



Resource Allocation Sub (Policy and Resources) Committee INFORMATION PACK

Date: THURSDAY, 30 NOVEMBER 2023

Time: 9.00 am

Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHAL

8. CITY SURVEYOR'S BUSINESS PLAN 2023-28 QUARTER 2 2023/24 UPDATE

Report of the City Surveyor.

For Information
(Pages 3 - 10)

9. THE CITY SURVEYOR'S CORPORATE AND DEPARTMENTAL RISK REGISTER – NOVEMBER 2023 UPDATE

Report of the City Surveyor.

For Information
(Pages 11 - 38)

16. ANNUAL REPORT ON OPERATIONAL PROPERTY PORTFOLIO

Report of the City Surveyor.

For Information
(Pages 39 - 60)

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Committee(s)	Dated:
Resource Allocation Sub (Policy and Resources) Committee – For information	30 November 2023
Subject: City Surveyor’s Business Plan 2023-28 Quarter 2 2023/24 Update	Report – public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	4, 7, 11, 12
Does this proposal require extra revenue and/or capital spending? N/A	N
If so, how much? N/A	N/A
What is the source of Funding? N/A	N/A
Has this Funding Source been agreed with the Chamberlain’s Department? N/A	N/A
Report of: The City Surveyor CS 310/23	For Information
Report author: John Galvin / Faith Bowman City Surveyor’s Department	

Summary

This report provides Members of Resource Allocation Sub (Policy and Resources) Committee (RASC) details of progress in quarter 2 (July to Sept) 2023/24 against the City Surveyor’s 2023-28 Business Plan.

Seven of the City Surveyor’s Department’s (CSD) performance measures are overseen by RASC. Of these, three were ahead on target (green) and three marginally behind (amber). One measure, Climate Action Strategy delivery, is reported a quarter in arrears. This measure was green for quarter 1.

Against a local risk budget of £30.9m, the City Surveyor is currently forecasting an estimated overspend of £541,000 (1.8%). This figure includes City Bridge Foundation (CBF) services. Excluding these services, the City Surveyor is forecasting a £485,000 overspend (1.8%) against a budget of £27.692m. The departmental budget line is the principal driver for the overspend, arising from lower than anticipated staff vacancies, and some residual 12% savings still to be achieved.

The department is working to mitigate this forecast overspend.

Recommendation(s)

- That Members note the content of this report.

Main Report

Background

1. In line with the City Corporation’s performance management approach this is a regular update report on the progress made against the department’s 2023-28

Business Plan (CS 372/22). The City Surveyor's Department (CSD) reports performance quarterly to Resource Allocation Sub (Policy and Resources) Committee (RASC) and once every six months to Investment Committee.

2. The department's business plan outlines twelve Key Performance Indicators (KPIs). RASC oversee progress against seven of these measures, whilst Investment Committee oversee nine (four measures are reported to both Committees).
3. Performance is assessed on a traffic light basis (RAG), where red denotes a high risk of non-attainment, amber indicates some concern, whilst green denotes the measure being on/ahead of target.

Current Position

4. This report provides the latest budget information which is set out in Appendix A. Appendix B provides a detailed table of the department's KPIs.
5. A separate monitoring report on the risks within the department is also circulated for this meeting.

Financial Statement

6. The monitoring for quarter 2 (Appendix A) reveals that the City Surveyor was forecasting an overspend of £485,000 (1.8%) against total budget for the year of £27.7m for his City Fund and City's Cash Services.
7. When his City Bridge Foundation (CBF) services are included, this increases to an overspend of £541,000 (1.8%) against a total budget for the year of £30.9m.
8. The principal drivers for this forecast are an overspend on departmental salary budgets due to the vacancy factor not being met, and some residual 12% savings that need to be identified. Although energy costs also continue to be a budget pressure, much of the additional cost is either being passed onto third parties, such as our tenants, or being offset by Power Purchase Agreement credits, so the net impact is limited.
9. Several services are showing an overspend at quarter two. This predominately where expenditure is just running ahead of profile, or where overspends earlier in the year can be met by corrective action in the latter part of the year (by delaying cyclical projects for example). This will be closely monitored, and an update will be provided at quarter 3.

Quarter 2 2022/23 update

10. The table below provides an 'at a glance' assessment of the department's performance through the first half of the 2023/24 reporting year.

Status ¹	Green	Amber	Red	TBC	N/A
Resources Allocation Sub Committee	3	3		1	
Overall (including non-RASC measures)	5	5		1	1

11. Of the twelve departmental KPIs monitored, five were assessed as being on target (green), whilst five were behind target (amber). At the time of reporting, we are still awaiting confirmation of one further measure. One final measure is reported annually.

12. Of the seven measures reported to this Committee, three were on target, (green) and three were behind target (amber) one measure is not yet available and will be reported in quarter 3.

13. The amber KPIs relevant to RASC are as follows:

A. KPI. 4 Property Contract Performance Compliance

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

Target less than 80%
Performance 68%

The integrated Facilities Management (IFM) contract was mobilised in April 2023, and this is the second quarter since go-live. Performance across the IFM suppliers continues to improve as we move away from mobilisation and towards Business As Usual (BAU). It should be acknowledged that the IFM contracts have now been in place six months against a 10-year contract term, and performance is considered proportionate for this stage in the tenure.

B. KPI. 5 Budgetary Spend Profiles

This objective of this indicator is that the actual spend, plus spend that has been receipted, will fall between 95% and 105% of the revised budget. This would indicate that services and projects are being delivered, and they are being delivered within their anticipated budgets.

