



Our vision

'The City of London will build on its success as the world's leading international financial and business centre, and will maintain high quality, accessible and responsive services benefiting its communities, its neighbours, London and the nation'.

CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN 2008

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Notes

This document sets out policies and principles applying across the entire City of London Corporation but, where appropriate, focuses on the City Fund (which covers the City’s statutory local authority functions).

When available hyperlinks to the full versions of the various strategies and business plans located on the City’s internet site have been inserted.

FORWARD

1. Welcome to the City of London's combined Capital Strategy and Asset Management Plan, as updated in March 2008.
2. The Strategy and Plan were combined last year for the first time to give an integrated overview of the City of London's use of resources, particularly property assets, primarily in respect of the City Fund (i.e. assets held under the local authority powers exercised by the City).
3. Police, Education and Community and Children's Services have their own separate business/asset plans. However key initiatives being implemented by them are reflected in this document to ensure it gives an "over arching" view.
4. The City also owns and manages two separate funds, Bridge House Estates, which is London's largest charitable giving organisation and maintains five Thames bridges, and City's Cash which provides additional services locally and nationally and holds property assets such as Mansion House. They each have their own asset/business plans but any cross cutting initiatives or partnerships are also reflected in this document to ensure it is, as far as possible, all encompassing.

1. THE CITY IN CONTEXT

OUR SERVICES

5. The City of London is the world's leading international financial and related business services centre – a global powerhouse at the heart of the UK's financial services. The City of London Corporation provides a dedicated service to the City, from essential infrastructure maintenance to strategic economic development as well as carrying out the normal functions of a local authority. We also provide a range of services that make a wider contribution to economic, social and environmental well being. Many of these have a direct effect on people outside of the City's geographical boundaries and contribute to a wider regional and national prosperity. Full details of all of our services are available on the City of London Corporation website www.cityoflondon.gov.uk. The following gives an indication of our diversity.

6. **We support and promote the business City by:**
 - Playing a leading role in promoting the City of London as the world's leading international financial and related business services centre, representing the interests of the financial services industry in the City of London and the UK as a whole
 - Working with partners to promote and advocate improvements to London's transport infrastructure
 - Engaging with government and businesses in order to boost the competitiveness of the City as a British, European and global financial centre
 - Protecting the City's interests in Westminster, Whitehall, Brussels, China and India
 - Operating as the City of London Police Authority
 - Delivering real estate and infrastructure solutions to businesses and the property industry through the work of our City Property Advisory Team
 - Maintaining the City of London's public and non-commercial buildings, including the Mansion House and the Guildhall, ensuring that these buildings fulfil their function as both historic buildings and places of business for the City of London
 - Receiving visiting Heads of State, World Leaders and business delegations on behalf of the Government, the City and the UK

7. **We provide excellent local authority services by:**
 - Providing residential housing within the City (and in six other London Boroughs)
 - Providing five libraries (including the Guildhall and City Business Libraries used by people from all over the world) and one of the world's most comprehensive metropolitan archives
 - Providing Planning and Building Control for the City, seeking to foster the continued development of the City, whilst at the same time improving living, working and travelling conditions, enhancing the City's environment, and protecting its historic properties and spaces
 - Providing a range of services designed to promote the welfare of the City's residents, workers and visitors

- Providing an education service to promote learning, skills, development and employability
- Working to ensure that City residents and businesses enjoy an environment which is safe and, as far as possible, free from risks to health and welfare
- Managing over 150 gardens, churchyards, parks and plazas
- Offering a comprehensive street sweeping, waste collection and disposal service

8. We provide valued services for London and the nation by:

- Supporting and funding flagship organisations including the Barbican Centre; the Guildhall School of Music & Drama; Guildhall Art Gallery; Museum of London; the London Symphony Orchestra and the City of London Festival. The City of London Corporation is one of the largest funders of the Arts in the United Kingdom.
- Being the Port Health authority for the River Thames
- Managing and protecting around 10,500 acres (4,250 hectares) of open spaces, in accordance with nationally recognised standards including Hampstead Heath, Epping Forest, West Ham Park, the City Gardens, Burnham Beeches, Ashstead Common and West Wickham and Coulsdon Commons
- Owning and operating the largest cemetery and crematorium in Europe at Manor Park
- Owning and managing three of London's leading wholesale food markets (Billingsgate, Smithfield and Spitalfields)
- Supporting the Sir John Cass's Foundation Primary School in the City, three independent schools (the City of London School, The City of London School for Girls and the City of London Freemen's School) and co-sponsoring three City Academies
- Running London's largest grant-giving charity, the City Bridge Trust
- Providing facilities for the Central Criminal Court at the Old Bailey
- Maintaining five bridges across the Thames and running Tower Bridge as one of London's top tourist attractions
- Engaging in a series of extensive regeneration programmes in conjunction with neighbouring boroughs and other partners

OUR STAKEHOLDERS

The City

9. The City of London is unique amongst UK cities in that its daytime population so significantly outweighs its residential population. The City is predominately a thriving business centre; however, it is also a residential community, and increasingly a visitor destination. These unique demographics represent a challenge to us as a provider of dedicated services to the City.
10. The City's total daytime population is in excess of 350,000 comprising approximately 9,100 residents, 312,000 workers, 29,000 students, and over 8,000 visitors. According to ONS 2005 mid-year estimates the City is home to fewer children and young people, and more people of working age, than London or national averages. According to the 2001

Census of Population, 69% of the City's residential population class themselves as white British. The rest of the City's residential populations are from a wide range of ethnic origins, most notably 'other white', Bangladeshi and Irish.

London and the wider Nation

11. The significance of the City Corporation's asset base enables us to support work which extends beyond the geographical boundary of the City and our stakeholder base extends far beyond the City's businesses, workers, residents and visitors. We recognise that the City will not prosper in isolation and are acutely aware that although the City houses some of the richest concentrations of economic activity in the world, our neighbours include some of the UK's most deprived communities. For this reason we are involved in partnerships and various other alliances across seventeen of London's boroughs working to bring lasting social, economic and physical regeneration for mutual benefit.
12. As well as our regeneration partnerships, some of our statutory functions also extend far beyond the City boundary. These include ensuring the health and safety of large numbers of people through our role as the Port Health authority for the River Thames, operating the Animal Quarantine Centre at Heathrow and providing recreation and enjoyment for many Londoners through our Open Spaces in and around London.
13. The City Bridge Trust, London's largest charitable grant giving organisation, of which we are the sole trustee, makes grants of about £15m a year to charitable projects benefiting the inhabitants of Greater London.
14. The Barbican Centre has a reputation as one of the foremost arts centres in the world, producing and presenting world class programmes of international performing and visual arts of unparalleled quality and diversity in the UK. A strong commitment to excellence and diversity is evident in both the programming and the audiences at the Barbican Centre attracting audiences, clients and visitors from London, the UK and overseas.
15. A further contribution to culture and the arts are the collections, including the records of the City Corporation, held by the London Metropolitan Archives (LMA) and the Guildhall Library covering almost a thousand years of history, relating to all aspects of London life, and which are essential for anyone interested in the history of London and Londoners. We also own, manage and maintain Keats House in Hampstead which is visited annually by people from across the world.

FINANCIAL OVERVIEW

Introduction

16. The City's finances comprise three main funds:
 - City Fund – relating to its statutory local authority functions;
 - City's Cash – the City's 'private' fund which provides additional services locally and nationally; and
 - Bridge House Estates – primarily relating to the maintenance of five Thames bridges.
17. The current emphasis of this document is the statutory local government functions financed by the City Fund, but it is intended to embrace properties held by all the funds in due course.

18. The following information relates therefore to the budgets, funding and fixed assets of the City Fund.
19. Separate asset/business plans are in place for the City Fund's residential estates (including associated commercial properties), education and police properties; the remaining City Fund properties fall within the purview of this document.

City Fund Budget Figures and Local Taxation

20. A key feature of the City's fiscal position is the wide divergence between its small resident and substantial daytime populations. The latter is over 40 times greater than the former and is an important determinant of the City Fund's service provision and expenditures. The small resident base, however, limits the City's ability to raise council tax income.
21. The City Fund gross revenue budget for 2008/09 totals £344m. Incomes from fees, charges and certain specific grants are estimated to amount to £182m, resulting in a total net revenue budget of £162m.
22. Whilst the estimated total national non-domestic rates payable by City businesses in 2008/09 is £609m, only £72m (or 12%) is being retained by the City with the balance of £537m being paid to the Government for redistribution amongst other local authorities across England. Taking account of general grants from the Government of £30m and council tax income of £5m produces total available funding of £107m, and hence a 'Funding Gap' of £55m.
23. The following table demonstrates this position and details the financing items covering this gap.

	£M	£M	Notes
<u>Overall Budget</u>			
Gross Budget		344	
<u>Less:</u> Fees, charges, specific grants etc		(182)	
Net Budget		162	
<u>External Funding/Council Tax</u>			
National Non-Domestic Rates:			
• Total Payable by City Ratepayers	(609)		
• Amount Payable to Government	537		
• Net Amount Retained by City of London	(72)		
• General Grants from Government	(30)		
• Council Tax	(5)	(107)	
<u>Spending Gap</u>		55	
<u>City Funding</u>			
Rent Income from Property	(27)		(a)
Interest on Balances	(20)		(a)
Non-Domestic Rates Premium	(5)		
		(52)	
Deficit met from Reserves		3	(b)

24. It is important to note the following:

- the significant contribution made by the City’s property and other investments in support of City Fund services (see (a) in table above).
- the required call on reserves to close the spending gap over the medium term (see (b) in table above). This is clearly unsustainable beyond the short term and a number of measures have been agreed towards eliminating this requirement to enable the City to achieve the “golden rule” of matching revenue incomes with revenue expenditures.

Fixed Assets Held by the City Fund

25. The fixed assets held by the City Fund predominantly comprise land and buildings. The following analysis is drawn from the City Fund balance sheets as at 31st March 2006 and 2007.

	31.03.06	31.03.07	Assets Excluded from AMP	AMP Portfolio
	£000	£000	£000	31.03.07
				£000
<u>Fixed Assets</u>				
Operational:				
Council Dwellings	188,666	192,613	(192,613)	-
Other Land and Buildings	314,233	325,226	(69,924)	255,302
Leasehold Improvements	9,950	9,660	(9,660)	-
Vehicles, Plant, Equipment	16,240	15,424	(15,424)	-
Infrastructure and Community Assets	23,467	26,942	(26,942)	-
	552,556	569,865	(314,563)	255,302
Investment	725,815	899,795	-	899,795
Total	1,278,371	1,469,660	(314,563)	1,155,097

Analysis of Property Assets

26. A more detailed analysis of City Fund property assets as at 31st March 2007 can be found at Appendix 1. The analysis includes the number of properties across the main service areas, gross internal floor area, type and value. It excludes HRA, Police, Non-HRA housing, Keats House and schools which are managed under other plans.

Capital and Supplementary Revenue Budgets, Funding and Disposals

27. The Local Government Act 2003 requires local authorities to comply with the standard accounting definition of capital; this means that certain large value schemes, (mainly relating to works to existing buildings of a replacement or major repair nature) which would previously have been classified as capital expenditure can no longer be capitalised. Therefore, the City has introduced a type of major works schemes, known as supplementary revenue projects, to cater for schemes involving such works which do not fulfil the capital definition. A combined summary of the total City Fund capital and supplementary revenue budgets (relating to all categories of assets), based on the budgets approved by the Court of Common Council in March 2008, together with indicative costs of schemes not fully approved, and the anticipated sources of finance, are given below.

City Fund Capital and Supplementary Revenue Project Expenditure and Financing Summary

<u>Committee</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>Later Years</u>	<u>Totals</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<u>Expenditure</u>						
Committees largely within the scope of the Asset Management Plan (AMP)						
Barbican Centre	6,394	4,046	1,425	685	3,515	16,065
City Lands and Bridge House Estates	14,587	10,430	5,386	7,735	20,126	58,264
Finance (including Guildhall Improvement)	2,807	53,993	0	0	0	56,800
Guildhall Yard East Building	3	0	0	0	0	3
Library, Guildhall Art Gallery and Archives	1,396	544	492	29	2,249	4,710
Open Spaces	163	0	0	0	0	163
Policy and Resources	973	0	0	0	0	973
Port Health and Social Services	3,182	4,427	4,814	550	2,805	15,778
Spitalfields Market	0	0	0	0	0	0
Sub-Total - Committees largely within AMP	29,505	73,440	12,117	8,999	28,695	152,756
Committees largely outside the AMP						
Barbican Residential	27	1,597	1,593	1,884	5	5,106
Education	89	0	0	0	0	89
Community Services	2,773	1,495	308	1,140	4,550	10,266
Keats House Management	6	114	0	0	0	120
Planning and Transportation	14,324	6,235	6,022	4,584	4,422	35,587
Police	1,359	0	0	0	0	1,359
Total City Fund	48,083	82,881	20,040	16,607	37,672	205,283
<u>Financing</u>						
Revenue/Reserves	11,087	8,106	5,109	4,768	6,907	35,977
Capital Receipts	22,108	68,378	10,873	8,830	26,495	136,684
Borrowing	0	0	0	0	0	0
Grants and Reimbursements	14,888	6,397	4,058	3,009	4,270	32,622
	48,083	82,881	20,040	16,607	37,672	205,283

28. Significant capital receipts are expected to arise either from redevelopments or when older ground leases are restructured, or may be generated to finance future investment opportunities.

