

The City Surveyor's Department

The City Surveyor's Department (CSD) is responsible for the management of the City Corporation's property investment portfolio, corporate real estate, property/construction projects and the operational management of both portfolios.

What has changed since last year

External drivers:

- Move towards a post-COVID environment, and the normalisation of our fund management approach
- Inflation is impacting many aspects of departmental delivery, particularly on construction projects and energy pricing.
- Further macro-risks are emerging – including the prospect of recession – and the department is pro-actively adjusting its approach accordingly.

Internal drivers:

- Implementation of the third phase of the Target Operating Model (TOM), embedding efficiency across the department, including the continued integration of the Central Criminal Court into the department's activity.
- Ensuring that the department maximises its impact on a reduced resource base.
- Focus on the delivery of the organisation's Climate Action aspirations for 2027 and 2040.



Our aims and objectives are...

- **Strategic asset management** – We will develop and implement asset management strategies that align Corporate Property Asset Management Strategy, Investment Property Strategy, 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' business plans – including, where relevant, supporting and driving the rationalisation of our operational estate. We will ensure the conservation of the City's heritage assets.
- **Property assets and facilities management** – We will work to enable fit for purpose buildings – sustainable, energy efficient, safe and secure and accessible. Enhanced efficiencies will be driven by asset management and forward maintenance plans; provision of facilities management; and delivery of cyclical, minor improvement, and capital projects.
- **Fund management and income generation** – We will efficiently manage the City of London's investment property portfolios (City Fund, City's Estate and Bridge House Estates) to generate and grow income that can be reinvested into the organisation and underpin the delivery of corporate priorities.
- **Property Projects** – We will manage and deliver the City of London Corporation's major capital build projects to best practice ensuring delivery outcomes meets or exceeds our customers' expectations. We will continually explore innovative ways to add value to projects with a conscious approach to sustainability and energy efficiency, ensuring procurement processes and governance comply with statutory and City of London regulations.
- **Climate Action** – We will help transition the organisation to net-zero through the delivery of the Investment Property, Corporate Property, Capital Projects and Resilience workstreams.
- **Major Programmes** – in collaboration with the Town Clerk's Department, we will oversee the Markets Co-location programme, Salisbury Square development, Museum of London relocation, Barbican Renewal and Guildhall refurbishment major programmes.

Our major workstreams this year will be...

- Actively manage the £4.3b investment portfolio to generate income in support of the City of London's aspirations, ensuring the efficiency of our property portfolio.
- Maximise property returns for an acceptable level of risk, regularly scanning the market and macro-environment for opportunities and risks.
- Delivery of major Investment Property projects to deliver enhanced returns.
- Leverage benefits of the MRI Horizon asset management system, delivering improved business processes, and driving out waste through the intelligent use of data (in collaboration with Markets, Environment and Community and Children's Services).
- Assisting departments to achieve greater efficiency in the utilisation of property assets, supporting the rationalisation the organisation's property footprint.
- Pro-active management of the City's operational properties and tenancies. For 2023/24 there is an increased focus on the recovery from the COVID-19 pandemic.
- Transition to the workplace of the future – collaborative, engaging, supportive.
- Delivering facilities management, building engineering services and building surveying projects as well as technical advice to operational and investment properties.
- Driving the Climate Action Strategy (CAS) and supporting decarbonisation initiatives across our property assets. This includes a focus on delivering carbon reduction / climate action projects.
- Drive and deliver the cyclical works programme (CWP) to maintain our assets in line with occupier requirements and property needs.
- Providing property health and safety compliance and energy management
- Delivery of complex strategic programmes in an environment of increasing cost pressures.
- Emphasis on agility when responding to requests from the City for the delivery of property projects – within the current resource constraints.
- Increased focus on project delivery innovation in order to achieve greater value for money.
- Progression of the Museum of London and the Market co-location programmes.



Oversee 626 built assets across our Corporate portfolio



Managing the £4.3b Investment Property portfolio



Managing £20m of service contracts per annum



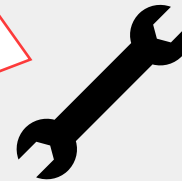
~ 80% projects to achieve BREEAM very good or above



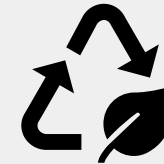
£30m of energy and water contracts under management



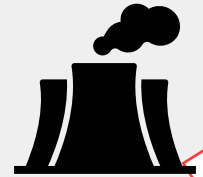
Ensuring 18 courts at the Central Criminal Court are available



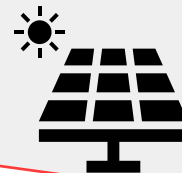
Managing 120,000 plant, equipment, and fabric assets



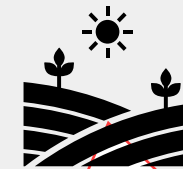
Whole life carbon successfully piloted at 6 sites



