Sur Detailed risk register including completed actions

Report Author: Faith Bowman **Generated on:** 25 January 2018



Rows are sorted by Risk Score

Code & Title: SUR SMT SENIOR MANAGEMENT TEAM $\,$ - (High Level) DEPARTMENT RISKS 8

| 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 |
|--|--|---------------------|---------|---|----------------------|-------|-----------------|--|
| SUR SMT 006 City Bridges: Bridge House Estates - Wanton Damage / Terrorism 19-Jun-2017 Paul Wilkinson | Cause: Wanton Damage / Terrorism Event: Collapse or become unusable Impact: Reputational damage, disruption to traffic, additional costs to repair / replace | Likelihood | 16 | CSD to work with internal partners, particularly DBE to improve ongoing management and communication of actions associated with this risk. This will include - Inspections - Maintenance reports - Areas of concern City Surveyor met with the Director of DBE on 08/01/18 to progress. 11 Jan 2018 | Likelihood | 12 | 31-Mar- 2018 | No change |

| Action no, Title, | Description | Latest Note | e , | Latest Note Date | Due Date |
|--------------------------|--|---|------------|------------------------|-----------------|
| SUR SMT 006a Security | , and the second | There is Police presence but the bridges are located outside the security cordon. Tower Bridge has cameras and security requirements for visitors Temporary mitigation by the Metropolitan Police but not full Hostile Vehicle Mitigation - Ongoing. | Ian Hughes | | 31-Mar- 2018 |

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|--|---|---------------------|---------|---|----------------------|-------|-----------------|--|
| SUR SMT 007 City Bridges: Bridge House Estates - Tunnelling for the Thames Tideway Tunnel | Cause: Tunnelling for the Thames Tideway Tunnel effects bridge structures Event: Bridge/s become inoperable or have reduced operability Impact: Closure, reputational damage, disruption to traffic, additional costs to repair / replace | Likelihood | 16 | CSD to work with internal partners, particularly DBE to improve ongoing management and communication of actions associated with this risk. This will include - Inspections - Maintenance reports - Areas of concern City Surveyor met with the Director of DBE on 08/01/18 to progress. 11 Jan 2018 | Impact | 16 | 31-Mar- 2018 | No change |

| Action no, Title, | Description | Latest Note | ε, | Latest Note Date | Due Date |
|--|-------------|---|------------------|------------------------|-----------------|
| SUR SMT 007a Asset protection Agreements | | | Paul Monaghan | | 31-Mar- 2018 |
| SUR SMT 007b Reputational Management | | DBE to ensure that TFL are aware of potential impacts of bridge closures and suggest that TFL have appropriate contingency plans in place. This will be raised at the next liaison meeting with Thames Tideway staff to progress. This will help mitigate any potential traffic and reputation impacts on the City Corporation. | Paul Monaghan | | 31-Mar- 2018 |

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|---|---|---------------------|---------|--|----------------------|-------|-----------------|--|
| SUR SMT 008 City Bridges: Bridge House Estates - substantial vessel strikes 19-Jun-2017 Paul Wilkinson | Cause: Substantial Vessel strike Event: Collapse or become unstable Impact: Death / injury, disruption of traffic,reputational damage, additional costs to repair / replace | Likelihood | 16 | CSD to work with internal partners, particularly DBE to improve ongoing management and communication of actions associated with this risk. This will include - Inspections - Maintenance reports - Areas of concern City Surveyor met with the Director of DBE on 08/01/18 to progress. | Impact | 16 | 31-Mar- 2018 | No change |

| Action no, Title, | Description | Latest Note | , | Latest Note Date | Due Date |
|--|-------------|-------------|------------------|------------------------|-----------------|
| SUR SMT 003a Navigation controls | | | Paul Monaghan | | 31-Mar- 2018 |

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|---|--|---------------------|---------|--|----------------------|-------|-----------------|--|
| SUR SMT 001 A fall in property performance 03-Mar-2015 Nicholas Gill | Cause: Unexpected change or unknown impact of macroeconomic policy (decision to terminate membership of E.U., change in interest rate, exchange rate, taxation, government policy etc.) Event: Business sentiment changes and U.K. / London becomes less attractive to investors / tenants. Impact: Business Plan objectives are not achieved with resultant negative impact on income, yields, voids and areas. | Likelihood | 12 | The strategy is to maintain a diverse portfolio that reduces the impact of this risk. This includes 1. Use (office, retail, industrial) 2. Location (City, Southwark, West End etc.) 3. Tenancies (Long term Headlease geared, FRI, directly managed) 4. Covenants (multinationals, SME) 5. Asset management (lease renewals, voids, areas, etc) 16 Oct 2017 | Impact | 4 | 31-Mar- 2019 | Increased Risk Score |