Unsupported Borrowing

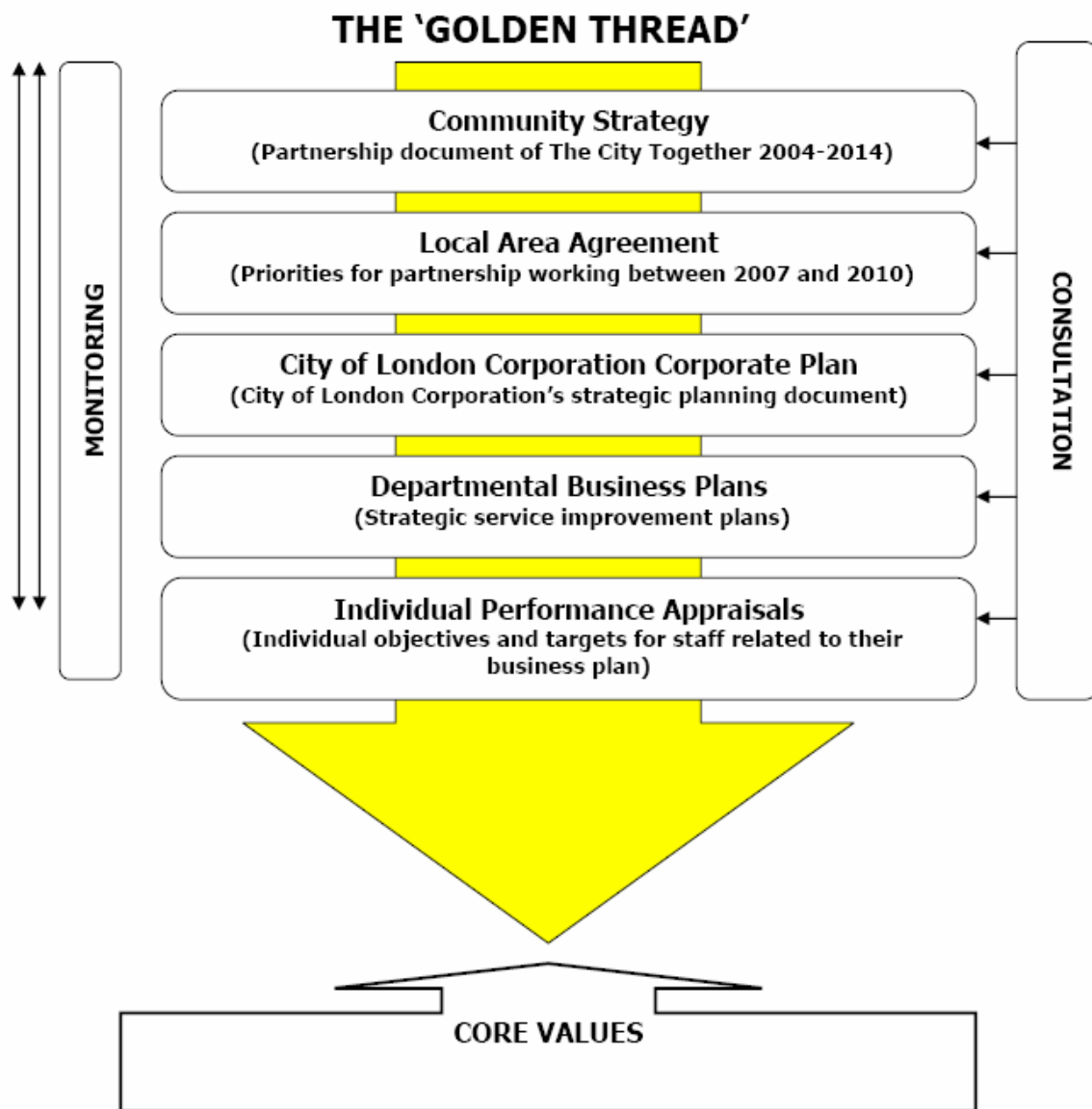
29. The City is a debt-free authority and its budget strategy assumes that a large proportion of capital expenditure will be funded from capital receipts. The prudential system of capital finance contained in the Local Government Act 2003 enables local authorities to borrow in order to finance capital expenditure; as sufficient capital receipts are expected to be received it is not anticipated that there will be a requirement to borrow to finance capital activities during the planning period.

2. OVERVIEW OF KEY STRATEGIES

STRATEGIC PLANNING CYCLE

30. Our annual planning cycle establishes clear linkages between the Community Strategy and the Local Area Agreement, our own Corporate Plan and departmental business plans. The chain of processes, from the Community Strategy and LAA, through the Corporate Plan, other statutory plans and partnership plans, to local departmental business plans and individual performance appraisals, establishes a clear link between all the different levels of strategy, policy, target setting, planning and action and is known as the 'golden thread'.

Strategic planning cycle



THE CITY OF LONDON COMMUNITY STRATEGY

31. The Community Strategy sets out the vision for the City of London for the next 10 years. Its purpose is to facilitate greater co-ordination of public service delivery and to ensure that these services reflect the needs and aspirations of the City's communities – namely businesses, residents, workers and visitors.



32. The Strategy comprises eight themes and considers how each of these themes contributes to the City's economic, social and environmental sustainability. It looks to address three cross-cutting issues (equal opportunities and accessibility, sustainable development and climate change) across all themes, and encompasses the views and needs of the City's diverse communities, including children and young people, older residents, disabled people and our ethnic minority populations.
33. Each theme identifies its vision, its key objectives and its actions. An overview of each theme is available via the following hyperlink [Community Strategy](#) starting on page 14.
34. Coupled to the Community Strategy is an annually updated Action Plan which is devised by The City Together and its individual partner members. This shows the objectives set for each theme as well as related actions for which the lead partner is identified, appropriate measures a baseline and target. Full details are available on the City of London Corporation website with direct access via the following hyperlink [Action Plan](#)

LOCAL AREA AGREEMENT

35. The City of London Local Area Agreement (LAA) was introduced in June 2007 and it reflects and responds to the needs of the varied communities with which, and for whom, the partners to the agreement work: the business community, our residential community, the communities in our neighbouring boroughs, the people of London and the nation as a whole.
36. The City Together (TCT), the City of London's local strategic partnership, proposes through the LAA, the priority outcomes to be focussed on over the next three years. The agreement brings together the key partners within the City and encourages them to work together to engage in its delivery for the benefit of our varied communities of interest within the Square Mile, London and the nation.
37. The intention of the LAA is to:
- improve public service delivery to our communities
 - focus on delivering key outcomes centred on areas of need in our communities
 - build on partnership working
 - allow partners to deliver services more flexibly within simplified partnership arrangements
 - establish efficiency and effectiveness improvements both in terms of quantity and quality
 - reduce reporting requirements to central Government, and
 - articulate the City of London's wider influence in London and the UK
38. The scope of the LAA includes:
- clear local commitment to delivering some of the key headline national priorities
 - clear local commitment for dealing with the priority issues that matter locally, and where appropriate beyond the City boundary, and
 - identification of indicators and targets which have been selected as suitable to be stretched over the coming three years in return for the payment of a performance reward grant from central Government on the successful achievement of these reward targets.
39. Emerging priorities identified in the LAA are reflected in the Corporate Plan.

CORPORATE PLAN

40. The Corporate Plan is the City of London's main strategic document and provides a framework for the delivery of its services. It sets out a clear statement of the City of London's vision, strategic aims, policy and organisational priorities over the next three years. The plan also sets out the specific actions to be taken in support of the delivery of these priorities during 2008/09 and outcome performance measures.
41. The full version of the Corporate Plan can be found at the following hyperlink [Corporate Plan 2007/2010](#)

Shaping the future of services

42. The aim of the Corporate Plan is to prioritise those areas of activity on which the organisation will focus its attentions over the medium term and it does cover in detail all of the wide ranging areas of work in which the organisation is involved. The supporting departmental business plans provide the detail on the improvement plans of individual service areas.

Our strategic aims and policy priorities

43. From the overall vision three strategic aims have been identified:

- SA1** To support and promote the business City
- SA2** To provide excellent services for our communities
- SA3** To provide valued services for London and the nation as a whole

44. Supporting the achievement of these strategic aims are five medium term **key policy priorities**:

- KPP1** To support the business City, London and the nation in our role as an advocate for the financial services industry
- KPP2** To ensure that the City remains a good place to do business
- KPP3** To provide excellent local authority services
- KPP4** To promote culture and recreation
- KPP5** To support regeneration in the City, City fringes and beyond

45. The strategic aims and policy priorities are driven by the eight themes of the Community Strategy.

Turning our aims and priorities into action

46. Specific actions were taken during 2006/07 to support the achievement of the City's policy priorities and its strategic aims.
47. 14 actions were fully completed and full details of the specific actions and the accompanying Outcomes Framework can be found using the following hyperlink [Outcomes Framework](#)

FINANCIAL STRATEGY

48. The City's current financial strategy reflects its objectives and priorities. It also takes account of the other strategic and service plans that it already produces and the consultation relating to their preparation. All departments are now required to produce annual business plans within agreed resources, which reflect the City's strategic objectives and policy priorities.
49. The City's existing financial strategy aims to provide a common basis for guiding its approach to managing financial resources no matter what their source. It is to:-
- maintain and enhance the financial strength of the City of London Corporation through its investment strategies for financial and property assets;
 - pursue budget policies which seek to achieve a sustainable level of revenue spending and create headroom for capital investment and policy initiatives;
 - encourage competition for resources;
 - create a stable framework for budgeting through effective financial planning; and
 - promote investment in capital projects, which bring clear economic, policy or service benefits to the City.
50. Clearly this strategy has to be appropriately tailored to the circumstances applying to each Fund - for example, Bridge House Estates is subject to the financial regime which derives from its charitable status. The AMP concentrates on the City Fund.
51. Within this strategy annual resource allocations for 2008/09 are determined taking account of:-
- the vision and objectives of the Community Strategy;
 - the City's objectives and priorities as expressed in its Policy Plan;
 - Members' priorities and the outcomes of cross cutting, head count and capital programme reviews;
 - key service objectives as expressed in departmental business plans; and
 - the actions arising from the City's CPA assessments.
52. A key feature of current budget policy for the City Fund over the medium term is to move towards achieving the "golden rule" of matching annual revenue incomes with expenditures.

3. CAPITAL STRATEGY

Introduction

53. The primary purpose of a Capital Strategy is to set out in overall terms how the development of capital resources contributes to the achievement of an authority's goals.
54. This overriding Capital Strategy, together with the other sections of this document, have been prepared in consultation with the Chief Officers' Group and, in particular, the City Surveyor as Corporate Property Officer.

Background

55. The City of London Corporation (the City) has a number of unusual features:
 - It is not required by statute to adopt any of the new models of local government and has decided to continue to operate through a committee structure which incorporates a system of checks and balances.
 - It holds three separate funds: the City Fund (providing local authority functions), City's Cash (a private, historic fund) and Bridge House Estates (a charitable trust fund) which together finance a unique and wide range of services. Managing and maintaining the Funds' capital assets is a major area of activity for the City. A total gross capital and supplementary revenue budget of £223m covers the five-year period from 2007/08.
 - It owns substantial commercial property and financial investments. The incomes from these investments are fully applied in providing an extensive range of services which would be impossible to maintain from general Government grant.
 - It has 'debt-free' status and finances capital expenditure mainly from reserves, capital receipts and revenue.
56. In the light of the Community Strategy, the Corporate Plan sets out the City's Vision, Aims and Key Policy Priorities. The Community Strategy and the Corporate Plan also shape the Capital Strategy, to ensure that the City's extensive and varied capital resources are deployed to realise its corporate objectives and priorities.
57. The Capital Strategy is reflected in the City's medium term (five-year) financial planning model, which provides the background to the annual resource allocation process. Members of the City's two main corporate Committees, Finance and Policy and Resources, consider these financial plans when devising the future Financial Strategy for the authority. Accordingly, the Financial Strategy incorporates both the authority's capital and revenue spending plans and demonstrates their implications for its resource base.
58. The Capital Strategy is interlinked with the Asset Management Plan (AMP) (contained in a separate section) which sets out in detail the City's approach to property asset management. Departmental business plans also relate to the Capital Strategy where these have significant capital resource implications.
59. The City has established a framework of committees and working groups at both Member and officer level which maintains clear links between the various strategies and plans and ensures consistency with its aims and priorities.