Estimated target at quarter 2 33%
Performance 28%

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

Spend is slightly more than anticipated on both the Guildhall Administration budget, and on the Cyclical Works Program (CWP).

The department has investigated the drivers of this higher than anticipated spend to September and is confident that this will reduce towards target in future months.

C. KPI. 6 – Capital Projects – Project Risk Status

This indicator assesses the proportion of projects which are red (which may be due to cost, time, or a combination of both) against the total number of projects.

Target – Less than 30%

Performance – 48%

Over 60% of the department's current projects were commenced in 2020 or before, meaning that their delivery has been impacted by COVID-19. These projects have been subject to extended periods of reduced site capacity/productivity and from subsequent high levels of construction price inflation. This has resulted in a greater number of projects falling outside of time and/or price expectations. Whilst performance on current projects is positive, the volume of older projects will continue to provide a drag on performance overall.

Conclusion

The second quarter of 2023/24 has seen three on target and three measures marginally behind target for the period.

Appendices

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

Background Papers

- The City Surveyor The City Surveyor's Business Plan 2023-28 (CS 372/22)
- The City Surveyor Business Plan Progress Report – Quarter 1 2023/24 Update (CS 278/23)

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Budget Monitoring Statement

Quarter 2 2023/24

Appendix A

Page 1 of 2

2023-24 (Period to 1st October 2023)

LOCAL RISK BUDGET Quarter 2	Latest Approved Budget £000	Quarter 2 Profile £000	Quarter 2 Total Expenditure £000	(Under) / Over Spend for Period £000	Quarter 2 Projected Outturn £000	(Under) / Over Spend for 2023-24 £000	Note
City Fund							
City Fund Estate & Leadenhall	2,028	349	1,279	930	2,025	(3)	1
Walbrook Wharf	928	556	555	(1)	897	(31)	
Mayor's & City of London Court	38	19	13	(6)	45	7	
Central Criminal Court	369	369	857	488	377	8	2
Lower Thames St Roman Bath	9	4	2	(2)	6	(3)	
R&M & MI Work for other departments	1,318	659	646	(13)	1,320	2	
Corporate FM cleaning & security	150	75	75	0	150	0	
	4,840	2,031	3,427	1,396	4,820	(20)	
City's Cash							
City's Estate	2,851	643	772	129	2,916	65	3
Departmental	9,939	5,047	5,444	397	10,346	407	4
Mayoralty & Shrievalty	95	28	33	5	60	(35)	
R&M & MI Work for other departments	1,735	868	1,214	346	1,740	5	5
Corporate FM cleaning & security	647	324	323	(1)	647	0	
	15,267	6,910	7,786	876	15,709	442	
Guildhall Administration							
Guildhall Complex	7,585	3,912	4,066	154	7,648	63	6
	7,585	3,912	4,066	154	7,648	63	
Total City Surveyor Local Risk excl BHE	27,692	12,853	15,279	2,425	28,177	485	
Bridge House Estates							
Bridge House Estates	2,849	1,181	1,293	112	2,905	56	7
Tower Bridge Corporate FM cleaning	318	159	159	0	318	0	
	3,167	1,340	1,452	112	3,223	56	
Total City Surveyor Local Risk incl BHE	30,859	14,193	16,731	2,537	31,400	541	

1. The overspend at quarter 2 was principally due to cyclical works at Leadenhall market, and professional fees, running ahead of profile. Work has been undertaken to identify cyclical works that can be delayed on the strategic estate which, together with other savings on professional fees budgets, could bring the budget back to break-even at year-end. An update will be provided at quarter 3.
2. The overspend at quarter 2 comprises repairs and maintenance spend which is running ahead of target, plus additional energy and other premises cost which will be recovered from His Majesty's Courts and Tribunals Service (HMCTS) at year-end.
3. The overspend comprises additional repairs and maintenance works, an overspend on security, together with a shortfall in service charge income due to

voids. This has in part been partially offset by savings on professional fees and additional dilapidations income.

4. This comprises an overspend on salaries due to not achieving the vacancy factor, and some residual savings yet to be identified.
5. Reactive repairs and maintenance works are running ahead of profile. It is anticipated that the budget will be largely on target at year-end.
6. The overspend is due to additional overtime and overspends on several premises' budgets. It is anticipated that the position will be partially recovered at year-end through savings on some of these budget lines.
7. The City Bridge Foundation (formerly known as Bridge House Estates) overspend comprises a shortfall on dilapidations income, and additional spend on cyclical works, partially offset by savings on security.

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Agenda Item 9

Committee(s)	Dated:
Resource Allocation Sub (Policy and Resources) Committee – For information	30 November 2023
Subject: The City Surveyor’s Corporate and Departmental Risk Register – November 2023 Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	4, 7, 11, 12
Does this proposal require extra revenue and/or capital spending? N/A	N
If so, how much? N/A	N/A
What is the source of Funding? N/A	N/A
Has this Funding Source been agreed with the Chamberlain’s Department? N/A	N/A
Report of: The City Surveyor (CS326/23)	For Information
Report author: John Galvin / Faith Bowman City Surveyor’s Department	

Summary

This report has been produced to provide Members of the Resource Allocation Sub (Policy and Resources) Committee (RASC) with a quarterly update on the management of risks within the City Surveyor’s Department.

The City Surveyor’s Departmental Risk Register is reported to two Committees – your committee for operational property and Investment Committee for the investment property assets. The way that the risks map to the two Committees are included as Appendix A. Only risks relevant to this Committee are included within the detailed risk register (Appendix B). The full departmental risk register is available on request.