| Action no, Title, | Description | Latest Note | Managed By | Latest Note Date | Due Date |
|---|--|---|---------------|------------------------|-----------------|
| SUR SMT 001c Impact of political and economic decisions | Impact of decision to terminate membership of E.U. the General Election and other political and economic decisions | SMT continues to closely monitor the position quarterly, including analysis of market reaction. | Nicholas Gill | | 31-Mar- 2018 |
| SUR SMT 001d Maintain a diverse portfolio | Maintain a diverse mix of space, locations, and tenants to ensure the business has wide market appeal and is not reliant on particular business sector | IPG MT monitors development of property portfolio and tenant mix. | Nicholas Gill | | 31-Mar- 2018 |

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|---|---|---------------------|---------|--|----------------------|-------|-----------------|--|
| SUR SMT 002 Not maximising operational property/buildi ng performance and availability 10-Feb-2015 Peter Young | Cause Insufficient budget, lack of expertise in management, or poor allocation of resources Event: Poor asset management Impact: Inability to maximise operational property / building performance (reduced rental income, reduced capital value, increased breakdown of M&E services, reduced customer satisfaction, poor building use and efficiency) | Likelihood | 12 | The principal mitigation actions are related to forecasting and monitoring the allocation of financial and human resources; £2m was added for 2017/18 and then £4m for the three years after. The latest proposal going to the Court in February is to add a further £4m for 2021/22 The Guildhall programme of future major capital projects was presented to CASC in October. This outlined the next wave of major works proposed to be taken through the Gateway process over the next three years. 24 Jan 2018 | Impact | 4 | 31-Mar- 2018 | No change |

| Action no, Title, | Description | Latest Note | Managed By | Latest Note Date | Due Date |
|---|--|--|------------------------------------|------------------------|-----------------|
| SUR SMT 002a Ensure appropriate funding of Repairs & Maintenance | Senior Management Team regularly review budgets. | rates. These items will help address a portion of the 'bow wave'. Meetings are held regularly | Peter Collinson; Peter Young | 14-Dec- 2017 | 31-Mar- 2018 |
| SUR SMT 002d Operational Property Review | | Deliver the Operational Property Review in order to ensure efficient and effective property management. Progress releasing assets has been slower than desired. Next steps include challenge sessions between the City Surveyor and Chief Officers as agreed by CASC. These will be undertaken between November and March 2018 as part of the business planning cycle. | Peter Young | 14-Dec- 2017 | 31-Mar- 2018 |

| SUR S | MT 002e | Asset management plan | Continue the development of new Asset Management Plans for key properties / sites. This will | Peter Young | 14-Dec- | 31-Mar- |
|-------|---------|-----------------------|--|-------------|---------|---------|
| Asset | | | tie in with the organisation's business planning process. This will look to identify future | | 2017 | 2018 |
| Manag | ement | | resource requirements to maintain and improve properties in line with the organisation's | | | |
| Plans | | | forward operational requirements. Assets that are surplus to service requirements will be | | | |
| | | | disposed of to generate additional revenue / receipts and minimise maintenance costs. | | | |

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| SUR SMT 005 Recruitment and retention of property professionals 17-Mar-2015 Paul Wilkinson | Cause: Uncompetitive pay structures Event: Increasingly attractive remuneration packages offered elsewhere externally, particularly in the private sector Impact: Increased vacancies, objectives unachieved or delivered late, reduced customer satisfaction, less real estate activity, reduced employee wellbeing, demotivation of staff. | Impact | 12 | Within the CSD, it is proving challenging to recruit Chartered Surveyors, Chartered Engineers as the base salaries are lower than those being offered in the private sector at this moment in time. Because of our unique location, CSD often competes with private practice and corporate real estate organisations. As a consequence, new staff recruited to these positions generally have less experience than desired and require closer supervision by existing staff therefore impacting service delivery. In order to provide robust evidence to support this view, the following actions are being undertaken: • Independent report on total reward, to include current base annual salaries, bonus and benefits package. • The report to compare the City of London Corporation's total reward package for roles listed verses the market place (both private and public sectors). 14 Dec 2017 | Impact | 4 | 30-Apr- 2018 | No change |