The Capital Strategy within the City's Strategic Planning Framework

60. The City has adopted the vision and strategic themes from the Community Strategy as the overall framework for the provision of its services.
61. Objectives and actions within the Community Strategy which may lead to significant capital expenditure are shown in italics following each of the themes below:

A World Class City

- *continue to ensure the supply of business accommodation meets the diverse needs of existing and potential City and City fringe firms*
- *contribute to the provision of SME workspace in the wider City fringe*
- *facilitate the provision of more affordable housing in areas surrounding the City, including key worker accommodation (in particular for public sector workers), to support the infrastructure of the City*

Good Transport for a Thriving City

- *facilitate the provision of an enhanced public transport service*
- *improve the 'pedestrian experience' by enhancing the streetscene, road safety and transport interchanges*

A Clean, Pleasant and Attractive City

- *protect, maintain and enhance the built environment of the City*
- *enhance the quality of the City's streetscene*
- *enhance the riverside walkway and foreshore*

A Healthy City

- *continue to minimise the risk to people's health, safety and welfare from the City's environment*

A Safer City

- *continue to promote security, business continuity and emergency planning within the City*
- *improve road safety*

A Vibrant and Culturally Rich City

- *redevelop City Information Centre to provide a new facility*
- *continue to deliver and extend the outreach programmes of the City's arts and culture attractions*

An Inclusive and Outward Looking City

- *enhance the accessibility of the City*

A Skilled and Learning City

- *support the development of new City Academies in the City fringe*
- *further develop the City's libraries and archives in support of learning and the acquisition of new skills*

62. The City's Financial Strategy provides a common basis for guiding its approach to managing financial resources, no matter what their source. A key objective of this strategy is to promote investment in capital projects which bring clear economic, policy or service benefits to the City. In order to provide resources for this objective, the City has a long-established policy of realising poorly-performing assets, primarily commercial and operational property, to provide funds for reinvestment. This theme is developed further in the subsequent section describing the AMP.
63. Bids for new capital projects are considered annually by the Finance and Policy and Resources Committees in a corporate process which runs parallel to the preparation of revenue estimates. The revenue implications of capital projects are considered at this initial stage and examined in detail when projects are fully evaluated.
64. Capital bid approval is required before a project is included in the capital budget. The capital budget is important as a corporate financial planning and monitoring tool. Subsequent to bid approval, schemes are worked up in greater detail by officers, often involving the engagement of consultants and wider consultation exercises. An in-depth evaluation report is prepared covering the evidence of need, assessing the different options available and examining the projected costs and benefits of the proposed scheme. Links with corporate strategic objectives are identified and highlighted at this stage. These reports are generally considered by the appropriate service committee, the Finance Committee and, in the case of major schemes, the Court of Common Council. The Policy and Resources Committee occasionally selects projects with particularly significant policy implications for consideration by itself rather than the Finance Committee. Full evaluation report approval provides Member authority for the project to proceed to implementation, subject to compliance with various cost thresholds.

Prioritisation of Capital and Supplementary Revenue Schemes

65. The following system of prioritisation has been developed in conjunction with the Town Clerk and is adopted when preparing capital bid reports.
66. As a pre-requisite each new bid should be required to state clearly, with justification, the linkages of the scheme to the City's corporate objectives / Community Strategy themes. Unless a scheme can demonstrably clear this hurdle it should not proceed further. Property related bids should include the comments of the City Surveyor in his role as Corporate Property Officer, to ensure compliance with the AMP.
67. Each new proposal should then be identified with ideally one of the following categories – this should encapsulate the main objective for undertaking the scheme.
 1. Health and Safety
 2. Statutory
 3. Spend to Save/ Income Generating
 4. Substantially Reimbursable
 5. Any other priority developments as determined by the Medium Term Strategy or the annual resource allocation process.
 6. Improvements in productivity/efficiency
 7. a) Asset enhancement/improvement (capital)
b) Major renewals, typically of a one-off nature (supplementary revenue)

68. These would apply as appropriate to both capital and supplementary revenue bids and to all funds.
69. Each categorised scheme should then be given one of the following priorities, with appropriate justification:
- E - Essential
 - A - Advisable
 - D – Desirable
70. The primary objective of the scheme must be simply and clearly stated. Ideally each bid should have one category and one priority only. However, where a proposal comprises distinct elements, each element may have its own priority and category. This will enable Members to decide whether to approve all or only some elements of the scheme.
71. All bids for a particular committee should preferably be submitted to the same meeting of that committee, which should be asked to prepare a priority ranking of all such bids on a Fund basis.
72. All new bids which have been categorised and prioritised as above are then summarised accordingly on a Fund basis in the annual bid report to Estimate Working Party/Resource Allocation Committee (EWP/RASC) in September. In addition, all approved bids which are still awaiting evaluation are also summarised.
73. In advance of inviting new bids and as part of the resource allocation process for the ensuing year, particular priorities may be identified by Members (which will become category 5). Different priorities may be set for each Fund as appropriate.
74. As part of the agenda planning process, the Committee Clerk consults with the Town Clerk, Service Committee Chairman and the Chairmen of Policy and Resources and the Finance Committees prior to the bid being considered by the Service Committee.
75. In view of the impact of supplementary revenue projects on revenue reserves such projects continue to be subject to the same degree of scrutiny as capital projects and a common system of prioritisation and categorisation applies to both types.
76. The benefits of this approach include the following:
- the prerequisite is that all proposed schemes relate to corporate objectives/Community Strategy themes
 - it is transparent and easy to administer
 - the categories embrace the Prudential Code themes of affordability, prudence and sustainability
 - it treats all unevaluated schemes on equal merit
 - it provides a robust framework
 - it ensures that all bids conform to a common standard thereby facilitating comparison and prioritisation
 - the use of E, A and D is a long established and recognised approach in revenue.

Consultation

77. The City undertakes regular and extensive consultation with its stakeholders. For example, there is an established contact programme with senior business leaders; ‘state of the nation’ surveys are undertaken every three years with City executives, businesses, residents and workers; regular residents’ consultation meetings and satisfaction surveys take place, and departments conduct a range of consultations with users and non-users of their services. Each year business ratepayers are consulted on the draft City Fund capital budget as part of the annual National Non-Domestic Rate (NNDR) consultation exercise. The Community Strategy has served to amplify these consultation arrangements - in addition to the wide-ranging consultation conducted when developing the strategy, annual stakeholder consultation takes place to review the objectives and actions under the eight themes.

Partnership and Consultative Working

78. In order to develop the Community Strategy, the City established a Local Strategic Partnership, known as The City Together, with sub-groups co-ordinating the work on individual themes. These groups are having an input to the development of the City’s policy priorities and the associated actions and targets, which will be reflected in future
79. The City has a long tradition of providing services for the benefit of the whole of London and beyond, or which are simply outside its boundaries and consequently require joint working and consultation. It takes an active role in pan-London initiatives and has a specialist staff team working on partnership issues within the Economic Development Office.
80. The City, as part of its economic development strategy, is committed to working in partnership with its neighbours in the City Fringe and Greater London to improve economic, social and environmental conditions. It is acutely aware, that although the Square Mile houses the richest concentrations of economic business in the world, its neighbours include some of the country’s poorest communities. Through regeneration partnerships, including City Fringe, Cross River, Cityside and Pool of London, the City works with the seven immediately adjacent London boroughs. Some activities extend further afield to both east and west through Thames Gateway and Central London Partnerships (covering a further ten boroughs). Significant projects completed or being progressed in partnership with others include three City Academies in Southwark, Islington and Hackney. The City has embarked upon a programme to purchase sites and properties for use by small and medium size enterprises (SMEs) in the wider City fringes and inner Thames Gateway, which will both add to the stock of workspace for supporting industries to help reinforce the City cluster and to preserve jobs for residents of neighbouring areas.
81. The Square Mile depends heavily for its economic success on efficient and effective transport links. Consequently, the City works closely on many transport issues with Transport for London (TfL) and other transport organisations to implement its Integrated Transport Strategy. In particular, the City acts as the lead authority for the central sector of the London Bus Priority Network, working with TfL and five London boroughs to design and implement improvements to bus services in this area. Additionally, it continues to actively support the proposed Crossrail project for London.
82. The geographical spread of the services provided by the City means that well-established consultation mechanisms exist with local councils and user groups for the open spaces, the Port Health functions, housing estates, bridge maintenance, etc. For example, several

housing estates have tenants' and residents' associations which discuss a variety of issues with City officers, including capital projects, on a regular basis. The Residents' Forum is an umbrella body of residents drawn from the Residents' Associations and meets bi-monthly to discuss a variety of housing issues with senior housing officers attending when requested. This group feeds into the Housing Liaison Group which comprises Members and residents and makes recommendations to the Community and Children's Services Committee on housing policy, practice and service-related issues.

83. The Community and Children's Services Department previously conducted a wide-ranging consultation to inform the Stock Options Appraisal Process. Residents' views on the future management of City's housing estates, and aspirations for these estates were collected through estate road shows, newsletters inviting comments, residents' association meetings, the Annual Residents' Open Day and the appointment of an Independent Residents' Adviser (consultant) to help and advise residents throughout this process. The process was overseen by a steering group made up of officers, Members and residents (with voting rights) and produced the final report including its recommendations.
84. The consultation found that the majority of residents wanted the City to retain ownership of its estates, but wished to explore alternative management options to increase resident involvement. This conclusion has been approved by the City and the Government. Work to take forward these ambitions is now underway.
85. In addition to the partnerships described above, the City frequently works with private developers and City firms to promote and implement property schemes to support the financial and business City, by providing suitable accommodation and other facilities which enhance the City's attractiveness as a place to do business. Recently, the City has completed with a joint venture partner a one million square foot (gross) office development (pre-let to a major City firm) on the former Spitalfields Market site in Tower Hamlets. This complex property scheme involved a web of private/public partnerships, with the City playing a lead role in attracting private investment, including employment, into the area.

Performance Measurement and Monitoring

86. The City has a comprehensive procedures manual which sets out how projects are to be evaluated, implemented and monitored. The manual draws on the City's extensive experience of implementing major schemes such as building the Barbican Centre and refurbishing Smithfield Market, as well as smaller projects. Regular committee progress reports are required on major projects. There is now a post implementation review procedure for completed capital projects to measure that they are achieving the objectives established initially when the evaluation report was approved with outcome/outturn reports being submitted to Committee.
87. Each capital scheme is controlled and monitored by the department responsible for its implementation. The largest technical department, the City Surveyor's, employs dedicated monitoring officers. Information on expenditure to date and spending approval details for individual schemes is available to all finance staff on the corporate accounting system and smaller departments with fewer schemes tend to rely on this.
88. Overall monitoring of the whole capital budget is carried out by the Chamberlain (Director of Finance). Regular monitoring occurs during the year through interdepartmental meetings of programme officers to establish whether projects are proceeding in accordance with forecast targets, in terms of expenditure and key dates. Revisions to the budget are reported to the Finance Committee after each review, with

explanations given for significant individual anticipated expenditure variations. Financing of the capital budget is also determined and monitored centrally by the Chamberlain. This finance is derived mainly from internal sources (direct from revenue, revenue or capital reserves or from capital receipts) but external sources (Government grants, other grants and developers' funds) are levered in wherever possible.

89. The City's capital programme system provides a central source of information on projects, such as project description, implementing/ client departments, key dates, capital budgets, expenditure phasings and potential funding sources. It assists with corporate monitoring of the capital programme. Capital budget monitoring and control is also supported by the Projects Module within CBIS (the City's Business Information System).
90. Following a Best Value review of Personnel and Management Services, a corporate procurement strategy is now in place which aims to ensure efficiency, effectiveness and best value for all the City's arrangements for the procurement of works, goods and services.
91. The importance of the City's three investment property portfolios warrants special performance measurement arrangements. Each fund's investment property portfolio is measured against the Investment Property Databank (IPD) universal and London benchmarks and the results reported annually to Members. The performance of each fund varies from year to year but in general has been positive.
92. The Government's controls over local authority capital investment now revolve around a Prudential Code introduced in 2004/05 requiring local authorities to demonstrate that their capital investment is affordable, prudent and sustainable. The City fully complies with the requirements of the Code.

Conclusion

93. The City's Capital Strategy provides a common basis for guiding its investment in projects of a capital nature. Within the policies set out in the Community Strategy, the City's Corporate Plan, the Financial Strategy and other plans, the Capital Strategy aims to:-
 - maintain and enhance the City's services, in line with its Aims, through prioritised capital projects;
 - pursue opportunities for capital investment which assist the City to flourish;
 - promote investment in capital projects which bring clear economic or policy benefits to the City;
 - prioritise capital projects within the forecast resources available;
 - adopt, wherever possible, sustainable development standards within new capital projects; and
 - reflect the results of consultation, wherever possible, within the selection of capital projects.

4. ASSET MANAGEMENT PLAN 2008

PROCESSES

INTRODUCTION

Primary Aim

94. The primary aim of this Asset Management Plan (AMP) is to ensure that the opportunity cost of the City's financial resources tied up in land and buildings is recognised, and that capital and revenue expenditure on the portfolio is directed efficiently and effectively to provide value for money. This aim is set within the general context that asset management is "optimising the utilisation of assets in terms of service benefits and financial return" (Asset Management of Local Authority Land and Buildings – Good Practice Guidelines, March 2000 published by the (then) Department of the Environment, Transport and the Regions).
95. This AMP demonstrates that there is an authority wide co-ordinated approach to asset management planning within the City of London Corporation together with ongoing regular reviews of its property holdings. Partnership is one of the key concepts underlying the overriding Community Strategy which has been developed by "The City Together", a partnership, which brings together key public, voluntary and private sector providers alongside representatives of our business and residential communities. Wherever appropriate, this AMP seeks to identify possibilities where property can play a role in the development of partnerships.