The City Surveyor is the owner for one corporate risk. Maintenance and renewal of Corporate Operational Assets (excluding housing assets), CR 37, is currently rated as a red risk with a risk score of 16.

There are a further nine risks on its Departmental Risk Register relevant to this Committee. Three of these departmental risks are recorded as red. The red risks currently being managed are:

- SUR SMT 005 – Construction and Service Contracts Price Inflation
Current risk score 16 (Red)
- SUR SMT 006 – Construction Consultancy Management
Current risk score 16 (Red)
- SUR SMT 009 – Recruitment and retention of property professionals
Current risk score 16 (Red)

Recommendation(s)

- Members are asked to note this report, and the actions taken within the City Surveyor's Department to effectively monitor and manage risks arising from our operations.

Main Report

Background

1. The City of London Corporation's Risk Management Policy and Strategy 2021 (RMP&S) requires each Chief Officer to report regularly to Committee the key risks faced in their department. The City Surveyor's Department (CSD) reports quarterly to both Investment Committee (IC) and Resource Allocation Sub (Policy and Resources) Committee (RASC).
2. Aligned with the new reporting arrangements we are now only reporting through to your Committee the risks which are relevant under the Committee's terms of reference. For clarity and transparency Appendix A provides a summary table of all departmental risks and the Committee to which they are reported. The full departmental risk register is available to Members upon request.
3. The risks relevant to this Committee are included as Appendix B to this report.
4. Risks are reviewed regularly by the department's Senior Management Team (SMT) in line with the organisation's RMP&S. Risks are assessed on a likelihood-impact basis, and the resultant score is associated with a traffic light colour.
5. Should any changes occur between formal meetings a process exists such that risks can be captured, assessed, and mitigating activities considered. This ensures that the risk management process remains 'live'.

Current Position

6. The key points to note for this period are captured below:

- a. CR 37

Maintenance and Renewal of Corporate Physical Operational Assets
(excluding housing assets)
Current Risk Score 16 (Red)

The key mitigation for the risk relates to the provision of sufficient funding. The current insufficient funding allocation will mean that this risk will remain and may increase.

The risk was also reviewed in detail by the organisation's Chief Officer Risk Management Group (CORMG) where the appropriateness of scoring, and the adequacy of mitigating actions were considered. This group validated the approach taken by the CSD as the owner of this corporate risk. This

department continues to work with others across the organisation, notably Chamberlain's, in progressing activity which will realise the mitigations.

- b. SUR SMT 005
Construction and Service Contracts Price inflation
Current Risk Score 16 (Red)

This title of this risk has been changed to include the Service Contracts which are similarly impacted by price inflation. Whilst market movements have moderated in recent months, price inflation remains above historic norms. The department will continue to progress mitigations wherever possible.

- c. SUR SMT 009
Recruitment and Retention of Property Professionals
Current Risk Score 16 (Red)

Competition for qualified property professionals remains strong, particularly in asset and project management. The department is engaging closely with corporate colleagues where this item is also flagged as a Corporate Risk (CR 39 Recruitment and Retention).

Conclusion

- Members are asked to note the recent changes to the departmental risk register, and the actions taken by CSD to mitigate the likelihood and/or impact of the risks, including the corporate risk regarding operational property maintenance and funding.
- The current funding allocation to the maintenance and upkeep of the City's operational property portfolio is an ongoing consideration for Members as part of its overall medium-term financial plan.

Appendices

- Appendix A Risks by Committee
- Appendix B The City Surveyor's Corporate and Departmental Risk Register relevant to this Committee

Background Papers

- The City Surveyor The City Surveyor's Departmental Risk Register – July 2023 Update (CS183/23)
- The City Surveyor The City Surveyor's Departmental Risk Register – September 2023 Update (CS 279/23)

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Risks by Committee

1. The City Surveyor’s Department (CSD) is currently managing one risk at the Corporate level (CR 37) and a further ten at the departmental level.
2. Outlined in the table below is how these risks relate to the two reporting Committees, Resources Allocation Sub (Policy and Resources) Committee (RASC) and Investment Committee (IC).
3. Of the eleven total risks, ten relate to RASC and seven to Investment Committee.
4. Only risk relevant to this Committee are included in Appendix B. The full list of risks and their mitigations are available upon request.

Code	Title	RASC	IC	Score
CR 37	Maintenance and renewal of Corporate Operational Assets (excluding housing assets)	X		16
SUR SMT 005	Construction and Service Contracts Price Inflation	X	X	16
SUR SMT 006	Construction Consultancy Management	X	X	16
SUR SMT 009	Recruitment and retention of property professionals	X	X	16
SUR SMT 002	Insufficient budget to meet user and asset demand at Guildhall	X		12
SUR SMT 003	Investment Strategy Risk		X	12
SUR SMT 010	Insurance - Investment and Corporate Estates	X	X	12
SUR SMT 011	Contractor Failure	X	X	12
SUR SMT 007	Energy Pricing	X		8
SUR SMT 012	Adjudication & Disputes	X	X	8
SUR SMT 008	Special Structures	X		6

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SUR Departmental risks - Detailed Report EXCLUDING COMPLETED ACTIONS for COMMITTEE

Report Author: Faith Bowman
Generated on: 10 November 2023



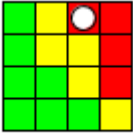
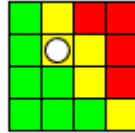

