



Planning and Transportation Committee

Date: TUESDAY, 10 SEPTEMBER 2019

Time: 10.30 am

Venue: LIVERY HALL - GUILDHALL

14. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

**DEPARTMENT OF THE BUILT ENVIRONMENT RISK MANAGEMENT –
QUARTERLY REPORT**

Report of the Director of the Built Environment

For Information
(Pages 1 - 16)

John Barradell
Town Clerk and Chief Executive

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Committee(s)	Dated:
Planning & Transportation Committee – For Information	10092019
Subject: Department of the Built Environment Risk Management – Quarterly Report	Public
Report of: Director of the Built Environment	For Information
Report author: Richard Steele	

Summary

This report has been produced to provide the Planning & Transportation Committee with assurance that risk management procedures in place within the Department of the Built Environment are satisfactory and that they meet the requirements of the corporate Risk Management Framework.

This report only considers risks managed by the Department of the Built Environment that fall within the remit of the Planning & Transportation Committee. Parallel reports regarding risks that fall within the remit of the Port Health & Environmental Health Committee are submitted to that Committee.

Risk is reviewed regularly as part of the ongoing management of the operations of the Department of the Built Environment. In addition to the flexibility for emerging risks to be raised as they are identified, a process exists for in-depth periodic review of the risk register.

Since the last report to Members there has been no change in the list of Corporate risks managed by the department and no new Departmental risks have been identified.

There is one Corporate Risk managed by the Department of the Built Environment:

- CR20 - Road Safety (Current risk: AMBER)
[Planning & Transportation Committee]

Following the review of the wording of the risk and on the advice of the Audit and Risk Management Committee the Likelihood of this risk is assessed as Likely and the Impact as Extreme. The risk score is therefore 24 and the risk is RED.

There are no Departmental RED Risks managed by the Department of the Built Environment.

Recommendation

Members are asked to:

- Note the report and the actions taken in the Department of the Built Environment to monitor and manage effectively risks arising from the department's operations.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the risks faced in their department.
2. Risk owners are consulted and risks are routinely reviewed with the updates recorded in the corporate (Covalent) system.
3. Each risk managed by the Department of the Built Environment is allocated to either the Planning & Transportation Committee or the Port Health & Environmental Services Committees. **This report only considers risks managed by the Department of the Built Environment that fall within the remit of the Planning & Transportation Committee.**

Parallel periodic reports are submitted to the Port Health & Environmental Services Committee.

Current Position

4. This report provides an update on the current risks that exist in relation to the operations of the Department of the Built Environment that fall within the remit of the Planning & Transportation Committee.
5. In order to reduce the volume of information presented, and accordance with the Corporate Risk Management Strategy, this report includes all Corporate and Departmental level risks but not Service Level risks (unless there are changes which are considered to be likely to be of interest to Members).
6. The risk register captures risk across all four divisions within the department, (Transportation & Public Realm, District Surveyor, Development and Policy & Performance) but risks relating to the City Property Advisory Team are managed by the City Surveyor. The department provides advice relating to the City bridges to the City Surveyor's department but the risks are owned by the City Surveyor.

Risk Management Process

7. Risk and control owners are consulted regarding the risks for which they are responsible at appropriate intervals based on the level of risk and the likelihood that this level will change. In general, RED risks are reviewed monthly; AMBER risk are reviewed quarterly; and GREEN risks are reviewed quarterly, 6 monthly or annually depending on the likelihood of change.
8. Changes to risks were, historically, reported to Members as part of the Business Plan report. Members now receive this report quarterly in accordance with the Corporate Risk Management Strategy.

9. All significant risks (including Health & Safety risks) identified by the Department are managed through the Covalent Corporate Risk Management System.
10. Members will notice that some risks reported are already at the Target Risk Rating & Score and are only subject to Business As Usual actions. These risks are included in accordance with the Corporate Guidance “Reporting Risk Information to Grand Committees” to assist this committee to fulfil the role of Service Committees (as defined in the Corporate Risk Management Strategy) to “Oversee the significant risks faced by the Departments in the delivery of their service responsibilities.” The annual target date for Business As Usual actions, and risks where we are at Target Risk, will be updated prior to the next report.