Scope of the AMP

96. The City of London Corporation is a diverse body with wide ranging roles and responsibilities. However it differs from the normal concept of a local authority in that it only has one school and limited social housing. Appendix 1 gives a good overview of the property assets held and this helps illustrate the wide role and range of services it provides.
97. Its vision is:

"The City of London will build on its success as the world's leading international financial and business centre, and will maintain high quality, accessible and responsive services benefiting its communities, its neighbours, London and the nation".
98. This AMP has been written to assist with the realisation of this vision.
99. The Government has specified that AMPs are to apply only to property assets (i.e. land and buildings); thus highways and transport infrastructure, vehicles, plant and equipment are excluded. Furthermore, there is no requirement to cover housing, education and police assets as these are dealt within the City's Housing Business Plan, the Education Business Plan and the City of London Police Business Plan. The Corporate Property Officer is in regular contact with the Director of Community and Children's Services (housing, social services and education) and the City of London Police to ensure that no partnership or cross cutting opportunities are missed. Any significant matters arising from this consultation process and the business plans are reflected in this document.

100. The scope of this AMP is, thus, all of the City Fund property assets (i.e. property held under the local authority powers exercised by the City of London) together with the Guildhall office complex. In this way all property assets either owned or occupied (in whole or in part) by City Fund services will be covered.

An overview of the property assets covered by this AMP

Operational Assets

101. The authority's City Fund operational assets range from the usual local authority properties (such as lending libraries, car parks and public conveniences) to individualistic buildings of regional/national importance. Examples of the latter include the Barbican Centre, the Central Criminal Court (the "Old Bailey") and the New Spitalfields Market.
102. The principles of good asset management are applicable to each operational property although clearly the City has also to allow for potentially wider issues (e.g. operational constraints) pertaining to certain of its unique buildings.

The Guildhall Complex

103. The main administrative base of City Fund services is the Guildhall office complex. Whilst this accommodation is predominantly vested in City's Cash it is being covered by this AMP as explained above. The complex comprises three main office blocks, constructed in the 1950s (North Wing), 1970s (West Wing) and 1990s (East Wing), around the mediaeval Guildhall, a Grade I listed building. A major refurbishment is underway of the North Wing and the West Wing with completion being due April/May 2008.

Non-Operational Assets

104. With some 270 acres of the City devastated by bombing in the Second World War, the City of London Corporation, in pursuance of its statutory obligations, proceeded to facilitate the rebuilding of the City. The City Fund Estate came into being by the purchase of land and buildings under the provisions of the Town and Country Planning Acts and, to a lesser extent, the Highways Acts. The Estate now comprises over 86 commercial properties, predominately offices and, in the main, located within the "Square Mile". Many are let on long ground leases although a limited number are directly managed. They are collectively described as City Fund Investment Properties.
105. The City Fund investment properties actively contribute towards the City's policies for the continued redevelopment and enhancement of the City and its immediate environs. The City's ongoing objectives for these properties are not only to manage the portfolio efficiently and to maximise its economic potential, both for the benefit of the City of London Corporation and the City but, more importantly, to use its position as landowner to ensure the availability of land and buildings in the City and its immediate environs for institutions and businesses. This is the overriding theme of the 10 year strategy for the City Fund Investment Properties which was adopted in 2003 and was reviewed in early 2008.

ORGANISATIONAL ARRANGEMENTS FOR CORPORATE ASSET MANAGEMENT

Operational Properties

106. The management of operational properties “in use” is generally the responsibility of the relevant Service Committee, although the approval of either the Policy & Resources or Finance Committee (and, in some instances the Court of Common Council) is needed for expenditure on major projects.
107. However, the City is moving towards a “landlord” and “tenant” arrangement where the departments in occupation become the “tenants” and the “landlord” provides and maintains the accommodation for them.
108. When an operational property is declared surplus to requirements by a Service Committee, it is transferred to the Property Sub-Committee which has regard to any other potential uses for that property including transfer to one of the investment portfolios before deciding on the most appropriate method of disposal.

Non-Operational Properties

109. A dedicated property Committee of senior Members was created some 11 years ago, the Property Sub-Committee of the City Lands and Bridge House Estates Committee, primarily to manage the City's non-operational property. Its terms of reference include responsibility for determining and approving property investments and property management matters relating to the City's non-operational properties.
110. The Sub-Committee usually meets on a monthly basis to consider reports submitted, in the main, by the City Surveyor. Each year the Investment Property Databank (IPD), an external benchmarking service to which the City of London subscribes, makes a presentation to the Sub-Committee on the performances over the previous calendar year of the City's commercial investment properties, including those owned by the City Fund. A similar exercise is undertaken internally for the Strategic Property Estate.

Officer Arrangements for Asset Management

111. The City Surveyor has been appointed Corporate Property Officer (CPO) and he has nominated the Director of Corporate Property to act for him. Committee reports where there are property implications should be seen and commented upon by the CPO and this requirement is included in the Town Clerk’s report consultation check list.
112. Responsibility for the day-to-day management of the City's non-operational properties rests with the City Surveyor. He also provides advice on property issues across the City of London Corporation and oversees the maintenance of most of the operational properties; the main exception being the Barbican Centre where such responsibility lies with the Managing Director concerned.
113. The City Surveyor provides an overall property service to the City of London Corporation, supporting Strategic Aims by :-
 - i. Producing updated property strategies for each of the City's investment property portfolios, having regard to their wider objectives;

- ii. Achieving total property performance (i.e. rental and capital growth) for each investment portfolio in accordance with agreed targets;
- iii. Maintaining an up-to-date terrier of all of the City's interests in land;
- iv. Maintaining and enhancing in cost effective terms the physical condition of the City's investment properties;
- v. Undertaking asset valuations for capital accounting and other purposes;
- vi. Providing a cost effective property review and advisory service in respect of the City's operational properties and all City and City fringe properties through the departmental City Property Advisory Team;
- vii. Providing a comprehensive property database; and
- viii. Developing and maintaining an effective internal and external communication strategy and improving the management systems of the department.

114. These are reflected in the City Surveyor's departmental objectives, which are cascaded down to individual officers as part of the staff appraisal system. Progress and targets are reviewed 6 monthly.

Corporate Asset Management Team

115. The City Surveyor as CPO acts as Chairman of the Corporate Asset Management Team (CAMT) whose members include senior representatives of the Town Clerk's and Chamberlain's Departments. Other senior officers are co-opted on an ad hoc basis when their particular knowledge or skills are sought. Much of the role of the CAMT is to draw together work and initiatives already undertaken across the City of London, and to identify property implications.

116. Its detailed terms of reference are:-

- i. to see whether the City's Community Strategy, other strategies/business plans and recent internal or external audits have any implications for asset management and to identify appropriate overall objectives and detailed targets;
- ii. to consult all relevant stakeholders on future asset requirements;
- iii. to identify and clearly define the extent of the City's property portfolio to be covered by the AMP;
- iv. to assemble the necessary property data, identify any deficiencies and arrange for required data to be collected;
- v. to prepare, monitor and review Property Performance Indicators (PPIs) that are relevant and meaningful for effective asset management;
- vi. to ensure that condition surveys of all properties covered by the AMP are undertaken and updated regularly;
- vii. to promote the application, where appropriate, of Whole Life Costing techniques in option appraisals and evaluations;
- viii. to ensure, where appropriate, that on completion of schemes outcome/return reports are produced following consultation with the relevant stakeholders;
- ix. to review the suitability and sufficiency of the existing portfolio in the light of all of the above – in particular, to identify inefficient, uneconomic, ineffective or surplus assets and determine the available options so as to recommend the action that should be taken; and

- x. to prepare the annual AMP for examination and comment by the Corporate Asset Management Working Party whose role is described below.

Member Arrangements for Asset Management

117. At Member level, a Corporate Asset Management Working Party (CAWMP) has been established comprising the Chairmen and Deputy Chairmen of Policy and Resources Committee, Finance Committee, the Property Sub-Committee and the City Surveyor, thus the CAWMP includes the key Members of the two central Committees which oversee each year's budget round and are responsible for the policy and financial management of the City of London, as well as senior representatives of the dedicated Property Sub-Committee.
118. When considering property as an investment medium the Resource Allocation Sub-(Policy and Resources) Committee (which is chaired by Chairman of the Policy and Resources Committee and includes the Finance Committee Chairman and a representative of the Property Sub-Committee) looks at the weighting of property vis-a-vis other forms of investment such as equities and gilts to ensure an appropriate spread of risk.
119. The overall role of the CAWMP is to oversee the preparation and annual updating of the Corporation's Asset Management Plan and to monitor its implementation. The AMP is presented to the Policy and Resources Committee for final approval before it is formally adopted.
120. The Chairman of the Policy and Resources Committee has been formally designated to act as the lead Member having special responsibility and oversight for the City's property holdings.

CONSULTATION

121. To provide appropriate Member involvement with the collection and use of PPIs as well as the preparation of the AMP, the CPO ensures that through the CAWMP Members are fully consulted on these matters.
122. One of the key objectives of the City Surveyor's department is to provide a cost effective property review and advisory service to all departments within the City of London Corporation. To promote best practice and good communication with client departments, a yearly programme of visits to all major client departments was introduced over five years ago with priority being given to those where the Chief Officer has recently changed. It is intended to carry out twice yearly visits in the future to enhance the management of the City's assets. The purpose of these visits is essentially twofold; firstly, to agree and implement clear Service Level Agreements with each department, and secondly, to obtain feedback on property use and requirements including property asset implications arising from CPA action points, cross cutting, head count and capital programme reviews and Business Plans (see Appendix 6). As part of this process, the CPO may challenge the way properties are being used and look at alternative options to improve service delivery.
123. The City Surveyor also employs staff with a client liaison remit who consult and obtain feedback from client departments and other stakeholders such as contractors and consultants. Stakeholders are consulted on whether their expectations with regard to service delivery are being met and how and what service improvements can be carried out.

124. The expectations and requirements of users are reflected in the AMP through the mechanisms of consultation with client departments described above but also through monitoring the Community Strategy/Action Plan, CPA, and the Policy Plan along with cross cutting, head count and capital programme reviews and Business Plans plus any other service plans.
125. In the case of non-operational commercial properties in multiple occupation which are in direct management and where the City of London, as landlord, provides certain services, the costs of which are recoverable from the tenants via a service charge, there are regular "Tenant Liaison Meetings" to air topical issues concerning the way the properties are managed. Surveys of the stakeholders involved in the facilities management service provided to such properties are carried out on a regular basis to monitor performance trends and to see what action needs to be taken.
126. The City Property Advisory Team (CPAT) concentrates a large proportion of its time speaking to, and consulting with occupiers (movers, potential movers, general after-care contact); developers, property investors and agents (discussing existing, proposed and future schemes as well as frequent general contact). CPAT project manages various matters on behalf of occupiers and property industry clients, liaising with other City of London departments and external bodies. In addition, CPAT promotes its services to SMEs, encouraging them to use CPAT services for advice on available premises in the City and City fringes, and in providing general help via the City Relocator web tool (forming part of the www.thelpr.com website).

DATA MANAGEMENT

All Properties

127. Core and intermediate data on all properties in which the City of London has an interest (other than certain peripheral highway lands which are being researched and added on a rolling basis) is held on the corporate Manhattan database, which acts as the City's Property Asset Register.
128. Manhattan is supplemented by a plan based system on GIS (geographical information system) which shows the extent of the City's property holdings graphically on Ordnance Survey maps. Information between the these two systems are to be linked by means of Unique Property Reference Numbers (UPRNs) which comply fully with BS7666, and have been introduced in conjunction with the Planning & Transportation Department which took the lead on this. The City's Implementing Electronic Government (IEG) statement contains a commitment to establish and maintain the local land and property gazetteer which will conform with the national land and property gazetteer, and provide UPRNs for land and property in the City that comply with BS7666.
129. There are procedures in place to ensure that any property information changes are properly recorded. When any land transaction is completed, the Comptroller & City Solicitor's Deeds Registry will not accept the legal document unless it has been endorsed to the effect that Manhattan has been updated accordingly. A copy of the document is also sent to the IT Services Officer in the City Surveyor's Department to input supplementary information and to amend the GIS database. The IT Services Officer routinely checks the integrity of the information by running off reports to identify omissions/changes or inconsistencies.

130. Following an internal audit review in 1998, Service Departments are now asked to verify on a regular basis that all the properties they either use or control are included on Manhattan and to clarify which department will be responsible for monitoring events such as lease expiries and rent reviews.

Operational Properties

Space Utilisation

131. The relevant floor plans for the City's central office accommodation and other City Fund operational properties are held on a CAFM (computer aided facilities management) software package called Archibus and over the coming years this will be extended to cover all other properties occupied by the City of London (excluding housing).
132. CAFM, within the Guildhall complex, allows the City to track all aspects of its building space. Additionally the system can incorporate many other asset management activities such as furniture and equipment inventories or cable routing details, if so desired.
133. Apart from being invaluable in holding and analysing information, CAFM assists with attribution of premises costs, capital accounting valuations and accommodation moves/space planning. It was and is a powerful tool when looking at decanting arrangements for the refurbishment of North Wing and West Wing of the Guildhall complex and, for example, allowed the efficiency of space usage to be easily measured, including determining typical densities and costs, so that comparisons could be made with industry standards.
134. Manhattan, with an additional module, may now have the ability to carry out the same functions as Archibus and this is being investigated at the moment.
135. Coupled with this is a dedicated technical officer who is responsible for collecting, analysing, and manipulating etc. the data within CAFM, using skills based in property or architectural drawings. This allows for:
- the rigorous and efficient assembly of the various data required for asset management planning including, where appropriate, PPIs;
 - the detailed appraisal of staff accommodation and updating as churn occurs;
 - the efficient and timely preparation of the accounting matters referred to in para 118;
 - the extension of internal asset management planning as appropriate to all City's Cash and Bridge House Estates properties; and
 - the particular term of reference set for the Property Sub-Committee "to undertake a regular review of all property held by the Corporation for operational purposes, to ensure that such property continues to be held effectively for its proper purposes" to be advanced.