Rows are sorted by Risk Score

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/Risk Approach	Current Risk score change indicator
Risk 37 Physical Assets (excluding housing assets)	<p>Cause: Poor property condition combined with insufficient budget allocation to maintain assets in line with strategy/ commitments/expectations.</p> <p>Event: Misalignment between funding available and that required by the asset (as defined by the relevant Asset Management Strategy).</p> <p>Impact: Built estate becomes not fit for purpose / functions / occupancy. Cost of maintenance and utility costs increases, placing further pressure on City resources. In extreme circumstances there will be H&S implications, leading to potential enforcement action, legal action by tenants or asset failure in whole or part with detrimental effects leading to impact on occupiers</p>	<p>Lielihood</p> <p>Impact</p>	16	<p>The main driver of this risk is the adequacy of funding to manage and mitigate asset risks.</p> <p>This risk is corporate wide, so extending to sites where asset accountability sits with the relevant Premises Controller in occupation.</p> <p>This risk includes the Barbican and the Guildhall School of Music and Drama (GSMD). At these sites there is a requirement to ensure an appropriate experience for audiences, performers, students and staff, to sustain their business models. Similarly, sites across the Environment Department, including the City's off-street car parks; the CoL Cemetery and Crematorium; and the Natural Environment Division's green spaces, are open to the public – so adequate</p>	<p>Lielihood</p> <p>Impact</p>	8	31-Mar-2024	

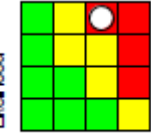
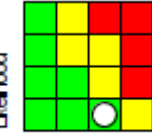
<p>04-Nov-2019 Paul Wilkinson</p>				<p>funding is critical to manage H&S and reputational impacts</p> <p>The risk was discussed in depth at the organisation's Chief Officer Risk Management Group meeting. It was agreed that having a single risk in relation to maintenance and renewal' was correct for the organisation (as opposed to multiple related risks), and the scoring was also considered.</p> <p>The Guildhall Renewal Programme was considered by the Senior Leadership Team in November. Delays to the renewal will increase property related risks, and this is highlighted in the actions below.</p> <p>Whilst funding remains the overriding mitigation, the City Surveyor is working to ensure that accountability and responsibilities for maintenance is understood across the organisation. Where gaps in expertise or capacity exist, the City Surveyor is looking to develop solutions with the Premises Controllers in line with his role as the Head of Profession.</p> <p>10 Nov 2023</p>			<p>Reduce</p>	<p>Constant</p>
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR37a	Cyclical Works Programme (CWP)	<p>The Cyclical Works Programme (CWP) is the principal way that the backlog of asset maintenance is delivered to Corporate properties (excluding ring-fenced assets).</p> <p>A paper was presented to Operational Property and Projects Sub Committee (OPPS) in April 2023, and subsequently to Resource Allocation Sub Committee (RASC) in June. This identified a funding requirement of circa £133m. This funding would address the repair backlog over a three-year period (including currently outstanding works plus those due over this time horizon).</p> <p>Colleagues in Chamberlain's Department are exploring funding options for this quantum of works, and the City Surveyor is supporting this work by providing data/intelligence on the works required. The objective is to get a clear steer in January in relation to prioritisation and financing.</p>	Peter Collinson; Sonia Virdee; Paul Wilkinson	10-Nov-2023	31-Mar-2024
CR37b	Ring fenced properties and budgets (CoLP estate, New Spitalfields, Billingsgate and the three private schools	<p>The City Surveyor's Department (CSD) is communicating with ring fenced departments to identify appropriate building maintenance requirements and spend (forward maintenance). These departmental occupiers allocate their own funds for the maintenance of the built assets. Whilst CSD recommends work to be undertaken, it is the occupying department who holds the budget responsibility and thus decides with final control over maintenance activity.</p> <p>This element is being mitigated through the delivery of the recommendations arising from the recent Internal Audit. Whilst there has been progress in some areas, the actions have not been implemented comprehensively across the Corporation.</p> <p>CSD continues to review risks held by departments across the organisation to ensure that this overarching corporate risk correctly captures the pressures felt by our various departments.</p>	Paul Wilkinson; Peter Young	10-Nov-2023	31-Mar-2024
CR37f	Annual Major Capital Bids	<p>The City Surveyor's Department presented bids in relation to works at both the Guildhall and the Central Criminal Court. These were considered by Members in late October and have been recommended for progression.</p> <p>The department provides support to other departments to support their capital bids.</p>	Peter Young	10-Nov-2023	31-Mar-2024