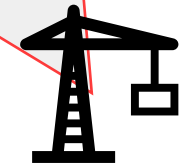
£5.6m of capital intervention to operational estate, saving 520t CO₂ & £500k per annum



Delivery of the Power Purchase Agreement (£8-£11m) of cost avoidance and clean power



Delivery of £9.6m in public sector decarbonisation projects in 2022/23



Delivering 30 – 40 major construction projects concurrently

Our Impact



Our strategic commitments

Climate Action Strategy (CAS)

- Achievement of net zero emissions through project delivery (by 2027 for Operational estate and by 2040 across the investment portfolio).
- Positioning investment portfolio to meet CAS targets.
- Integrate the City’s climate resilience measures into our capital build and maintenance projects.

Corporate Property Asset Management Strategy

- Efficient – supporting the rationalising of the estate and improving utilisation.
- Effective – meeting and challenging the needs of asset occupiers.
- Sustainable – delivering CAS objectives, building resilience, championing sustainable growth, and conserving our heritage assets for future generations.

Investment Property Strategy

- Industry benchmark (MSCI) out-performance.
- Rental income sustainability.
- Capital realisation and maximisation for re-investment.
- Support strategic and policy requirements of the City Corporation.

Facilities Management (FM) Strategy

- Mobilise the integrated FM Strategy for implementation from April 2023.
- Create further efficiencies by adding disparate FM functions into the IFM model.

Project and Programme Delivery

- Continuing support to the major programmes (Courts & Police, Museum of London, London Wall master planning, Markets co-location).
- Guildhall Refurbishment (West and North wings).
- Working to address the backlog of repairs and maintenance through the Cyclical Works Programme.

Medium terms under consideration

Priority list
Operational Property Review - as part of the Resource Priority Refresh
Climate Action Strategy (CAS) implementation
Further FM consolidation
Guildhall Masterplan
Barbican Renewal Programme
Overarching strategy for security

Key Performance Indicators

KPI	Current Performance
Asset realisation and additional income	Ahead of target
Guildhall space utilisation	Slightly behind target
Delivery of CAS milestones (Corporate Properties & landlord areas)	Ahead of target
Delivery of CAS milestones (Investment Property)	Slightly behind target
Property contract performance compliance	Ahead of target
Adherence to budgetary spend profiles	Ahead of target
Rental forecasts	Ahead of target
Minimise arrears	Slightly behind target
Minimise voids	Ahead of target
Outperformance of MSCI	Year end indicator
Capital projects – project risk status	Ahead of target
Capital projects – health and safety	Ahead of target
Capital projects – site sustainability and waste management	Ahead of target

Our People

- The department is finding it increasingly difficult to recruit property professionals at the advertised grade. Further, retention has been an increasing issue due to pay & reward disparity. This is being tracked as a departmental red risk and we are engaging with Corporate colleagues to resolve
- The department has a track record of developing apprentices and will look to build upon this success.

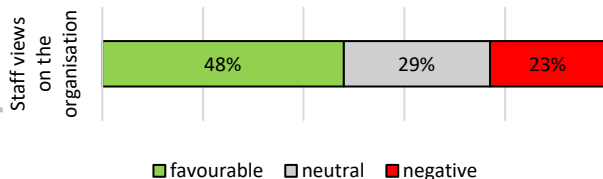
Your Voice Matters Staff Survey (2022)

Key themes highlighted by staff:

- Improving pay and reward
- Increasing workplace flexibility
- Reducing bureaucracy
- Improving TOM communication
- Improving Guildhall facilities
- Building upon a positive and supportive workplace culture.

An action plan is in place to progress these items

Staff Survey Engagement Score



Our equalities, diversity and inclusion Action Plan

The department is committed to promoting Equalities, Diversity and Inclusion (ED&I). The department's ED&I network has identified a number of actions to deliver through 2023/24, focussing on:

- Recruitment & Progression
- External Outreach
- Internal Outreach
- Volunteering

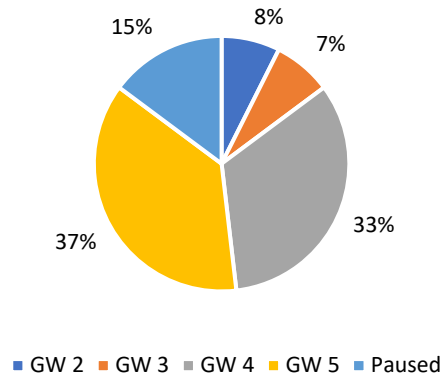
The Corporate Plan outcomes we have a direct impact on are

- 4 – Communities are cohesive and have the facilities they need
- 7 – We are a global hub for innovation in finance and professional services, commerce and culture.
- 11 – We have clean air, land and water and a thriving and sustainable natural environment
- 12 – Our spaces are secure, resilient and well maintained

Our stakeholder needs

- The department will be undertaking a survey of both our Investment and Corporate Property occupiers and stakeholders over 2023/24.
- Tracking feedback data over 2018-20 have shown improvements in scores across the board, with staff seen as helpful, proactive and friendly.
- Priority areas identified include the provision of repairs and maintenance, enhancing our understanding of business needs, and communications.