Planned Maintenance

136. The City Surveyor maintains a standalone database the main purpose of which is the financial planning of property maintenance. It is used to produce a plan showing projected expenditure on maintenance over a 20 year period which has regard to the condition of the various building elements. Relevant details feed into the City's revenue and capital estimates and financial forecasts. A replacement system is required and a specification has been drawn up which is being considered by Raindrop (developers of Manhattan).

137. In respect of the Barbican Centre there is a separate planned maintenance programme (the 'Capital Cap'). The Centre's planned maintenance programme of major works is based on condition surveys of the Centre's fabric, mechanical and electrical, and drainage systems carried out in 2001. An approved budget of £15m (the 'capital cap') was initially approved for the first five years of the programme, 2003/4 to 2007/8 and an extension to this, spanning the years 2008/9 to 2012/13, approved at an additional budget of £10.6m.

Energy Consumption

138. The City Surveyor monitors energy consumption and CO₂ emissions using a proprietary standalone software package System Link, which produces a variety of reports based on meter readings. Service departments are made aware on an ongoing regular basis of any major energy consumption fluctuations.

Project Management

139. CBIS (corporate business information system) records detail of expenditures of all the operational properties maintained by the City of London and is used to monitor all the capital and revenue projects.

Asset Valuations

140. The Chamberlain maintains a database CARACAS (Corporation's Asset Register & Capital Accounting System) which for the purposes of the capital accounting regulations contains valuations and other information on all the Corporation's local authority assets including property assets. A replacement for CARACAS, which is also approaching the end of its useful life, is being investigated at the moment.
141. Where possible, various database and other systems will be integrated as opportunities arise.

Non-Operational Properties

142. The capital valuations of all non-operational properties for IPD purposes are held on Circle Visual Investor, a proprietary valuation package in widespread use by the private property sector. This allows valuations to be easily updated annually or more frequently as required. Circle Visual Investor automatically calculates internal rates of return, equivalent yields and other performance indicators and the information held can be transmitted electronically to IPD for independent analysis and calculation of total returns. The City's non-operational investment properties are analysed by Investment Property Databank in this manner and a similar exercise is undertaken internally in respect of the Strategic Property Estate.
143. The City Surveyor monitors and controls the cyclical maintenance of the non-operational portfolio, using Manhattan to provide details of the required standard of maintenance (graded A to E) for the following 5 years and the budgets needed to maintain each building to the pre-determined standard. This data provides essential input to the City's estimates and financial forecasts.

Training

144. The City Surveyor's department achieved its Investors in People (IIP) accreditation in 2002; the City of London as a whole was fully accredited in 2005 and a review is currently in progress.

CONTROL OF CAPITAL AND MAJOR REVENUE PROJECTS

145. For many years, the City has operated a comprehensive system of controls covering the entire life cycle of capital and major revenue projects from inception to completion. Detailed procedures and advice are contained in the Control of Projects Manual which is available on the City's Intranet website. Property schemes are required to comply fully with these procedures. There is now a post implementation review procedure for completed capital projects to measure achievement against the objectives established when the evaluation report was initially approved.
146. Every year in accordance with Standing Orders, the City of London prepares and updates its five year capital budgets. These act as the strategic action plan for assets over the next five years. The budgets are primarily planning documents, to enable the City to:-
- a) identify perceived needs.
 - b) allocate resources to needs.
 - c) exercise financial planning.
 - d) monitor the implementation of its capital budgets.
147. The annual process for submitting bids for new capital projects is designed to fit smoothly with the preparation of revenue estimates so that:
- a) information on capital plans can be allowed for in the revenue estimates; and
 - b) both capital and revenue spending plans can be considered simultaneously within a coherent policy framework and against the same backdrop of financial information.
148. All projects are assigned to one of the corporately defined categories and priorities as described in Section 3.
149. Prior to the submission of bids for new schemes, the Policy and Resources Committee may agree an overall policy in relation to new projects – for example, in regard to the likelihood of approval of new bids. The degree to which a new project may be self-financing or provide revenue benefits may also be an important criterion. Service Committees are then asked to prioritise any new bids within the parameters of this policy.
150. A short committee report is prepared for each bid for a new capital project. This sets out in summary form for each project the overall purpose and intentions together with the benefits (outcomes) expected, the outline evidence of need, the options to be evaluated, indicative financial implications and the categorisation. Service Committees submit these bid reports to a joint meeting of the Estimates Working Party and Resource Allocation Sub-Committee (which report to the Finance and Policy and Resources Committees respectively) for ultimate confirmation by the Policy and Resources Committee to obtain approval to proceed to evaluation stage, together with the associated resource implications. During this process the determination of which projects should be supported and their priority order is made.

151. Subsequently, an in-depth evaluation report is prepared covering the evidence of need, assessing the different options available and examining the costs and benefits of the proposed scheme. These reports are generally considered by the appropriate Service Committee, the Finance Committee and in the case of major schemes, the Court of Common Council. The Policy and Resources Committee occasionally selects projects for policy consideration by them instead of the Finance Committee. At the evaluation stage (or potentially earlier in the bid report), clear objectives which crystallised the purpose and anticipated outcomes of the scheme due to be established. These are to “remain” with the scheme throughout its life, with the achievement of such objectives being reported as appropriate at each key stage.
152. As part of the evaluation process and option appraisal, the available procurement options (including if applicable the use of PFI) are also examined and, when appropriate, costed so that value for money can be demonstrated whichever route is chosen. The processes by which these detailed appraisals are undertaken in order to reach an objective decision include the following:-
- discounted cashflow analysis** - demonstrates the impact the chosen option will make on cash reserves over the duration of the project expressed in present day terms by discounting;
 - net present value** - converts the financial implications of the project into a value represented in today's monetary terms;
 - risk factors** - as part of finding the "Best Value" option, ways of minimising or transferring the amount of risk will be considered and quantified;
 - whole-life costs** - in conjunction with risk factors, a whole-life cost analysis to include future running costs will be undertaken to protect against the possibility of a decision being made on the basis of false economy;
 - opportunity costs** - regardless of the chosen route, a considerable amount of money may need to be expended on the new project and account will need to be taken of purchases or other actions which may need to be forgone as a result.
 - sustainability-** the City has made great strides in integrating sustainable development across a range of policy and strategy documents over the last five years. A commitment to sustainable development is contained in the City's Policy Plan and sustainable development is a cross cutting theme of the Community Strategy.
 - environmental policy** - the City has recently updated its environmental policy - the new document combines social, economic and environmental aspects to create a holistic picture of the its position on sustainable development. The elements of this policy most relevant to the Asset Management Plan are reproduced at **Appendix 5**, along with a key showing their relationship to the Community Strategy.
153. After the necessary evaluation approvals have been obtained detailed design work and ultimately tendering and implementation can take place. Subsequently, outcome/outturn reports may be submitted.

Capital Budget Monitoring

154. Each individual capital scheme is controlled and monitored by the department responsible for its implementation. The largest technical department (i.e. the City Surveyor) has a customised project monitoring system (PROMIS) and dedicated monitoring officers. Information on expenditure to date and spending approval details for individual schemes is available to all finance staff on the corporate accounting system and smaller departments with fewer schemes tend to rely on this.
155. Overall monitoring of the capital budgets is carried out by the Chamberlain. Regular monitoring occurs during the year through interdepartmental meetings of programme officers to establish whether projects are proceeding in accordance with forecast targets, in terms of expenditure and key dates. Formal reviews are carried out three times during each financial year; revisions to the budgets are reported to the Finance Committee after each review, with explanations given for significant individual anticipated expenditure variations.
156. In instances where particular problems are perceived to exist these can be referred, as appropriate, to the Summit Group (comprising Town Clerk, Deputy Town Clerk, Chamberlain, Comptroller & City Solicitor, City Planning Officer, City Surveyor, Director of Environment Services and Director of Community and Children's Services) and/or the Estimates Working Party for scrutiny. Financing of the capital budgets is also determined and monitored centrally by the Chamberlain. This finance is derived mainly from internal sources (direct from revenue, revenue reserves, capital reserves or capital receipts) but external sources (Government grants, other grants and developers' funds) are levered in wherever possible.

Developments in Management Arrangements

157. To strengthen further the City's asset managements and project control procedures, clear measurable objectives are required to be set for each scheme at evaluation stage with the achievement (or otherwise) of these being reviewed in a succinct outturn/outcome report, following completion.
158. Reference has already been made to the technique of using whole life costing to evaluate schemes. The concept of whole life costing involves assessment of the total costs of ownership, which include acquisition, operating, maintenance and disposal costs, with a view to achieving value for money. Further work is underway to develop this approach and to apply it to all schemes as appropriate.

PERFORMANCE MANAGEMENT AND MONITORING

Property Performance Indicators

159. Property Performance Indicators have been included in the City Surveyor's Business Plan and have assumed the status of Local Performance Indicators. Thus they form part of the City's Performance Management system and performance against these is reviewed by the City Surveyor with reports to the Summit Group, as required.
160. City Fund investment properties and the Strategic Property Estate are benchmarked using the IPD which is considered to be the best benchmark to use as the City's "portfolio" is similar to a private property company and not a Local Authority. These are commented upon later.

Energy Monitoring

161. The Energy Management Team (EMT) forms part of the Corporate Property Group within the City Surveyor's Department and is staffed by three energy specialists. This small team is involved with a wide range of energy related work the three main areas being:-

Monitoring and Targeting

The team monitors energy usage and its cost. Some 170 "Monitoring Information System Energy Reports" (MISER) reports are produced a month for client departments to use and an Energy Warden system is run throughout the City's properties by the EMT. In respect of energy costs these are examined and tendering exercises carried.

The City of London Corporation currently has two energy related targets, firstly the reduction of current energy usage in its operational buildings by 10% from the base year of 2000 and secondly a corresponding CO2 reduction figure of 20% for the same period.

Operational Work

The team have specialist knowledge in their field as engineers and energy managers. They aid the implementation of projects in this area an example being the £400,000 Carbon Trust/LAEFS project which will involve a variety of direct and practical energy reduction projects across particular City properties.

Strategy Work

- Climate change and increasing energy costs have led to more government and local initiatives to mitigate these effects. Anticipating, monitoring and implementing them at a high level are important areas of work.
 - Community Strategy actions involve the team organising some 12 'road shows' a year for the business community and the public and also providing an energy advice centre.
 - Monitoring legislative changes to ensure the City is well placed to respond is essential and examples include the deregulation of the energy supply markets, changes to the building regulations and the introduction of the European Energy performance Directive.
162. To move forward in a dynamic way on energy, the City has adopted an energy hierarchy or strategy. The Energy Strategy links with the City's corporate policies and plans and can be broken down into four elements:
- Commitment - provided by the Community Strategy and Policy Plan
 - Top Management Support - provided by the Member led Energy Working Party
 - Delivery Mechanism - the Energy Team and it's terms of reference
 - Feedback – regular monitoring, targeting, reporting on energy, costs and CO2 use
163. More detail in respect of energy monitoring and other initiatives carried out the EMT is as follows:
- Eight standard energy management tools are used by the City to manage energy. Energy and target weather adjusted energy usage has been monitored on a monthly basis for over 30 years in respect of 170 City services where cost, energy and CO2

are indicated within the MISER reports. Annual and interim usage are also reported using the extensive database of energy figures and approximately 85% of the energy spend of the Corporation is monitored, the rest being too small to manage effectively.

- Energy surveys have been carried out in house although consultants, such as the Carbon Trust, are now used. Where resources permit an in house design overview function is available by either the EMT getting directly involved or training in-house design professionals to integrate energy efficient technologies within projects as standard.
- The Energy team is involved in specific initiatives such as workshops on climate change (mitigation and adaptation) or the design of Burnham Beeches offices incorporating sustainable features such as the re-use and recycling of construction materials, condensing boiler, solar thermal and electric panels and natural ventilation design aspects. Other strategic initiatives include the on-going promotion of the Citigen CHP network.

164. It should be noted that since deregulation the City has been particularly pro-active with utility purchasing and was the first local authority in London to buy green electricity having first considered the use of 'green' power in 1995.

Local Operational Property Benchmarks

165. In the last year detailed discussions have begun with the Occupiers Property Databank to identify suitable occupational property benchmarks. Whereas most of these related to commercial office tenants and were not seen as useful OPD have been developing a system with the Office of Government Commerce which is perceived to have similarities and benefits to the City's operational portfolio. Proposals are also being developed by the Association of Chief Corporate Property Officers in Local Government (COPROP) and the Association of Chief Estates Surveyors and Property Managers in Local Government (ACES). In addition investigations are being made of existing cost benchmarks for particular specialist local authority buildings and the appropriate resources that private sector consultants could bring to bear.

