freeman’s School) initially surveyed, with subsequent surveys taking place. Guildhall, Barbican Arts Centre and GSMD have already had a first tranche energy survey and are currently in construction for existing energy projects under the £10m Public Sector Decarbonisation Scheme. CPG1A will produce a detailed opportunities pipeline with a breakdown of costs and savings by asset. These opportunities will subsequently be integrated into the estates and asset management strategies.</p>
15	Sustainable	Achieve 40% energy savings by 2025/26		<p>Across the Corporate Portfolio significant progress has been made towards the Carbon Descent target of a 40% reduction in energy consumption by 2025. At the end of Q4 2020/21 the portfolio had reduced energy consumption by 36.1% (weather corrected) from the 08/09 baseline. Since then, we have adopted the Climate Action Strategy 2018/19 baseline and new CO2 targets for the Corporate Portfolio aligned to the 2027 Net Zero Target for our scope 1 & 2 emissions. We remain ahead of target having reduced CO2 emissions by 9,832 tonnes since 2018/19 (rolling 12 months to Q1 2021/22) or 23%. This has been achieved through Energy Team interventions, such as improved management of BEMS systems and efficiently managing building energy usage during the Pandemic. The introduction of PSDS projects across GSMD, Barbican Art Centre, Guildhall and LMA in 2022 and the build out of future CAS energy saving projects is expected to ensure delivery of the 40% target and more recent CAS derived targets.</p>

16	Sustainable	Optimise the sustainability performance of the existing property portfolio (subject to available budget)		Government grant secured towards carbon and energy saving projects at the Guildhall, Barbican and GSMD. These include a range of building upgrades and improved controls to reduce the carbon footprint of the buildings by approximately 20%. This project benefits from 100% grant funding and will also result in lower energy bills. Work will start in October 2021 and continue until March 2022
17	Sustainable	Target BREEAM of excellent on all new buildings		For example, BREEAM was a target agreed during the outline planning application process for the co-located market and has been secured through a condition attached to the OPA approval, in March 2021.
18	Sustainable	Maintain Heritage assets through investment and prevent their inclusion on the Heritage at Risk Register wherever possible (subject to available budget)		Progress is being made to provide the service with improved management tools – database, programme management, risk register. Projects include the summer survey and works to the Great Hall to address immediate concerns. CWP bids to ensure surveys are undertaken in a timely manner to mitigate H&S risks are currently awaiting approval for 2022/23.
19	Sustainable	Ensure where Heritage assets are not in the sole ownership of the City to drive the collective responsibility to maintain and prevent their inclusion on the Heritage at Risk Register		Given the size and complexity of the portfolio, 874 listed assets, staff resourcing focuses on those assets of significant reputational risk, and/or where H&S issues, or potential issues have been identified, regardless of ownership.