Significant Risk changes and other items of particular interest to Members

11. The one Corporate risk has been reviewed and is now RED. Further details are below in Summary of Key Risks
12. Regular review of risks has identified no Departmental Level risks where the Current Risk score has changed.
13. **DBE-TP-03 Major Projects and key programmes not delivered as TfL funding not received.**

This risk rating and score have not changed. However, we will keep this under review as the scale of Local Risk savings becomes clearer. Significant reductions in Local Risk budget for transport schemes would leave us more dependent on LIP funding, which may also reduce.

We expect TfL’s review of the LIP formula to be completed by the end of the calendar year. The risk remains GREEN.

14. The Target Risk Ratings/Scores have also been reviewed since the last report to Members and no changes have been identified.

Identification of New Risks

15. New risks may be identified at the quarterly review of all risk; through Risk reviews at the Department Management Team; or by a Director as part of their ongoing business management.
16. An initial assessment of all new risks is undertaken to determine the level of risk (Red, Amber or Green). Red and Amber risks will be the subject of an immediate full assessment with Red risks being report to the Department Management Team. Green risks will be included in the next review cycle.
17. No new risks that fall within the remit of the Planning & Transportation Committee have been identified since the last report.
18. The impact of Brexit is now being managed corporately and is the subject of a separate report to this Committee.

Summary of Key Risks

19. The Department of the Built Environment is responsible for one Corporate Risk. This is:

Road Safety (CR20) which is RED

This is the risk related to road traffic collisions.

Following the last report to this Committee this risk wording has been revised and, with the guidance of the Audit and Risk Management Committee the risk score is assessed as 24 (Likelihood of Probable (3) and Impact of Extreme (8)) as a result the risk is now RED.

The City of London is continuing to progress proposals for further changes at Bank Junction (interim and permanent) and is working with TfL on change at Ludgate Circus.

We are also liaising with TfL on improvements to the junction at Bevis Marks/Wormwood and Bishopsgate and the Fenchurch Street/Lombard Street/Gracechurch Street Junction.

The Department for Transport (DfT) has been approached informally to discuss 15mph speed limits.

Conclusion

20. Members are asked to note that risk management processes within the Department of the Built Environment adhere to the requirements of the City Corporation's Risk Management Framework and that risks identified within the operational and strategic responsibilities of the Director of the Built Environment are proactively managed.

Appendices

- Appendix 1 – City of London Corporation Risk Matrix
- Appendix 2 – Register of DBE Corporate and Departmental risks (Planning & Transportation Committee)

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City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

(A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

(B) Impact criteria

Impact title	Definitions
Minor (1)	Service delivery/performance: Minor impact on service, typically up to one day. Financial: financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints contained within business unit/division. Legal/statutory: Litigation claim or find less than £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives.
Serious (2)	Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user/stakeholder complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more persons. Objectives: Failure to achieve one or more service plan objectives.
Major (4)	Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people Objectives: Failure to achieve a strategic plan objective.
Extreme (8)	Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National publicity more than three days. Possible resignation leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.

(C) Risk scoring grid

Likelihood	Impact				
	X	Minor (1)	Serious (2)	Major (4)	Extreme (8)
	Likely (4)	4 Green	8 Amber	16 Red	32 Red
	Possible (3)	3 Green	6 Amber	12 Amber	24 Red
	Unlikely (2)	2 Green	4 Green	8 Amber	16 Red
	Rare (1)	1 Green	2 Green	4 Green	8 Amber

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

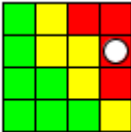
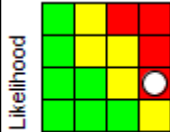

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DBE Corporate & Departmental Risks (Planning & Transportation Committee)

APPENDIX 2

Report Author: Richard Steele

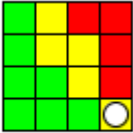
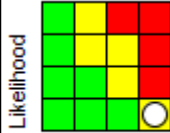