CR37g	Operational Property Review	<p>The City Corporation has commenced an Operational Property Review (OPR) to consider the future property requirements to deliver the organisations services. This will align with the Resource Priority Refresh programme.</p> <p>The review is commencing and further details as to milestones and objectives will be available shortly. Environment, and Community & Children Services have completed the outcome of their reviews, and this will be presented to members in the new year. This initial review aims to establish baseline operational requirements, financial position, and state of repair, with the view that a detailed and costed options can be considered.</p> <p>Rationalisation of the organisation’s property estate will help alleviate pressure on maintenance budgets. However, it should be highlighted that rationalisation will only be able to make a small contribution to the overall position</p>	Peter Young	10-Nov-2023	31-Mar-2024
CR37h	Renewal Programmes	<p>The Barbican Centre renewal project is a £50-£150m project which will repair the building to it can function long into the future, opening up under-utilised space, improving accessibility, whilst delivering against its sustainability aspirations. Public survey and workshops were completed in December 2022 with further public consultations scheduled for 2023 in advance of an initial business case being submitted to the City Corporation.</p> <p>The Guildhall School of Music and Drama (GSMD) are working closely with corporate colleagues to develop and further the Barbican Renewal Team. Further, it is working with the Department of Community and Children’s Service in respect of waterproofing works, and the City Surveyor on Fire Safety. GSMD have also engaged space consultants who are undertaking a wide-ranging review of the site. This is with the view that current and future needs are detailed, and future funding bids align with this requirement.</p> <p>The Guildhall Renewal programme has developed a range of options varying by scope and speed of delivery. These will be presented to Members in the new year. The option progressed will be influenced by the availability of finance. Delays to the programme will exacerbate this risk unless funding can be achieved to mitigate short- and medium-terms issues.</p>	Claire Spencer; Jonathan Vaughan; Peter Young	10-Nov-2023	31-Mar-2024
CR37i	Income Generation in Natural Environment	<p>The Natural Environment Division is developing an Income Generation Plan, which will be dependent upon production of a comprehensive asset register and completing the Natural Environment Charities Review. This will include seeking further opportunities for grant funding. The anticipated outcome is that more income will reduce dependence on City's Cash and help tackle some of the 'red' risks on the risk register such as the maintenance backlog.</p>	Bob Roberts	10-Nov-2023	30-06-2024

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/Risk Approach	Current Risk score change indicator
SUR SMT 005 Construction and Service Contracts Price Inflation Page 21 14-Oct-2021 Ola Obadara	Cause: Market conditions have led to input price inflation Event: Project and programme cost escalation Impact: Inability to delivery capital and revenue projects within budget	 Likelihood Impact	16	Material costs and labour availability are combining to raise costs. This item impacts property projects, our facilities management (FM) provision, reactive repairs, and revenue works. Construction inflation is forecast to level out over the coming months, although not reduce. Existing contracts will continue to suffer from costs in excess of those initially anticipated at project commencement. Market conditions remain dynamic and will be kept under review. At this time it is felt appropriate that the risk score remain at its current level 10 Nov 2023	 Likelihood Impact	6	31-Mar-2024	
							Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 005a	Procurement Strategy	<p>The department is working with legal and procurement to identify different buying options, thereby managing the risk to the department / organisation. This exploration included a review of the prior Single Stage tender process (which had been preferred for medium range projects - £2m - £50m).</p> <p>Following the review Two Stage contracts will be used more frequently. This is the current market norm for these projects. The change enables contractors to better transfer their risk and leaves the City with a degree of cost uncertainty, even post Gateway 5. Whilst this transfer is not desired, it offers far better market coverage and reflects the prevailing external conditions. This will be kept under review.</p>	Ola Obadara	10-Nov-2023	31-Mar-2024
SUR SMT 005d	Contracts	Chamberlain's procurement and the department have explored the inclusion of fluctuating provisions in our contracts. This action has resulted in attracting a greater number of contractors to bid on projects, however the inflation risk has been transferred to the organisation. The value of this approach will be continually reviewed.	Ola Obadara	10-Nov-2023	31-Mar-2024
SUR SMT 005e	Contract Engagement	We are looking to engage early with our contractors on a consultancy basis to obtain as much information as possible prior to contract.	Ola Obadara	10-Nov-2023	31-Mar-2024
SUR SMT 005f	Specification and Materials	Ensuring materials are readily available before and during the design phase and, if possible, procure in advance of the contract. Further consideration is being given to the origin of source materials to ensure supply.	Ola Obadara	10-Nov-2023	31-Mar-2024

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/Risk Approach	Current Risk score change indicator
<p>SUR SMT 006 Construction Consultancy Management</p> <p>14-Oct-2021 Ola Obadara</p>	<p>Cause: Poor performance by consultants Event: Abortive work, delays, or non-performance. Impact: Additional costs, project delays</p>	 <p>Likelihood</p> <p>Impact</p>	<p>16</p>	<p>This relates to abortive design / development.</p> <p>The department continues to suffer the impacts of this risk, with action being taken against consultants when their performance does not meet expectations.</p> <p>Aligned with other departmental risks, the department is stretched for resource. This had led to fewer leads being responsible for a greater number of projects. This reduces scrutiny capacity and can increase the likelihood of errors.</p> <p>There is a link to our internal recruitment and retention risk (SUR SMT 009) as property professionals across the industry are moving companies at a greater rate. This means that the delivery lead often changes throughout the life of the project, and replacements are often not at the same quality as those engaged at earlier stages.</p> <p>10 Nov 2023</p>	 <p>Likelihood</p> <p>Impact</p>	<p>4</p>	<p>31-Mar-2024</p>	<p>■</p> <p>Constant</p>
							<p>Reduce</p>	<p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 006a	Commissioning stage	The department has commenced going to market at RIBA stage 3 rather than RIBA stage 4. This is designed to prevent abortive design and development. This change followed close work with the procurement team in Chamberlain's. The impact of this change will be tracked over the coming months.	Ola Obadara	10-Nov-2023	31-Mar-2024
SUR SMT 006b	Legal	The team is working closely with the legal department to ensure that procurement activity aligns with project objectives and the consultants meet quality requirements. Where performance has been poor action has been taken against consultants – these cases increase end-to-end timescales.	Ola Obadara	10-Nov-2023	31-Mar-2024
SUR SMT 006c	Procurement	Working with Procurement to increasing due diligence, particularly in regard to the quality of contractor appointed (rebalancing the quality/cost equation). This is with the view that we will get better quality applications and this risk may reduce.	Ola Obadara	18-Aug-2023	31-Mar-2024
SUR SMT 006d	Scope of works	The team is reviewing and tightening up the scope of works specification. This will counter opportunistic interpretations of the scope of works that we were seeing from some consultants.	Ola Obadara	18-Aug-2023	31-Mar-2024
SUR SMT 006e	Review of appointment documents	The team is working closely with the legal department to ensure that procurement activity aligns with project objectives and the consultants meet quality requirements. Where performance has been poor action has been taken against consultants – these cases increase end-to-end timescales.	Ola Obadara	10-Nov-2023	31-Mar-2024