| Action no, Title, | Description | Latest Note | | Latest Note Date | Due Date |
|----------------------|---|---|----------------|------------------------|----------|
| SUR SMT 005a | Encourage CoL to adapt and change the approach to | Independent report will be presented to City Surveyor's and to HR in the middle of January. | Paul Wilkinson | 14-Dec- | 30-Apr- |

| Adopt and Change Approach | Reward and Earnings Package | Recommendations to be developed. | | 2017 | 2018 |
|---------------------------------|--|--|----------------|-----------------|-----------------|
| | particular focus on talent management, reward and | Recently approved flexibility in market forces supplement will be applied where appropriate. | Paul Wilkinson | 14-Dec- 2017 | 31-Mar- 2018 |
| SUR SMT 005c Outsource work | Outsource work activities that cannot be done in-house | Consider work that will have to be outsourced due to lack of in-house expertise. | Paul Wilkinson | 14-Dec- 2017 | 31-Mar- 2018 |

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| SUR SMT 004 Inability to deliver savings required by Service Based Review 03-Mar-2015 Paul Wilkinson | Cause: Departments do not deliver the agreed Facilities Management and Asset Management actions to time and to the appropriate success criteria. Event: Recommendations arising from the Asset Management and Facilities Management reviews are not implemented in full. Impact: Saving targets not achieved and objective not met – including transformation service improvements. | Impact | 8 | 2017/18 savings are on target which will potentially be supplemented by savings from the next generation building repairs and maintenance contract (BRM2) which commenced in July 2017. Facilities Management review (Strategic Asset Management Programme) has identified savings for 2018/19 in addition to further savings from BRM2. Envisaged savings agreed with Service Departments at the commencement of the project remain challenging. Avoidance of repairs and maintenance spend (SBR Saving) through the disposal of properties will now be partially attributable to CSD. 14 Dec 2017 | Impact | 4 | 31-Mar- 2019 | Decreased Risk Score |

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|--|-------------|---|-------------|------------------------|-----------------|
| SUR SMT 004b Corporate Asset Management control of operational property | | Review commenced. Scope of review agreed by SAM Programme Board. Recruitment of replacement Project Manager and Business Analyst still underway. Chief Officers attended workshops and engaged. | Peter Young | | 30-Jun- 2018 |

| SUR SMT 004c | Reduce staffing budget | Guildhall FM Team transfer to Operations Group was completed in October 2017. Continue to | Peter Collinson | 14-Dec- | 31-Mar- |
|---------------|------------------------|---|-----------------|---------|---------|
| Rationalising | | progress reviews of FM services and staffing requirements. Recruitment to posts where gaps in | 1 | 2017 | 2018 |
| of FM service | | capacity are identified. | 1 | | |

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| SUR SMT 003 Failure to maintain the Guildhall complex to the required standards | Cause: Increasing utilisation of Guildhall complex including events Event: Budget available does not meet operational demands Effect: Increase in running costs for CSD not provided for through budget. This may increase the backlog of maintenance, or lead to lower service level provision affecting medium-long term ability to generate revenue | Impact | 6 | The Chamberlain's Corporate Finance team presented a Guildhall Events Financial Statement to Finance Committee in December. An update will be provided in the new year. Plan is for Financial Statement to be produced twice a year for reporting to HWP • following year end – June meeting• when Charging Policy considered in October or November - HWP. A new phase of major capital projects approved by CASC will now be taken through the gateway process, and will be subject to availability of funding. Remembrancer's reviewing their requirements for event areas which may require additional funding 14 Dec 2017 | Impact | 4 | 31-Mar- 2018 | No change |

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|------------------------------|--------------|--|-----------------|------------------------|-----------------|
| | event spaces | Corporate Finance team is preparing a Guildhall Events Financial Statement. Report will be presented to Remembrancer's Management Team, Cross-cutting Officer Events Group and then onto Member - Hospitality Working Party (HWP). This report will be presented to Finance Committee in December. | | 14-Dec- 2017 | 31-Mar- 2018 |
| SUR SMT 003d BRM2 Savings | | Asset verification is in process to give true picture of the cost of building repairs and maintenance at the Guildhall complex. Thereafter the identification of savings can be | Peter Collinson | 14-Dec- 2017 | 31-Mar- 2018 |

| | progressed. | | |
|---------------------------------------|--|-------------|-----------------|
| SUR SMT 003e Efficiency Reviews | Three reviews are currently on-going and are at different stages. These include Security Review (including 67 recommendations), Cleaning Review (implementation) and the Energy Reduction Action Plan (implementation of the AECOM recommendations). Update report to be developed for Q4. | Peter Young | 31-Mar- 2018 |