166. Locally it was decided to investigate the application of the following to show whether efficient use of buildings was being made and to identify space which could be surplus to requirements:-

- a) the average net space occupied by each member of staff;
- b) the average cost of each square metre of net space occupied; and
- c) the net to gross ratio of buildings.

167. The CAFM software package, which was acquired in October 2003 is used to help produce statistics a), b) and c) above for the Guildhall complex.

168. When the scheme is completed in 2008 the subsequent outcome/outurn report will confirm whether or not the City has achieved the proposed levels of optimum space utilisation. Other efficiencies will result from the move towards open plan working such as a reduction in the cost of future "churn".

Non-Operational Property

169. The City Fund Estate is an extensive portfolio of commercial properties, mainly offices, located in the City of London or within its immediate borders.
170. The properties form part of the City's local authority assets, and whilst their main purpose is not occupation for service departments, they are legally held in furtherance of the City's local authority functions, generally for planning purposes.
171. The City Fund Estate came into being by the purchase of land and buildings for comprehensive redevelopment after World War II, under the provisions of the Town and Country Planning Acts, and to a lesser extent under the provisions of the Highways Acts. More recently some purchases have been made under different powers including notably a number of buildings within and without the City that have been purchased using Local Disposal programmes and rationalisations take place as part of an agreed 10 year strategy which is regularly reviewed.
172. The City Fund Estate has acquired some very strong characteristics through time, related to its geographical concentration within the City of London, its sectoral concentration on offices, and its historical assembly meaning that the majority of the properties were originally developed during the late 1950's and 1960's under the terms of standard restrictive fixed income ground leases. These buildings have largely been subject to redevelopment in either the late 1980's or late 1990's developments cycles, or are now approaching the end of their economic life.
173. There is a reasonable current balance in terms of value and income between ground leased and directly held properties. Many significant assets are within the latter category resulting from the Estate buying in its own ground leases to promote redevelopment or other strategic objectives. The acquisition of properties outside the City has also meant further rebalancing toward directly managed assets. Nine such properties have been purchased under Local Government Act powers for inclusion in the Strategic Property Estate. There are 76 properties in the main City Fund Estate.
174. A revised ten year strategy for the City Fund investment properties was approved in early 2008 and included ten Strategy Objectives, ten Supporting Policies, priorities for the next three years and a new Action Plan.
175. As an overriding theme, the properties are managed to enable the City as landowner to help ensure the availability of land and buildings in the City and its immediate environs for City businesses, in accordance with the Community Strategy.
176. The City Fund investment properties also significantly support the City's Financial Strategy. (In 2006/07 total rental income from the Estate exceeded £31.5m). To measure the financial performance of the Estate, the City subscribes to the external benchmarking service provided by IPD, which analyses and compares the performance of property portfolios, both private and public. It is recognised, however, that the Estate's performance can be influenced by the special nature and location of its property holdings which can be to its relative advantage or disadvantage in any particular year. The total capital value of the Estate at 31 March 2007 was some £814m, an increase of over £150m compared with the previous year. This reflects major transactions on the Estate and the strength of the office investment market over that period. This is against the background of a major disposal programme that took place in 2004/05 where in excess of £72m was raised. In addition, the Strategic Property Estate currently contributes some £3.4m per annum to the

City Fund and had a capital value of some £82m as at 31 March 2007, an increase of over £20m due to 1 Alie Street becoming income producing.

177. The City Fund investment properties' annual performance has been measured by IPD since 1997. The total returns achieved are shown below, together with the City and E1 Offices Property Index (its benchmark) and the average rate achieved on cash balances (for the "nearest" financial year – for example for 1998, 1998/99). In 2006 the Estate was ranked on the 4th percentile of all funds in the IPD Universe. The benchmarked assets in the property portfolio recorded a total return of 7.0% in the year to December 2007 and is likely to significantly outperform its benchmark and the IPD All-Fund Universe.

Year	City Fund Estate Total Return %	City and E1 Offices IPD Property Index %	Average Cash Balances Rate %
1998	14.9	n/a	7.2
1999	16.1	12.8	5.5
2000	21.8	17.8	6.3
2001	15.8	12.5	4.9
2002	3.3	(0.6)	3.9
2003	5.0	(0.9)	3.6
2004	19.3	14.5	4.6
2005	27.4	18.8	4.7
2006	26.0	26.6	4.94
2007	7.0	*	**5.75

NB: The IPD Universe annualised returns over the last 10, 5 and 3 years respectively are 15.4%, 16.6% and 19.8%.

* Benchmark not published for 2007 at date of this report but is likely to be a negative return

** Estimate

178. The pro active management of the City Fund Investment Properties has produced some attractive returns in comparison with the City's interest earnings on its cash balances. It has consistently outperformed the City and E1 Offices Property Index over this period. Nevertheless, the potential impact of the Estate's special nature and location must be acknowledged.
179. Taking account of these characteristics it has been proposed that the relevant financial performance return benchmark for the City Fund Investment Properties should be a total annual return within the upper quartile of comparable portfolios as measured by IPD and, in particular, the target set is to outperform the City and E1 Offices Property Index.
180. As previously mentioned the properties falling within the Strategic Property Estate were acquired mainly for strategic rather than investment reasons and are held separately from the main City Fund investment properties. They are not, therefore, included in the formal IPD analysis to which the investment estate is subjected. For monitoring purposes, however, the SPE properties are externally valued and their performance is analysed by the City Surveyor. The total return of the City Fund properties within the Strategic Property Estate for 2006/07 was 35.76% for the Tabernacle Street Site and 3.58% for the much smaller Hackney Backland Site. This compares to 26.6% being the IPD City and E1 Offices total return benchmark as at 31st December 2006.

Property Reviews

181. All investment properties are subject to a rolling programme of reviews to determine whether there is any action that can be taken to improve their performance. Trading

accounts are produced monthly for individual properties in direct management showing income and expenditure and this information is useful when undertaking reviews or looking at performance.

Rent Arrears and Vacant Space

182. The position on rent arrears and vacant space is closely monitored and separate reports are submitted to the Property Sub-Committee 6 monthly on these two matters with the one on vacant space containing a commentary on the current state of the property market. Monthly reports are produced for internal consumption with a detailed breakdown and analysis of the up to date position on rent arrears and vacant space. In addition write off reports are submitted when required and where over £10,000 are considered by the Finance Committee.

PROGRESS

PROGRAMME AND PLAN DEVELOPMENT AND IMPLEMENTATION

Operational Property

Aims and Objectives

183. The City's aims and objectives for the operational properties covered by this AMP are directed to ensuring that such properties are:-
- i. suitable for and supportive of the provision of first class services;
 - ii. managed in an economic, efficient and effective manner, applying environmentally sustainable practices wherever possible;
 - iii. maintained to a high standard in accordance with planned cyclical maintenance programmes;
 - iv. accessible to people with disabilities; and
 - v. subject to regular review (via reviews of Business plans and client visits).
184. The above aims and objectives are derived from the City's vision and strategies set out in the Overview of Key Strategies section. Each operational property is generally perceived as a "means to an end" – and is to be managed in accordance with preceding paragraph – rather than as an end in itself.

Overview Of Major Current Property Initiatives

185. The relevant theme(s) is listed against each initiative by number.

City Of London Corporation Main Administrative Offices (3, 6 & 7)

186. In December 2003 Members endorsed, as a fundamental principle that the City's main administrative offices and departments should remain located in the heart of the area they serve i.e. within the City and based at the Guildhall complex. Relocating significant numbers of employees beyond the City would run counter to its corporate objectives. In addition, on security grounds any material "third party" occupation of accommodation within the Guildhall complex is considered unlikely.

187. The activities carried out at seven locations within the City are being rationalised to two sites – the Guildhall complex and Walbrook Wharf. The former has been the seat of government for the City of London for centuries. The latter property is the City’s waste transfer facility as well as providing workshops and garaging for Environmental Services vehicles, together with office and ancillary accommodation for operational and managerial staff.
188. The accommodation at the Guildhall complex, in particular the North Wing, is being significantly upgraded/refurbished as a number of the services are either approaching or have reached the end of their useful lives and need replacement. In addition, in several areas space usage and accommodation layouts are inefficient. With regard to Walbrook Wharf, a phased redevelopment costing in excess of £25m is under way:
- Phase I new accommodation for contractors’ staff
 - Phase II front office redevelopment
 - Phase III depot refurbishment, service replacement, new operational accommodation and a re-designed vehicle workshop (incorporating shared usage with the City Police).
189. The rationalisation of office accommodation has enabled the City to vacate certain leased premises as well as other buildings it owns which have been released for redevelopment in furtherance of its economic development objectives.
190. Following the full evaluation of various options for the Guildhall complex the refurbishment programme is now underway under the chairmanship of the Chamberlain. The total approved capital budget is some £102.5m (2008 prices) with net annual saving /benefits in a range of some £1.1m to £3.3m being forecast.
191. The staff from the North Wing were decanted in phases to St Alphage House and the new offices at Walbrook Wharf from December 2005 to March 2006. Works to the North Wing commenced in April 2006 with a completion date of April 2008. The West Wing of the Guildhall complex was refurbished in 2006 and the new offices and Committee rooms are fully operational.
192. Whilst looking at space utilisation and access to the Guildhall complex it was identified that improvements could be made to the Old Library and Museum and these additional works are being carried out in parallel with the main North Wing works.
193. The main North Wing works are scheduled to complete on time by April 2008 with the other works completing by the summer.

Libraries

Camomile Street Library (1, 6, 7 & 8)

194. The Libraries Best Value Review, approved by Members in October 2000, concluded that the present pattern of lending libraries is necessary in order to ensure a reasonable access to library services across the City and the closure of one or more of the existing libraries would create imbalance and reduce access to such an extent that it would be unacceptable to the public. The principle of retaining the Camomile Street library, which is held under the terms of a short lease, in the eastern part of the City was approved by Members.
195. Camomile Street library is however at the centre of a proposed large scale office development known as 100 Bishopsgate. A new lease has been granted until 2011 with a

landlord's option to break in 2008 which secures the City of London library in the short term whilst the developer finalises his scheme.

196. The scheme now has planning permission and the developer is about to enter into a Section 106 planning agreement with the City. The terms of this agreement will, inter alia, provide for a new library but temporary accommodation during the redevelopment period still needs to be found. The agreement to lease and lease documentation should be completed by May 2008.

City Business Library

197. The current lease expires in December 2009 and an officer review is being carried out at the moment to establish what options are available with a view to providing this service in a more effective way and at a reduced cost.

London Metropolitan Archives (8)

198. A Best Value Review identified a number of major building works required to maintain the fabric of the accommodation and improve its efficiency of use. Only one of the two buildings fully complies with BS5454, the standard set for the storage of archival material.
199. The City's lease of the existing buildings expires in 2035 and the possibility of purchasing the freehold or extending the lease to a long term to give greater security and justify capital investment in extending and improving the accommodation is being explored by the City Surveyor.
200. Acquisition of the freehold by the City has been ruled out by the freeholder and if at a future date the site is wholly or partially developed then the possibility of renewing the lease for a substantial number of years can be negotiated at that time. The possibility of acquiring the freehold by the exercise of compulsory powers is also being considered as the long term future of the LMA must be secured.
201. In the meantime there has been an expansion of the facilities at the LMA by adding extra storage capacity and various records from the Guildhall have now been accommodated to help facilitate the Guildhall complex refurbishment scheme. Major items of repair, such as window replacement at a cost of £1.7m, are under way.

Barbican Centre

Public Spaces project (1, 6 & 7)

202. Major works are being carried out to the Centre, which address certain failures. These include the public spaces where access and circulation need to be improved and also work to the fabric of the building and services. Capital expenditure of some £31m was approved over the six year period of 2002/3 to 2007/8. A further five year programme provision of £10.62m, beyond 2007/08 to 2012/2013, was agreed in 2005.
203. The Centre's 4-year Public Spaces project is virtually complete. The official opening of the new £1.6m entrance (which includes a striking work of art) took place in September 2006 with the final element of the project (foyer lighting) in December 2006. This project has considerably improved the public access and circulation spaces. Projects completed so far include the replacement of the Centre's 34 lifts, the replacement of the Art Gallery & Catering Block ventilation systems along with its 4-sewage pumping systems. Projects

now being progressed include the upgrade of the Centre's electrical systems (Phase 1) at £3.9m and the replacement of the its sprinkler systems at £0.6m plus AHU (Phase 2) at £2.6m.

204. The Centre is co-operating closely with the City Surveyor on the proposed development of the upper floors of Frobisher Crescent levels 7,8 and 9 (previously occupied by the City University Business School) which is to be converted into residential accommodation. The selected developer Modern City Living submitted a planning application on 29 February 2008 for 69 residential units with the main works to commence this summer and completion expected by the Autumn of 2009. The estimated net receipt from the scheme is circa £8m, after allowing for various enabling and decant expenditures.

Environmental Services - Port Health

City of London Cemetery & Crematorium (3)

205. There are proposals to repair and restore the principal buildings and enhance customer service for the bereaved which emanated from the Conservation Management Plan for the City of London Cemetery & Crematorium completed in January 2005 and was jointly funded by the Corporation and the Heritage Lottery Fund at a total cost of £100,400.
206. The proposals, inter alia, involve the refurbishment of the Old Crematorium, listed building repairs and the installation of mercury abatement equipment. These are to be the subject of a final options report in April/May 2008.