Generated on: 28 August 2019

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR20 Road Safety 28 Oct-2015 Carolyn Dwyer Page 7	<p>Cause: Limited space on the City's medieval street network to cope with the increased use of the highway by vehicles, pedestrians and cyclists within the City of London. Interventions and legal processes take time to deliver SAFELY AND EFFECTIVELY</p> <p>Event: The City Corporation's statutory duties and the measures outlined in the Transport Strategy are not fully and effectively implemented.</p> <p>Effect:</p> <ul style="list-style-type: none"> •The number of casualties occurring on the City's streets rises or remains unchanged instead of reducing •The safety and feeling of safety of the City's communities is adversely affected (Corporate Plan Outcome 1) •Physical or mental harm suffered by those involved in collisions and their associates •Economic costs of collisions impact on INDIVIDUALS, City businesses and wider society •The City Corporation's ABILITY TO IMPROVE ROAD SAFETY is adversely impacted with businesses and/or the public BY VIRTUE OF A LOSS OF CREDIBILITY AND/OR AUTHORITY <p>(revised risk description 27/6/19)</p>	Likelihood  Impact	24	On the advice of the Audit & Risk Management Committee the Likelihood has increased from 2 (Unlikely) to 3 (Possible). This reflects the probability that a fatality is fairly likely to occur while mitigation measures are being implemented. 12 Aug 2019	Likelihood  Impact	16	31-Mar-2022	 Constant

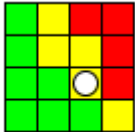
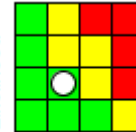

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR20l Road danger reduction and Vision Zero	<p>A programme of projects to reduce road danger on the City's streets including:</p> <ul style="list-style-type: none"> • Bank on Safety and All Change at Bank • RDR engineering programme • 15mph traffic limit • Ludgate Circus (lead by TfL) 	Continuing to progress proposals for further changes at Bank Junction (interim and permanent) and work with TfL on change at Ludgate Circus. Also liaising with TfL on improvements to the junction at Bevis Marks/Wormwood and Bishopsgate and the Fenchurch Street/Lombard Street/Gracechurch Street Junction. DfT have been approached informally to discuss 15mph.	Zahur Khan	12-Aug-2019	31-Mar-2022
CR20m Road Danger Reduction campaigns and engagement	<p>Campaigns and engagement activities to encourage safe behaviours and promote safe vehicles, including:</p> <ul style="list-style-type: none"> • Active City Network • User and stakeholder liaison • Schools programme 	In June a campaign targeting powered two wheeler riders in the City was delivered in partnership between the City Corporation, London Fire Brigade, City of London Police and the Motorcycle Industry Association. The campaign promoted safer riding, including slower speeds. Other engagement activities in June/July include Exchanging Places Road Shows organised in partnership with the City of London Police and Keltbray.	Zahur Khan	12-Jul-2019	31-Mar-2022

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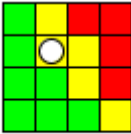
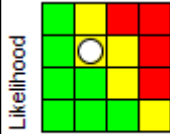

Title,			owner	Date	
DBE-PP-01a Business as usual mitigating controls	(1) Ongoing monitoring of government regulations; (2) continue monitor progress of, and seek to influence, forthcoming legislation	<p>Whilst this risk (at 12) is above appetite (8) to reduce the risk to appetite would require increased engagement by the City Corporation's Senior Members with Government, Opposition and the GLA to ensure that national and strategic policy is always appropriate for the City.</p> <p>We continue to monitor draft regulations to ensure they reflect or adapted to accord with City Corporation priorities.</p> <p>The City Corporation has made its case on outstanding matters in the Draft London Plan at the Examination in Public earlier this year.</p> <p>A final version NPPF published in July 2018 did not address all the City's concerns and subsequent proposed relaxations of Permitted Development Rights cause further concerns. These have been reiterated to Government in response to the public consultation.</p> <p>The new Housing Delivery Test is not appropriate to the City's circumstances. However, it was applied to the City and recent housing delivery has not met Government targets. The City Corporation agreed an Action Plan in July 2019. Housing delivery is expected to exceed targets in the next few years</p>	Paul Beckett	13-Aug-2019	31-Dec-2019

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
DBE-02 Service/Pipe Subways 02-Dec-2015 Ian Hughes; Giles Radford	Cause: Provide safe access and egress for utilities and maintenance functions, whilst having operatives entering the confined space to undertake checks. Event: A lack of Oxygen, poisonous gases, fumes and vapour, liquids and solids that suddenly fill spaces, Fire and explosions, hot conditions, Entrapment and falling debris. Impact: Fatality / Major Injury / Illnesses	Likelihood  Impact	8	Heat detection cable in QVS subways up and running. For the rest of the network, no further update. 28 Aug 2019	Likelihood  Impact	8	31-Dec-2019	 Constant

