

# City of London Corporation Committee Report

<b>Committee(s)</b>	<b>Dated:</b>
Investment Committee – For information	21 July 2025
<b>Subject:</b> City Surveyor's Business Plan 2024-29 - Quarter 4 2024/25 Update	<b>Public report:</b> For information
<b>This proposal:</b> • <b>Delivers Corporate Plan 2024-29 outcomes</b>	Providing Excellent Services, Leading Sustainable Environment, Flourishing Public Spaces, Dynamic Economic Growth
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</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>	The City Surveyor (CS.146/25)
<b>Report author:</b>	John Galvin/ Faith Bowman City Surveyor's Department

## Summary

- This report provides Members of Investment Committee (IC) details of key performance indicators in the 2<sup>nd</sup> half of the year (October 2025 to March 2025) against the 2024-29 Business Plan. A similar report has been presented to Members of Resource Allocation Sub Committee (RASC) and the Markets Board.
- Overall, the department successfully delivered against its approved objectives set out in the Business Plan amidst a challenging environment. Of the twelve key performance indicators tracked by this committee, seven successfully achieved their targets, while two fell short:
  - KPI. 3. Achieve Rental Forecasts – Rent generated from commercial leases managed by the City Surveyors Department. Target for this year £102.5m. The outturn figure was £101.2m.
  - KPI.12 Property Contract Performance Compliance – this measures compliance with property contract performance, had a target of 80%. The actual performance recorded was 78%.
- At the time of writing this report three key performance indicators remain outstanding:
  - KPI.4 Minimise Arrears – There are issues with the management information due to outstanding credits that the Corporation has received and are

unallocated to tenant accounts. The City Surveyor's Department is working closely with Chamberlain's to address this issue.

- KPI. 6 Outperform MSCI – This will be included in the next update report to this committee.
- KPI. 11 Reduction of Energy Use Intensity across each portfolio – Due to insufficient information from our data provider it was not possible to finalise the figures for 2024/25. This will be assessed across the year in 2025/26.
- In 2024/25 some of key achievements for the department included:
  - Over 60% of outstanding rent certificates were completed, generating £6.8 million of additional rental income.
  - The capital realisation programme for the Investment Property Group continued successfully, with £118.5m achieved in 2024/25 across City Fund and City's Estate.
  - The final account for the Museum of London and Poultry Market project was settled. Notably the structural engineering firm Arup received an industry award for their work on the Poultry Market Roof.
- The City Surveyor's Department end of year outturn reveals that the department's budget was overspent by £261,000 at year end on its City Fund and City's Estate services, against a budget of £31.1m (0.8%). The City Surveyor's City Bridge Foundation services were £547,000 underspent. If this is considered, the overall position is an underspend of £286,000 against a total budget of £34.0m (-0.8%). This is before the additional £7.1m generated by the Corporate Property Group is considered.

### **Recommendation**

- That Members note the content of this report.

### **Main Report**

#### **Background**

1. In line with the City Corporation's performance management approach this is a twice-yearly report on the progress made during the second half of 2024-25 (October to March) against the 2024-29 Business Plan.
2. The department's business plan outlines seventeen Key Performance Indicators (KPIs). Investment Committee (IC) oversee the progress against twelve of these measures, whilst Resource and Allocations Sub Committee (RASC) oversee ten and Markets Board oversee two.
3. Performance is assessed on a traffic light basis (RAG), where red denotes a high risk of non-attainment, amber indicates some concern, whilst green denotes the measure being on/ahead of target.

## Current Position

4. This report provides the latest budget monitoring statement which is set out in Appendix A. The full list of KPIs, and their current performance is noted in Appendix B.
5. A separate monitoring report on the risks within the department is also circulated for this meeting.

## Key Data

### Financial Statement

6. The City Surveyor's end of year outturn reveals that the department was overspent by £261,000 at year end on its City Fund and City's Estate services, against a budget of £31.1m (0.8%). The City Surveyor's City Bridge Foundation services were £547,000 underspent. If this is considered, the overall position is an underspend of £286,000 against a total budget of £34.0m (-0.8%). It should be highlighted that Corporate Property Group generated additional income and receipts of £7.1m for central budgets which is not accounted for within the City Surveyor's budgets.
7. The full details of the variances are set out in Appendix A. The overspend on the City Surveyor's City Fund and City's Estate services is principally due to additional reactive repairs on the corporate facilities management contract and overspend at Smithfield Market, both resulting from the closure of the Poultry Market and the cap on the Smithfield Market service charges and recovery from tenants. These overspends are in part offset by savings on City's Estate reflecting better service charge recovery than anticipated, as well as savings on the corporate facilities management contract at the Guildhall complex. The underspend on City Bridge Foundation services is largely due to an underspend on professional fees and advertising, in addition to savings on the cyclical works programme arising from projects cancelled or deferred.