Old Bailey

207. A number of specific projects have been identified as being necessary to maintain the Central Criminal Court building. These are essential cyclical maintenance works and further consideration is being given to the extent of the programme and the overall project. An evaluation report is to be considered by Members this Autumn.

Planning And Transportation

Street Scene Enhancements

208. The City has a rolling programme of street enhancement projects the total cost to 2011 is estimated at some £50m. By 1 April 2007 £13.37m had been spent and during 2007/2008 another £16.713m is due to be spent. These projects have improved the environment of the City for residents, workers and tourists alike. Some of the street scene projects are shown below:

Project Name		Estimated cost £'000
Carter Lane	Planned for 2008/09	1,700
Carter Lane drinking fountain	At evaluation stage	300
Carter Lane advanced works	Completed	155
Carter Lane Quarter Phase 1	In progress	761
Rolls Building	At evaluation stage	394
Fetter Lane	At evaluation stage	245
Throgmorton Street	2008/09 implementation	191
Riverside Walk Mondial House	At evaluation stage	1,000

Bartholomew Lane	In Progress	81
Fleetway House	At evaluation stage	242
Dowgate Hill	At evaluation stage	165
Bow Churchyard	At evaluation stage	330
Bow Lane	In progress	230
Riverside Walk enhancements	At evaluation stage	705
1 Lothbury	At evaluation stage	98
Riverside Walk enhancements	At evaluation stage	705
120 Cheapside	In progress	215
120 Cheapside highways improvement	Planned for 2008/09	413
107 Cheapside	In progress	261
St Swithin's Lane	Planned for 2009/10	871
201 Bishopsgate Phase 1, Norton Folgate	In progress	191
201 Bishopsgate Phase 2, Primrose St	In progress	1,500
Foster Lane	In progress	251
52-66 Gresham St	Planned for 2008/09	83
14-18 Gresham St	Planned for 2008/09	412
Red Lion Court	In progress	78
Silk St enhancement	Planned for 2008/09	205
Queen St/King St/Southwark Bridge area	In progress	4,200
Lime St	In progress	1,400
Shoe Lane Phase 1	In progress	1,000
Shoe Lane Phase 2	In progress	718
Shoe Lane Phase 3	In progress	99
Fleet St Courts & Lanes	In progress	199
33 Holborn	In progress	98
Basinghall St Phases 2 & 3	In progress	391
New St	In progress	338

Queenhithe River Wall Flood Defence Works

209. Essential works to the embankment wall are being carried out during 2007/08 at an estimated total cost of some £1.7m, the majority of the cost being met by the Environment Agency and TfL.

Strategic Walks

210. These are similar to the Green Chain network and the City in conjunction with Transport for London (TfL) will instigate them at a cost of £1.35m; another project with the TfL is the London Bus Priority Network at a cost of £1.7m (both figures relate to 2007/08).

Policy & Resources

St Paul's Information Centre (1, 6 & 7)

211. The City's new St Paul's Information Centre designed by Ken Shuttleworth of MAKE was completed in early October 2007. Part of the cost of the project was externally funded and it provides the City with a 21st century public service.

OTHER ASSET MANAGEMENT PLANS

Significant Reviews/Projects

City Of London Police (1 & 5)

212. The City of London Police needed to secure alternative office accommodation in 2007 when three of their existing tenancies come to an end and leased 21 New Street which provides them with adequate accommodation.
213. A working party, of which the Corporate Property Officer is a member, is currently reviewing the way the City of London Police operate in the short and long term. Entering into a partnership with the Crown Prosecution Service or another police body will form part of the review and this will help define their property requirements and allow a revised property strategy to be developed.

Department Of Community And Children's Services

Decent Homes

214. The City's Decent Homes Strategy sets out targets to ensure the Government's target of 2010 for the delivery of Decent Homes is achieved. The necessary improvement works will be carried out on a phased estate basis.
215. Approval was given in March 2006 for the improvement works on the Avondale Estate to start in August 2006 with a completion date of July 2007 at a cost of £1.153m (inclusive of staff costs). The next phase of improvement works to the Southwark Estates was approved in June 2006 and are due to start in July 2007 with a completion date of December 2008 at a cost of £1.016m (inclusive of staff costs).
216. Approval to proceed to evaluation stage for various improvement works to the Middlesex/York and Holloway Estates is being obtained - the estimated total cost of the works being £8.1m including staff costs.
217. The Government target of 2010 plus any agreed extensions will be achieved and within overall budget provisions.

Lauderdale Place

218. This scheme is the conversion of an area of car park to provide offices for the Housing Services Division of the Department of Community and Children's Services. Total scheme cost is some £0.3m to be funded 50:50 by the Housing Revenue Account and the City Fund.

Sports Facilities

219. The provision of disabled users' changing facilities at the Golden Lane Leisure Centre at an estimated cost of £82,000 is now underway. The scheme is necessary to comply with the Disability Discrimination Act 1995.

Education (6, 7 & 8)

220. Education is now part of the Department of Community and Children's Services.

221. The City of London Academy in Southwark was completed in September 2005 and has proved to be extremely successful. The City has agreed to jointly sponsor two more academies in the adjoining boroughs of Islington and Hackney at a cost of £1m each and the City is co-ordinating the two projects and both are currently being implemented.

Museum Of London (MoL)

222. The MoL was established in 1975, by the merger of the London Museum and the Guildhall Museum. The Museum is a Non-Departmental Public Body, funded jointly by the Department for Culture, Media and Sport through the GLA and the City of London Corporation and is governed by the Museum of London Acts, 1965 and 1986.
223. The Policy and Resources Committee considered the MoL's Capital City Project in June 2006 and £1m of capital funding in 2008/2009 has been agreed subject to the Heritage Lottery Fund agreeing its major grant of £10.6m. The aim of the project is to redevelop the lower galleries of the London Wall building and include a new City Gallery for the Lord Mayor's Coach and education rooms.

NON-OPERATIONAL PROPERTY

Introduction

224. The non-operational commercial properties covered by this AMP fall within one of two estates which are managed as "funds" albeit with differing but overlapping objectives:
- The City Fund (Investment Properties) Estate
 - The Strategic Property Estate (SPE)
225. Both portfolios are held for strategic purposes. The City Fund Investment Property Portfolio is also a significant and important contributor to the City's financial position. The SPE provides rental income to the City Fund but it is held mainly for economic development reasons.

The City Fund (Investment Properties) Estate

226. A report to the Court of Common Council in October 1998 recognised the possibility of using property for strategic purposes as follows:
- "The Corporation's property holdings can play a key role in achieving the Corporation's strategic objectives by facilitating the implementation of planning land use and economic development objectives. This is particularly important in relation to partnership arrangements with adjoining authorities."*
227. The formal Strategy for the City Fund (Investment Properties) Estate was adopted in September 2003 and covers a 10 year horizon. It recognised this overriding strategic purpose, but also the need to manage the significant financial assets of the Estate proactively and to pursue an income profile that provided greater security of long term income and less exposure to the income risk concentrated on a few large properties. The strategy was reviewed in early 2008.

228. The 10 Strategy Objectives approved under the Strategy are as follows: -

<u>No.</u>	<u>Strategy Objectives</u>
1	As an overriding principle to ensure that the Estate continues to be used as a tool for implementing the City's Vision for the City.
2.	To maintain and maximise rental income from the Estate and to endeavour to secure rental income growth at least in line with inflation so far as market circumstances permit and allowing for net investment in the Estate.
3.	To at least achieve and ideally outperform the City Offices Benchmark for Income Return on an annual basis.
4.	To outperform the City Offices Benchmark in terms of Total Return on a rolling five year basis.
5.	To target at the very least equality over the strategy period between capital investment and disinvestment on the Estate in order to maintain the Estate's long term income potential.
6.	To promote the need for a proactive asset management policy that accepts the need for both disposals and acquisitions to achieve Estate strategic objectives, rather than a narrow focus on existing assets. To implement a structured disposals programme that aims to contribute to both Strategy and wider City objectives. To implement a targeted acquisitions programme which addresses identified investment and strategic policies on the Estate as well as wider City objectives over the strategy period.
7.	To seek to improve the percentage of the Estate's income held on secure leases (providing a minimum of 10 years unexpired term) to at least 75% by the end of the strategy period.
8.	To rationalise the Estate's smaller holdings with a view to increasing both the average lot size to that of the Benchmark and the number of properties above the Estate's average lot size.
9.	To encourage the concentration of the Estate on the office sector generally with diversification of uses only to be supported on policy not investment grounds.
10.	To seek an acceptable balance in portfolio risk terms between properties fulfilling strategic and investment criteria. In the short to medium term to recognise the need to balance income risks over the next five years with a focus on longer term secure income elsewhere on the portfolio. In the medium term and beyond to offset an acceptable secure income base with a programme of new strategic initiatives focused on both large scale redevelopment opportunities and the provision of niche economical offices.

229. Significant recent projects involving Estate properties include: 1 & 10 Bishops Square, a 1m ft² gross office scheme pre-let to Allen & Overy, redeveloped in a joint venture partnership with Spitalfields Development Group and achieved practical completion on 20th July 2005; the London Fruit and Wool Exchange where a planning application for a new building exceeding 250,000 ft² is being negotiated with the Local Planning Authority and being prepared for disposal; Riverbank House where a redevelopment is taking place following a planning permission for 280,000 ft² of offices and a pre-letting; International House which forms part of a larger development site that achieved planning permission for 340,000 ft² of new offices on 27th July 2005, to be developed in partnership with other land owners (the latter two schemes resulting from the proactive buying in of headleases during 1999 to achieve short term financial (revenue) objectives and such long term redevelopment); One New Change where lease regearing terms to facilitate a new 600,000

ft² redevelopment including a 250,000 ft² shopping centre were recently agreed and anticipated completion is 2011; and Royex House and Austral House have completed following successful lease restructurings. The significant disposal of Queensbridge House for redevelopment was concluded in July 2007. A joint venture and pre-sale is being concluded for the redevelopment of St Alphage House. All exemplify the City's strategic aim of using its property assets to meet the property requirements of the Business City as well as improving its financial position in accordance with its Financial Strategy.

230. Properties held in direct management are also used where appropriate to assist the City in meeting its strategic goals including providing accommodation for departments. The use of St Alphage House for decant space during the refurbishment of the North Wing and the West Wing is the main example, with the relocation of Social Services to 34/37 Bartholomew Close (now 15 Half Moon Court) another one.

The Strategic Property Estate (SPE)

231. This is a portfolio of recently acquired City Fund and City's Cash owned properties located in the City fringe and held mainly for strategic rather than investment reasons. This is primarily in support of the Community Strategy Theme of "A World Class City", and within that the business objective of supplying business accommodation that meets the needs of existing and potential City firms and of providing workspace for SMEs in areas surrounding the City.
232. There is also resonance with its Theme of "An Inclusive and Outward Looking City" as the regeneration it will encourage will impact on communities in the City Fringe, in support of the Action Plan Objective "to encourage services and initiatives which benefit wider communities outside the City and contribute to local, regional and national prosperity".
233. The total capital value of the City Fund owned properties in the SPE was some £61m as at 31st March 2007 (plus 1 Alie Street which has a current value of £20.85m).
234. The City Fund properties within the SPE, were acquired using Local Government Act 2000 powers, which enable the City to do anything that it considers likely to achieve the promotion or improvement of the economic well being of the City.
235. The properties held within this estate can be categorised as being acquired either:
- As part of a site assembly to provide large scale offices for City type occupiers in the City fringe or,
 - To provide workspace for Small and Medium Enterprises ("SMEs") in the City fringe.
236. These twin aims are not mutually exclusive as properties acquired for long term redevelopment may be utilised for SME accommodation in the site holding period, wholly in accord with the Community Strategy. This strategy is for instance being actively pursued on 13/17 Worship Street.
237. In respect of the first category above, approximately 65% of a 0.58 hectare site in Islington has been acquired to date that should provide more than 480,000 ft² of City type office space when redeveloped in some 10 to 14 years time. The buildings within the City's ownership also provide a rental income for the City Fund (of some £3.4m per annum as at 31 March 2007).

238. In respect of the second category above, a most significant project is the refurbishment of 1 Alie Street, a 100,000 ft² vacant office building near Aldgate in Tower Hamlets. The refurbishment of floors 2-5 was recently completed providing over 50,000 ft² of flexible workspace for SME's in suite sizes ranging from 250 ft² to over 5,000 ft². The majority of this space is now let to firms relocating from LFWE and the remainder to other local SME's. A strategy for complementary uses in the remaining floors of the building is being drawn up. In addition if the refurbishment of 13/17 Worship Street proceeds it will provide around 30,000 ft² of SME workspace in Islington, and participation in a mixed use scheme at New North Road in Hackney should deliver another 15,000 ft².

Impact Of Amp Within Financial Forecasts

239. The following table summarises the provisions made within the City's current financial forecasts to reflect the major property proposals set out in this AMP. The details given cover the current financial planning period from 2007/08 to 2010/11.