Action no, Title, Date	Action description	Latest Note	Action owner	Latest Note Date	Due Date
DBE-02a Business As Usual Mitigations	<p>Confined space working is avoided when possible.</p> <p>All PPE and other equipment required for a SSOW shall be suitable and sufficient for the tasks identified. The following PPE and equipment shall be provided, as stated in the approved code of practice</p> <p>All openings are controlled through a central booking system. A subway must not be entered if permission to do so has been refused.</p> <p>No booking will be granted to parties who are not on the database. If the contractor is not on the database they must seek approval from CoL regarding their works. Once confirmed, the contractors will be added to the system before agreeing access.</p> <p>All works and operatives entering the pipe subway must comply with the code of practice for access and safe working in local authority subways.</p> <p>Regular inspections of the structure, covers, condition and asbestos surveys are undertaken.</p> <p>The Permit to enter form must be completed and contractors checked to ensure they have suitable and sufficient equipment to enter a confined space.</p> <p>No smoking is allowed at any time.</p>	All business as usual mitigations have been reviewed, they are very much current and continue to work effectively	Giles Radford	01-Mar-2019	31-Dec-2019

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
DBE-PL-06 S106 Controls 30-Nov-2018 Annie Hampson	Cause: Disjointed control mechanisms in relation to processing and monitoring S106 agreements. Event: Failure to implement Audit recommendations. Effect: Loss of funds; non-compliance with agreements and reporting; potential reputational damage	 Likelihood	8	The risk has been reviewed and remains unchanged at Amber. The Audit Review has been worked through and most of the recommendations within it have been implemented. Considerable work has been done over the last few months to review outstanding S106 sums and to rationalise the projects on which they are to be spent, and there is now greater oversight by officers and Members. The Chamberlain's team are, for the time being, continuing to keep separate financial records (including on CBIS). 28 Aug 2019	 Likelihood	4	31-Mar-2020	 Constant

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
DBE-PL-06b Ensure sufficient resources are available	There are insufficient resources to address the recommendations within the next three months. Additional resources will be sought.	The information required to report the 2017/18 and 2018/19 S106 and CIL income and expenditure was received from the Chamberlain's team in August and is to be reported to the P&T Committee on the 2 Oct 19. The Director of the Built Environment has resolved not to expend resources to update Exacom retrospectively and will set a date from which it should be used as the main record. This has been agreed with Chamberlain's team and is to be reported to Audit.	Annie Hampson	28-Aug-2019	31-Oct-2019
DBE-PL-06c Interaction with software supplier & Chamberlain's Finance	There is a need to (a) import data from CBIS into Exacom to ensure that it contains up to date expenditure and allocation information; and (b) prepare the necessary budget reports from Exacom.	The Director of the Built Environment has resolved not to expend resources to update Exacom retrospectively and will set a date from which it should be used as the main record. This has been agreed with Chamberlain's team and is to be reported to Audit. This action will be closed.	Annie Hampson	28-Aug-2019	31-Mar-2020

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
DBE-PL-02 Not being alive to the needs/requirements of the world business centre and the political environment 23-Mar-2015 Annie Hampson	Cause: Staff are badly briefed in relation to the planning development needs of the City as a world business centre Event: Perception that we are not responsive to the planning development needs of the City as a world business centre Impact: The City's reputation suffers and we fail to deliver buildings that meet the needs of the City as a world business centre	 Likelihood	6	The risk has been reviewed and is assessed as unchanged, there continues to be uncertainty regarding the wider economic situation and in particular Brexit. 29 May 2019	 Likelihood	6	31-Dec-2019	 Constant

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
DBE-PL-02a Business as usual mitigating controls	(1) Continue to work closely with other parts of the department; the City Property Advisory Team; other City of London Departments; & the Greater London Authority. (2) To work closely with the development industry, the City Property Association and hold regular meetings with City agents. (3) Participation at MIPIM.	The Business As Usual controls have been reviewed and we continue to work closely with the development industry, the City Property Association and hold regular meetings with City agents. These controls, which have been implemented, are appropriate and effective.	Annie Hampson	29-May-2019	31-Dec-2019

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