### Quarter 4 2024/25 update

8. The table below provides an 'at a glance' assessment of the department's performance.

Status <sup>1</sup>	Green	Amber	Red	TBC	N/A
Investment Committee	7	0	2	3	0
Overall (including non-IC measures)	10	0	5	2	0

9. Of the twelve measures presented to this Committee, seven successfully met their targets, indicated in green. However, two measures, KPI.3 Achieve rental estimates and KPI.12, property contract performance compliance fell short of their target. We are unable to report on three measures.

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<sup>1</sup> Red = High Risk of Failure or Not Achieved; Amber = Some Concern; Green = On Target or Achieved.

10. The red KPI's relevant to this committee are set out below.

**a. KPI.3 Achieve Rental Estimates**

Target: £102.5m  
Outturn: £101.2m

The objective of this KPI is to measure the rental income derived from commercial leases overseen by the City Surveyor's Department.

A separate report is being presented to this Investment Committee on Rental Estimates (City Fund and City's Estate). This item is covered in further detail in this non-public report.

**b. KP1.12 – Property Contract Performance Compliance**

This indicator provides an overall assessment of our suppliers' performance against their contract measures. This is across eight criteria spanning both operational performance and key City of London objectives.

Target – 80%  
Performance – 78% (Red)

The Department remains committed to rigorous contract performance monitoring across all lots and ensures contractors pay service credits when services fail to meet contractual standards. It is important to note that the Integrated Facilities Management (IFM) contracts have been operational for 24 months against a 5+5 year contract term, and performance is broadly in line with expectation for this stage in the tenure. The measure is red due to it slightly missing the target at the end-of-year assessment date.

Contracts continue to be managed robustly (both contractually and operationally), and we have seen continued improvement in operational performance and feedback from site teams. Whilst performance is solid, areas of improvement from suppliers is increased attention on innovation, continuous improvement and environmental, social and governance (ESG) initiatives.

11. Three indicators could not be presented in this updated:

**a. KPI.4 Minimise Arrears**

There are issues with the management information preventing the reporting of this metric. This has arisen due to credits that the Corporation has received but are unallocated to tenant accounts. The City Surveyor's Department is working closely with Chamberlain's to address this issue.

It should be further highlighted that, where relevant, the department is engaging with the City Solicitor to take action against any non-payment. Interest is charged on outstanding sums.

b. **KPI.11 Energy Use Intensity** (Kwh/m2 reduction per portfolio)

The company from which we were collecting energy data has recently been disconnected from their data provider, this has resulted in a 35% data deficit. Given this significant gap, it would be unwise for us to make any conclusions based on the limited information available for the year 2024/25.

c. **KPI.6 Outperform MSCI**

This measure is typically reported in arrears and will be communicated to the next meeting of Investment Committee.

## **Corporate & Strategic Implications**

### **Strategic implications**

12. The City Surveyor's Department is dedicated to advancing the objectives outlined in the Corporate Plan.
13. This department plays a crucial role in realising the City's vision by executing major construction initiatives, such as Salisbury Square, London Museum, and Barbican Renewal, while also preserving our heritage estate for the benefit of all Londoners and generating substantial revenue from both investment and operational property portfolios, which underpins all our activities.
14. The department actively collaborates with corporate leaders to ensure the effective implementation of our strategic priorities, particularly in relation to Destination City, the Climate Action Strategy, and the City's Corporate Property Asset Management Strategy for 2024-29.

### **Financial implications**

15. Financial information is contained in Appendix A and noted in the report.

### **Resource implications**

16. The department is diligently exploring various strategies to address the primary challenges it faces. It has identified potential avenues to improve revenue and capital inflows for the organisation and has developed business cases to progress these.

### **Legal implications**

17. None

### **Risk implications**

18. Key risks managed by the department are included in the Risk Update Report that is also reported to this Committee.

## **Equalities implications**

19. None.

## **Climate implications**

20. The department supports the delivery of the Climate Action Strategy targets (achieving EPC C by 2027 and EPC B by 2030 and Carbon Net Zero by 2040) related to our financial and property investments.

## **Security implications**

21. None

## **Conclusion**

22. Over 2024/25 the department has made good progress in achieving its key deliverables set out in the Business Plan. Whilst some measures did not achieve the target set the relevant teams are working diligently to ensure that programmes are delivered in line with expectations.

The department is working closely with Chamberlain's to address greater accuracy in management information and to reduce issues associated with unallocated credits in the system.

Whilst the department's local risk position is challenging, it continues to generate substantial income. The recent completion of outstanding rent certificates has led to an increase in rental revenue. Additionally, the department is successfully securing new income and capital receipts for the wider organisation.

## **Appendices**

- Appendix A Budget Monitoring Statement
- Appendix B Key Performance Indicator Table

## **Background Papers**

- The City Surveyor The City Surveyor's Business Plan 2024-29 (CS.329/24)
- The City Surveyor Business Plan 2024-29 – Quarter 2 2024/25 Update (CS.291/24)

Departmental Performance & Services  
City Surveyor's Department