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/Risk Approach	Current Risk score change indicator
<p>SUR SMT 009 Recruitment and retention of property professional</p>	<p>Cause: Uncompetitive pay and benefits structures within some professional grades; poor quality work environments; lack of professional progression over recruitment freeze and restructuring period; increased employee focus on work-life balance Event: Increasingly difficult to recruit suitably skilled staff at the correct level for the grade being recruited for. Increasingly difficulty to keep staff who get better reward packages from other organisation (both commercial and public sector) Impact: Increased vacancies, objectives unachieved or delivered late (including project delivery and income generation), reduced customer satisfaction, less real estate activity, reduced employee wellbeing, demotivation of staff. Increased costs born by the organisation through recruitment campaigns and training etc, or to the department through filling vacancies through comparatively expensive temporary contracts.</p>		<p>16</p>	<p>This risk has been identified within a number of divisions within the City Surveyor’s Department. The impacts vary by Group with the risk being particularly acute in Investment Property, Surveying and Project Management.</p> <p>This is aligned to pressures faced in other City departments, and CSD is engaging with corporate colleagues to ensure that the particular pressures felt within this department are understood broadly. This is reflected within the 8 themes identified and communicated by Corporate HR.</p> <p>The City’s pay and reward review has recently commenced (January 2023) and the external consultancy Korn Ferry will be assisting in this analysis.</p> <p>The department has also fed back into the Target Operating Model (TOM) report, being authored by Town Clerk’s Department. The TOM programme has been seen by many staff as challenging, and ideally lessons can be learned for future change programmes, both in CSD and outside.</p> <p>Whilst these activities are being pursued corporately, the department continues to ensure that it does everything it can do internally to mitigate this risk.</p>		<p>8</p>	<p>31-Mar-2024</p>	

21-Jan-2022
Paul Wilkinson

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10 Nov 2023

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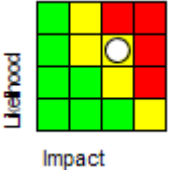
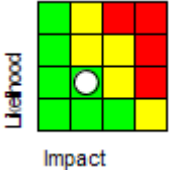

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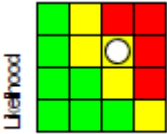
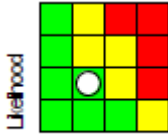
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 009a	Advertising	The department and the HR Business Partner has produced a recruitment best practice document, which includes ensuring that vacant posts are advertised in areas which will generate interest from suitably qualified candidates, including those currently under-represented within our workforce.	Paul Wilkinson	10-Nov-2023	31-Mar-2024
SUR SMT 009b	Best Practice	Including delivery of appraisals, regular one-to-ones, team and group meetings. This aims to improve communications at all levels, ensuring that CSD is a positive work environment and that issues/blockers can be raised and addressed. In some areas career graded roles have been instituted, and deployment can be further explored. CSD is supporting the work of Corporate HR in moving towards all on-line appraisal documentation. This will enable greater tracking of compliance.	Paul Wilkinson	10-Nov-2023	31-Mar-2024
SUR SMT 009c	Communication	Including delivery of appraisals, regular one-to-ones, team and group meetings. This aims to improve communications at all levels, ensuring that CSD is a positive work environment and that issues/blockers can be raised and addressed. In some areas career graded roles have been instituted, and deployment can be further explored. CSD is supporting the work of Corporate HR in moving towards all on-line appraisal documentation. This will enable greater tracking of compliance.	Paul Wilkinson	10-Nov-2023	31-Mar-2024
SUR SMT 009d	Engagement with HR	Some of the items highlighted as the 'causes' of this risk are outside the control of CSD, and engagement with our Corporate partners will be critical to overcoming these items. This departmental risk directly supports the Corporate Risk on "Recruitment and Retention" (CR39). CR39 is subject to a "deep dive" from Audit and Risk Management Committee, and the City Surveyor's Department will review any outcomes from this consideration.	Paul Wilkinson	10-Nov-2023	31-Mar-2024
SUR SMT 009e	Equalities, Diversity and Inclusion	The department has an active ED&I network, which regularly engages with the City Surveyor and the Senior Management Team. This is seeking to make the department a more attractive destination for under-represented groups and seek to retain and progress staff from all backgrounds. There is corporate HR representation on this departmentally-led Group.	Ola Obadara	10-Nov-2023	31-Mar-2024
SUR SMT 009f	Pay and Review Survey	The Corporation is reviewing pay & reward and the department is feeding into this activity. The department has highlighted that there are specific pressures within this department which may make the issue more acute within CSD roles. It should be noted that the earlier reward scheme (where those on top-of-grading salaries could achieve performance related pay) was withdrawn prior to the review conclusions, and this has made our local offer less competitive than our peers.	Paul Wilkinson	10-Nov-2023	31-Mar-2024