Property Projects by Gateway



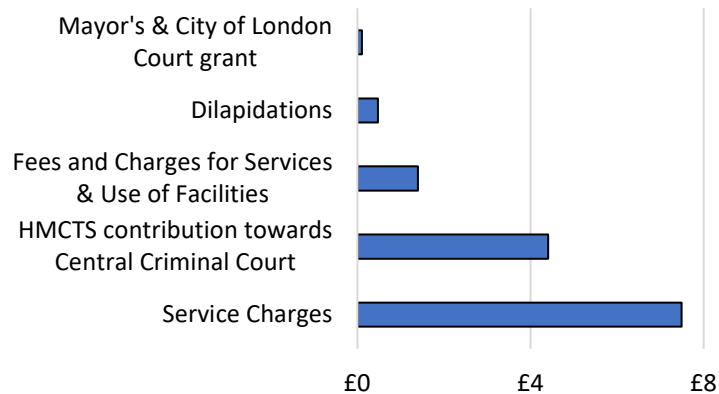
Key Risks

	Minor	Serious	Major	Extreme
Likely			6	
Possible		1	2	
Unlikely				
Rare				

Table 1: November 2022 Risk Heatmap

Risk Title	Score
Maintenance & Renewal of Physical Assets	16
Construction Price Inflation	16
Energy Pricing	16
Recruitment and Retention of Property Professionals	16
Construction Consultancy Management	16
Insurance – Investment and Corporate Estate	16
Insufficient Budget to meet User and Asset Demand at Guildhall	12
Investment Strategy Risk	12
Special Structures	6

Where our 'local risk' money comes from



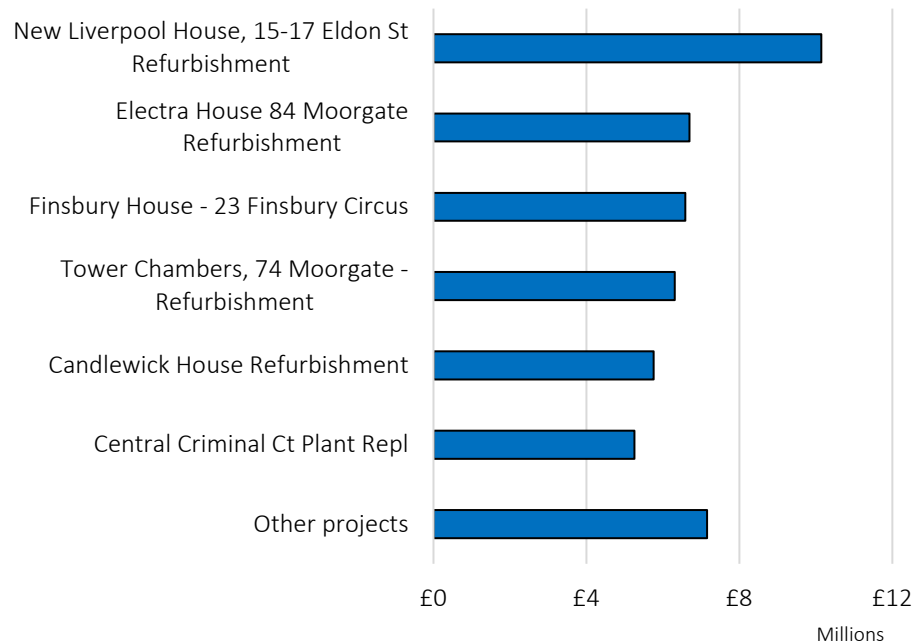
Where our 'local risk' money is spent



Operational Property requirements

- Workplace posture
 - CSD will review its space allocation following the adoption of the new 'workplace posture' across the organisation.
- Guildhall (4th floor offices and basement stores)
 - Staff accommodation was consolidated over 2019-20 reducing our office footprint by 24%
 - "Pinch point" analysis reveals that CSD has adequate space to meet 3 days in the office requirement.
 - Future options being considered as part of Guildhall Refurbishment Project
- Walbrook Wharf (contractor accommodation, waste transfer, vehicle park, 3rd party occupiers and commercial let)
 - Plans in place to re-locate Occupational Health releasing further space for commercial income.
 - Long-term option on the site to be considered under Walbrook Wharf Feasibility Study.

Capital Project Spend (City Surveyor's as Client)



Budget vs Actual