Estimated Expenditure - Major Schemes	2007/08 £M	2008/09 £M	2009/10 £M	2010/11 £M	2011/12 £M
Barbican Centre - Public Spaces and refurbishment	6.9	4.5	1.2	0.4	1.6
Cemetery and Crematorium Restoration	-	0.1	2.5	0.1	-
New Public Information Centre	1.0	-	-	-	-
London Metropolitan Archive refurbishment/leasehold acquisition*	1.0	0.1	0.3	0.9	1.1
Camomile Street Library relocation	-	0.2	0.3	-	0.5
Walbrook Wharf - Redevelopment/Refurbishment	0.6	3.5	2.9	1.7	0.6
Guildhall Accommodation Refurbishment	48.7	11.6	-	-	-
Spitalfields Redevelopment	1.1	-	-	-	-
Riverbank House Joint Venture	0.8	0.2	-	-	-
International House	0.1	0.8	0.1	-	-
Fleet House	-	1.6	-	-	-
Project Centurion Joint Venture (St Alphage House)	6.3	11.0	-	-	-
London Fruit and Wool Exchange	-	1.1	2.3	-	-
Frobisher Crescent Redevelopment	-	0.3	-	-	-
City Fringe Site Assembly (SPE)	3.1	6.6	7.4	6.9	6.9
New North Road SME	-	-	0.7	-	-
Totals	69.6	41.6	17.7	10.0	10.7

APPENDIX 1

STATEMENT OF CURRENT PORTFOLIO as at 31/03/07

Property Type	No.	Freehold	Leasehold	GIA m²	Asset Value (£000)
<u>OPERATIONAL</u>					
Arts Centres	1	Barbican		69,041	78,245
Art Galleries	2	Guildhall Yard East	Pt of Guildhall		9,433
		Barbican	Pt of Barbican		6,244
Cemeteries	1	CoL Cemetery & Crematorium		3,755	6,931
Waste Transfer	1	Walbrook Wharf		16,882	\$21,986
Libraries/Archives	6	Barbican		Pt of Barbican	5,582
		Guildhall		Pt of Guildhall	2,094
			Shoe Lane	790	1,217
			Camomile Street	555	1
			Business Library	1,282	0
			Records Office	15,686	12,080
Museums	1	Museum of London		18,026	1,500
Theatres	2	Barbican & Pit		Pt of Barbican	16,093
Wholesale Markets	1	New Spitalfields		25,902	13,800
Sports Centres	1	Golden Lane		621	818
Public Car Parks	6	Tower Hill		6,656	1,037
		Baynard House		10,062	1,445
		London Wall		9,222	2,605
		White's Row		9,947	644
		Swan Lane (incl offices above)		16,676	0
			Minorities	12,435	1,098
Public Conveniences	8	Various addresses		925	2,524
Social Services	1		Half Moon Court	408	0
Port Health	7		Charlton Wharf	67	0
			Denton Boarding Stn	200	0
			Thamesport PHO	112	0
			Sheerness PHO	78	0
			Tilbury PHO	221	0
			Animal Reception	1,958	120
			Fish Imports	209	29
Information Centre	1	St Paul's		95	639
Economic Development	1	City Marketing Suite		346	2,424
Courts	3	Old Bailey		28,200	52,465
		Magistrates (GLMCA Service)		2,503	0
		Mayor & City		1,592	0
Central Offices	3	Guildhall *		3,635	6,391
		St Alphage		2,200	0
		Walbrook Wharf		17,381	7,857
SUB TOTAL	47			277,668	255,302
<u>NON OPERATIONAL (All freehold)</u>					
Green Belt Lands	1	Woodredon & Warlies Park Estate		agricultural	3,525
Strategic Properties	9	Offices/Development Sites		20,918	81,875
Investment Properties	76	Predominantly	Offices	1,088,455	814,395
SUB TOTAL	86			1,109,373	899,795
TOTAL				1,397,052	1,155,097
\$ Including cost of construction of additional office space					
* City Fund portion only					

RISK MANAGEMENT STRATEGY

1. This strategy was approved by the Policy and Resources Committee on 1 May 2003, the key policy being that:

"The Corporation is committed to integrated Risk Management in all aspects of its strategy to safeguard the Corporation's assets, from any injury, loss or damage that could materially affect its liability to discharge its responsibilities to employees, service users and other members of the public".

2. A Strategic Risk Management Group (SRMG) ensures that these risks are being actively managed and regularly re-visited in order to ensure that they are still relevant, and to enable new scenarios to be identified.
3. During 2008 the SRMG supports the organisation by demonstrating that:
 - Each risk is being actively monitored and managed, with control mechanisms in place
 - Action is being taken to mitigate risks
 - Plans are in place to deal with the risks should they materialise
 - The risks are constantly reviewed to ensure they are still relevant
 - Constant assessment is being made of current conditions to identify any new risks which may emerge
4. The SRMG also have a role in ensuring that departments have the capacity to risk assess and manage operational and reputational risks.
5. Elements of the risk management strategy may impact upon the AMP to the extent that there could be some financial, operational and reputational risks both transferable and non-transferable, which could result in capital expenditure being incurred or other damage to City interests.

PROCUREMENT STRATEGY

1. On 21 April 2005 the Policy and Resources Committee approved a corporate procurement framework which set out a procurement strategy for the next 5 years. Key extracts from the strategy are as follows.
2. Procurement is the full range of activities related to purchasing goods, services and works. All City of London services involve procurement. Procurement can range from contracting for an entire service to purchasing small assets. In other words, it covers everything from PFI projects to paperclips.
3. The City of London recognises that the procurement process does not end at the commissioning or contract award stage, but spans the entire life cycle of the product or service from inception and design through to contract management and disposal of redundant assets.
4. These are the City of London's medium term strategic aims for the next three to five years.
5. The City of London will procure the best value for money supplies, services and works by:
 - Aligning the Procurement Strategy to the following internal and external strategies:
 - City of London's Community Strategy
 - City of London's Corporate Plan
 - Local Area Agreement
 - Chamberlain's department Business Plan
 - National Strategy for Local Government Procurement
 - HM Government's Efficiency Targets
 - Collaborating and partnering with other public, private and voluntary organisations on strategic procurement projects when appropriate.
 - Adopting the life cycle approach to goods, services and works procurement.
 - Applying effective modern procurement techniques.
 - Implementing appropriate electronic procurement systems.
 - Continually improving the City of London's procurement capacity by an ongoing learning and development programme.
 - Developing sustainable procurement practices in the key areas of equalities, economic regeneration and environmentally responsible procurement.
6. Although it is anticipated that much of the procurement framework will not directly impact on the AMP it does include principles of construction and facilities procurement as follows:

Construction and Facilities Management

7. The City's biggest area of procurement expenditure is on works and property maintenance projects. Such projects are often high value, carry significant risks and demand specialist technical and commercial skills over and above those required for standard supplies and services contracts.
8. Whilst recognising that works and property maintenance procurement requires a specialist approach and the resources to match, it must be fully integrated with the City's overall procurement strategy.

Providing Leadership and Building Capacity

9. The City of London's strategy is developing the construction procurement and project management capacity of its technical departments such as Environmental Services, City Surveyor's, Community and Children' Services and the Barbican Centre and all other departments responsible for this type of procurement.
10. These departments work alongside the Strategic Procurement Unit and departments such as Chamberlain's and Comptroller and City Solicitor's to ensure that expertise and information is shared, capacity increased and that the works and property maintenance procurement supports the corporate procurement strategy.
11. The City of London is committed to embedding the principles of the Government's 'Rethinking Construction in Local Government' initiative into its own procurement processes, namely:
 - Traditional processes of selection should be radically changed because they do not lead to best value.
 - An integrated team which includes the client should be formed before design and maintained throughout delivery.
 - Contracts should lead to mutual benefit for all parties and be based on a target and whole life cost approach.
 - Suppliers should be selected by Best Value and not by lowest price: this can be achieved within EU and central government procurement guidelines.
 - Performance measurement should be used to underpin continuous improvement within a collaborative working process.
 - Culture and processes should be changed so that collaborative rather than confrontational working is achieved.

Partnering and Collaboration

12. The City of London has started to use partnering contract models for some of its major works and maintenance projects. It will continue to build on this experience and strive to introduce less adversarial procurement methodologies into future projects.
13. Arrangements have been put into place to continually share good partnering practice regarding works and construction procurement within the organisation.

14. Existing partnerships with central and local government bodies will be strengthened and extended to explore the potential for joint working and sharing best practice.

Doing Business Electronically

15. The City of London is committed to introducing e-procurement applications into construction and facilities management procurement.
16. During 2006 the City Surveyor's Department implemented a new integrated supplier accreditation, e-tendering and performance management system namely Alito on behalf of every City department that commissions works and facilities management contracts.
17. Further e-procurement development will be in accordance with the corporate procurement strategy.

Stimulating Markets and Achieving Community Benefits









18. In addition to the sustainable procurement objectives set out elsewhere in the Procurement Strategy the City of London uses 'community benefit' clauses to encourage local employment in its works and maintenance contracts.
19. The City's Small and Medium Enterprise (SME) workspace initiative for instance makes as much use as possible of local supplies, services and the local labour force, through links with local enterprise agencies.










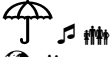



ENVIRONMENTAL POLICY

The Corporation has recently updated its environmental policy - the new document combines social, economic and environmental aspects to create a holistic picture of the Corporation's position on sustainable development. The elements of this policy most relevant to the Asset Management Plan are reproduced below, along with a key showing their relationship to the Community Strategy.

Key

The following symbols illustrate the cross-cutting links with the 8 themes of the Community Strategy.

-  - A world class city
-  - Good transport for a thriving city
-  - A clean, pleasant and attractive city.
-  - A healthy city
-  - A safer city
-  - A vibrant and culturally rich city
-  - An inclusive and outward looking city
-  - A skilled and learning City

<p>EC1 Improve the awareness and understanding of climate change and its potential impacts and assist partners in anticipating, preparing for and adapting to the impacts of climate change, thereby helping City businesses to become more stable, competitive and attractive to investors.</p>	
<p>EC5 Actively seek environmentally and socially responsible options when purchasing goods and services in all areas of the Corporation's operation and continue to encourage our partners and suppliers to do the same.</p>	
<p>EN1 Raise awareness of environmental issues, encourage the use of best environmental practice, and ensure adherence to relevant environmental legislation in all areas of operation and partnership working.</p>	
<p>EN2 Continue to pursue the reduction of the Corporation's and its partners' absolute Carbon Emissions through increasing energy efficiency, use of green energy, the development of Combined Heat and Power (CHP) generation and improved transport options.</p>	
<p>EN3 Reduce the excessive consumption of water in its own buildings and operations and encourage others to do likewise.</p>	
<p>EN4 Reduce waste generation and maximise the re-use and recycling of waste material in its own operations, ensuring the most sustainable option for waste disposal is pursued. Encourage and enable others in doing the same.</p>	
<p>EN5 Entrench sustainable development principles into the heart of the planning system.</p>	
<p>EN8 Protect, maintain and enhance the built environment of the City, ensuring that it is a safe and pleasant place to live and work, and seek to ensure that new developments have a positive impact on the environment. Continue to be aware of areas of major flood risk and work with partners to counteract and reduce risks.</p>	
<p>SO1 Encourage the active involvement of businesses, local residents and other stakeholders in its open spaces, in the protection and maintenance of the natural environment.</p>	
<p>SO4 Provide activities and meeting places for young people.</p>	
<p>SO6 Consult, inform, include and engage all sections of the City's diverse community when making decisions and delivering change.</p>	
<p>SO7 Work to ensure marginalised/ minority/ disadvantaged groups have equal access to and are encouraged to use all City services and activities.</p>	
<p>SO9 Protect and maintain the historic properties which it owns both inside and outside the City of London, and ensure that streets and public spaces are designed and maintained to a high standard.</p>	

DEPARTMENTAL PROPERTY AUDITS

This is a list of the areas covered with the respective Chief Officers when reviewing operational properties.

The main drivers for changes in property needs are:

Business	Departmental business plans/best value reviews/audits Potential future changes Financial objectives and constraints
People	Insufficient/excess space Future staff projections Changing ways of working
Timing	Lease expiries or breaks. Major cyclical maintenance items

The Business

- Departmental objectives and activities as set out in the Departmental Business Plan and how these underpin the Community Strategy and the Corporate Plan.
- Financial goals or constraints.
- Key issues facing the department in relation to its property portfolio (*e.g. insufficient space, lease expiries, break dates, inflexible space, suitability of location*).
- Whether there is an agreed accommodation/estate strategy in place. The guiding principle behind all such strategies is to ensure that the estate supports service delivery.
- Looking at possible changes over the next 2, 5 and 10 years and how this could affect property needs. Legislative reforms, changes in working practices, partnership arrangements or the use of other agencies may well have a bearing on staffing numbers and, ipso facto asset requirements. Other potential threats/risks for the continuity of the business will need to be identified.

The Properties

- Suitability of the properties in terms of location, image and access.
- Sufficiency of the properties having regard to facilities, operational efficiency and obsolescence.
- Major renewal projects
- Compliance with legislative requirements including DDA, asbestos surveys etc.
- Appraisals to identify latent development potential or if there is a more valuable alternative use or marriage value that could be released.
- Property running costs and the use of benchmarks.
- Opportunities for better space utilisation and whether changes in working practices or IT could produce efficiencies.
- Location of backroom activities outside the City.
- Comparison with space standards adopted by Corporation.