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/Risk Approach	Current Risk score change indicator
SUR SMT 002 Insufficient budget to meet user and asset demand at Guildhall 10-Feb-2015 Peter Young	Cause: Insufficient funding available for Major Works, Cyclical Works and Reactive Maintenance to manage the repair demands on the Guildhall Complex. Event: Insufficient asset funding. Impact: The standard of the Guildhall Complex will deteriorate, resulting in; poorer working environments leading to increased dissatisfaction and lower employee productivity and potential increase in breakdowns and reactive costs as the basic infrastructure of the Complex becomes beyond economic repair.		12	<p>The principal mitigation actions are related to forecasting and monitoring the allocation of financial and human resources.</p> <p>The Guildhall Renewal programme has developed a range of options varying by scope and speed of delivery. These will be presented to Members in the new year. The option progressed will be influenced by the availability of finance. Delays to the programme will exacerbate this risk unless funding can be achieved to mitigate short- and medium-terms issues.</p> <p>This item feeds directly into the Corporate Risk, CR37 - Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets).</p> <p>10 Nov 2023</p>		4	31-Mar-2024	
							Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 002e	Fundamental Review of the North and West Wings of Guildhall	Options for the future of the North and West Wings to provide modern, fit-for-purpose accommodation for Members and Officers is now underway. Options have been further developed and these will be presented to Members in the new year.	Paul Wilkinson; Peter Young	10-Nov-2023	31-Mar-2024
SUR SMT 002f	Cross departmental working with Remembrancer's Events Team.	Single point of contact for Profit and Loss for event space created within the Remembrancer's. Shadow budget now agreed. The business plans of both the Remembrance and the City Surveyor have highlighted the delivery of this activity as a priority for 2023-24. The mechanics of the Trading Account was presented to Finance Committee such that Members could have a comprehensive understanding of the agreed approach.	Remembrancer; John James; Peter Young	10-Nov-2023	31-Jan-2024

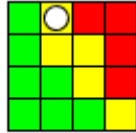
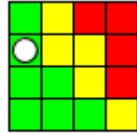

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
SUR SMT 010 Insurance - Investment and Corporate Estates 26-May-2022 Robert Murphy; Peter Young	Cause: Revaluation of the City Corporation’s estates (Investment and Corporate) does not happen in a timescale compliant with insurance policy requirements or the terms of leases. Event: The City fails to meet the provision under its insurance policies that revaluations are undertaken by a RICS surveyor at least every five years (Investment and Corporate). The City is in breach of its legal obligations as a landlord under the terms of its leases to ensure that the full re-instatement value is insured Impact: The insurance policy does not respond in full (Investment and Corporate). Potential legal action from commercial occupiers in the event of an incident for which there is not appropriate cover.		12	<p>This risk identifies the need of re-valuation of the City of London Estates – (Investment and Corporate) to ensure that the City reaches its legal obligations under its insurance policies.</p> <p>The last on-site valuations of the Investment Property Group estate and Corporate buildings (other than special sites) was undertaken in 2015. Funding has recently been identified and a budget is now in place. Instructions are being made to our contractors such that they can proceed with delivery. Once this is in train the risk score should start to reduce towards target.</p> <p>10 Nov 2023</p>		1	31-Mar-2024	
		Reduce			Constant			

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 010a	Register of data	A property schedule exists and this has been updated with the survey carried out on Special Sites (by RLF).	Robert Murphy	10-Nov-2023	31-Jan-2024
SUR SMT 010b	Funding	Where leases allow, the cost can be recovered from commercial tenants, and operational occupiers as appropriate. Funding has been agreed and a budget line identified (Jan 2023). As this is now in place instructions are due to be placed with contractors such that this activity can progress.	John James; Robert Murphy	10-Nov-2023	31-Mar-2024
SUR SMT 010c	Delivery	The delivery of this activity will be done by an external party. We are currently reviewing properties and gathering information. Estimated time for going out to tender before December 2023	Robert Murphy	10-Nov-2023	31-Mar-2024

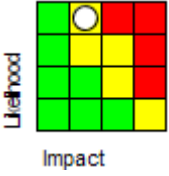
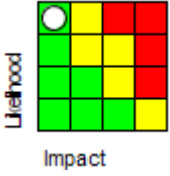
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
SUR SMT 011 Contractor Failure 13-Feb-2023 Ola Obadara	Cause: Market conditions Event: Failure of either a main contractor, or a substantial sub contractor Impact: Delayed delivery of projects, or the delivery of projects at a higher cost	 Likelihood Impact	12	This risk relates to the failure of a main contractor, or a main sub-contractor. Particularly with the second of these elements the City Corporation has not historically had significant influence over who is commissioned to undertake work. 10 Nov 2023	 Likelihood Impact	4		Constant
							Avoid	

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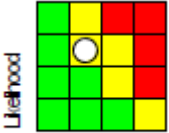
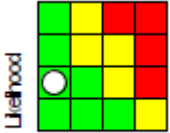

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 011a	Tendering	The department has commenced work with Procurement to ensure that our commissioning takes greater account of contractor and sub-contractor failure. We may need to have a greater say in who a main contractor identifies as an appropriate sub-Contractor. Further actions to follow this initial engagement.	Ola Obadara	10-Nov-2023	31-Mar-2024
SUR SMT 011b	Review Process	The department is instituting six-monthly reviews of contractor suitability. Historically this only happened at contract commencement. This will better prepare the organisation should the contractor (or significant sub-contractor) begin to experience difficulty.	Ola Obadara	10-Nov-2023	31-Mar-2024

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/Risk Approach	Current Risk score change indicator
<p>SUR SMT 007 Energy Pricing</p> <p>18-Oct-2021 Peter Collinson</p>	<p>Cause: Rapid increases in the market cost of energy Event: Increasing price born by the City of London Corporation Impact: Money directed to energy payments that could be used in other endeavours</p>	 <p>Likelihood</p>	<p>8</p>	<p>This risk scoring associated with this risk has reduced due to two factors:</p> <p>The Power Purchase Agreement (solar farm in Dorset) provides circa 50% of the organisation's energy requirements at a significant discount to the market. Note that the impact will be seasonal.</p> <p>Broader energy market prices have fallen back since the heights seen in 2022. However, these prices remain higher than those seen prior to the invasion of the Ukraine.</p> <p>The risk scoring was again reviewed in November – it was felt that due to on-going volatility this risk has been kept at the same risk score.</p> <p>10 Nov 2023</p>	 <p>Likelihood</p>	<p>3</p>	<p>31-Mar-2024</p>	
		<p>Impact</p>	<p>Impact</p>		<p>Reduce</p>	<p>Constant</p>		

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 007a	Managing cost management	<p>This element of the risk is being managed through the forward buying strategy, Power Purchase Agreement (PPA), and energy efficiency measures.</p> <p>Power Purchase Agreement in operation, with a hedging strategy in place to manage market risks.</p>	Peter Collinson; Graeme Low	10-Nov-2023	31-Mar-2024
SUR SMT 007b	Managing supplier failure	The City is contracted with TGP energy, which is a large multi-national with risk divested across both supply and generation. TGP has a low portion of income generated from UK domestic customers (thereby minimising price capping implications). Since market spikes have subsided from the 2022/23 highs, subsequent risk of supplier failure has also fallen.	Peter Collinson; Graeme Low	10-Nov-2023	31-Mar-2024

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/Risk Approach	Current Risk score change indicator
SUR SMT 012 Adjudication & Disputes 31-Aug-2023	<p>Cause: The impact of COVID-19 on project delivery.</p> <p>Event: Regulations restricted access to sites and resulted in more design work being undertaken remotely. Productivity at sites was adversely impacted.</p> <p>Impact: Increased likelihood that projects were designed correctly, and resulting legal and adjudication issues, reputational harm.</p>		<p>8</p>	<p>The COVID-19 pandemic resulted in 3 years of impact at project sites.</p> <p>Site productivity was limited (circa 60% productivity) and much design work was undertaken remotely, or with limited site access.</p> <p>This has created a situation where some sites were not designed correctly, or there are issues beyond that which would normally be expected on construction builds.</p> <p>We are now in a situation where we are engaged with legal discussions and adjudications with project suppliers in an effort to iron out issues with final products.</p> <p>The department's risk register has a separate risk relating to 'construction price inflation'. The inflation risk is wider as it also captures cost escalations due to other causes (Ukraine, energy, etc). This risk only focusses on adjudication & disputes.</p>		<p>4</p>	<p>31-Mar-2024</p>	<p>■</p> <p>Constant</p>
	<p>31 Aug 2023</p>	<p>Constant</p>						

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 012a	Project Review and Claims Consultant	The department is reviewing projects alongside the contracts to understand our position. Further, we have engaged external Claims Consultants to ensure that the City's position is protected, and risks managed.	Ola Obadara	10-Nov-2023	31-Mar-2024

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/Risk Approach	Current Risk score change indicator
SUR SMT 008 Special Structures 20-Oct-2021 Peter Young	Cause: Lack of central register for special structures and/or ambiguity over accountability, responsibility for budget provision Event: Incomplete, or not up-to-date register of special structures and planned maintenance regime Impact: Potential failure of special structure and/or forced closure of asset / space	 Likelihood Impact	6	Special structures relate to those structural elements with an asset which supports other (often public) elements, so captures basements, sub-road spaces, supporting structures etc. There is no current central register of these structures within the portfolio, and therefore no current prescribed or routine inspection regime in place to ensure that these structures remain in a suitable condition. 10 Nov 2023	 Likelihood Impact	2	31-Mar-2024 Reduce	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 008a	Special Structures register	<p>Funding to undertake the technical inspections, create the inventory and survey current condition was approved as part of the Cyclical Works Programme (CWP) 22/23 Bid List. The survey programme is now in progress.</p> <p>The initial desktop survey will develop a list of structures which require more detailed assessment, and structural inspections are programmed to follow.</p> <p>The survey process is also developing survey programme for Special Structures (some assets will require more frequent assessment). This information will be captured on the Computer Aided Facilities Management (CAFM) software.</p>	Peter Collinson; Robert Murphy; Peter Young	10-Nov-2023	31-Mar-2024
SUR SMT 008b	Special structures – investment portfolio	Register for the investment estate exists but requires a refreshed survey to ensure on-going accuracy of information.	Peter Collinson; Robert Murphy	10-Nov-2023	31-Mar-2024
SUR SMT 008d	Special Structures – other assets	Corporate Property Director and Operations Group Director to engage with other departments to ensure that there is clarity over responsibilities and what actions need to progress to mitigate this risk comprehensively across the City of London Corporation.	Peter Collinson; Peter Young	10-Nov-2023	31-Mar-2024
SUR SMT 008e	Special Structures – works	Should the inspection process (action SUR SMT 008a) identify assets which require additional works to bridge the gap between current and desired condition, further funding bid requests may result. Note that this action is subject to the availability of funding (CWP bid process, as outlined in action CR37a).	Peter Young	10-Nov-2023	31-Mar-2024

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