



Resource Allocation Sub (Policy and Resources) Committee INFORMATION PACK

Date: WEDNESDAY, 11 DECEMBER 2024

Time: 2.00 pm

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

7. *PREVIOUS YEARS CYCLICAL WORKS PROGRAMMES - UPDATE REPORT

Report of the City Surveyor.

For Information
(Pages 3 - 6)

**8. *CITY SURVEYOR'S BUSINESS PLAN 2024-29 - QUARTER 2 OF 2024/25
UPDATE**

Report of the City Surveyor.

For Information
(Pages 7 - 16)

**9. *THE CITY SURVEYOR'S CORPORATE AND DEPARTMENTAL RISK REGISTER
2024 UPDATE**

Report of the City Surveyor.

For Information
(Pages 17 - 44)

18. *ANNUAL REPORT ON OPERATIONAL PROPERTY PORTFOLIO

Report of the City Surveyor.

For Information
(Pages 45 - 76)

19. ***EXECUTIVE OVERVIEW AND SUMMARY OF THE STATUS OF GUILDHALL COMPLEX**

Report of the City Surveyor.

For Information
(Pages 77 - 88)

20. ***CYCLICAL WORKS PROGRAMME 2024/25 UPDATE REPORT**

Report of the City Surveyor.

For Information
(Pages 89 - 98)

Agenda Item 7

Committee(s)	Dated:
Resource Allocation Sub-Committee – For Information	11 th December 2024
Subject: Previous Years Cyclical Works Programmes – Update Report	Public For information
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	<ul style="list-style-type: none">• Leading Sustainable Environment• Flourishing Public Spaces• Dynamic Economic Growth• Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	Yes
Report of: The City Surveyor	Paul Wilkinson – The City Surveyor
Report author: Jonathan Cooper, City Surveyor’s Department	

Summary

This report provides an overview of the progress and expenditure of the historic Cyclical Works Programmes (CWP) across the Corporate property portfolio.

The report confirms that the remaining budget of c.£8.6m will be fully utilised by the City Surveyor by end of the 2024/25 fiscal year. Any remaining budget will not be required to be carried forward.

Please note that this report only relates to programmed works being delivered by the City Surveyor and the Department of the Built Environment. Previous updates have included projects being undertaken at the Barbican and Guildhall School for Music and Drama (GSMD), but they will be reported on separately.

Recommendations

Members are asked to:

1. Note the progress of the pre-2024/25 CWP programmes of work

Main Report

Background

1. There is an ongoing need to conduct planned refurbishment and replacement of buildings and their associated equipment in addition to routine serving and repairs.
2. This report deals with the historic CWP which are due to complete by the end of 2024/25. This is different from the new £133.7m CWP which, as agreed, is being delivered over five years from 2024/25.
3. The historic CWP continues to be overseen by the City Surveyor's department who undertake most of the project delivery, however projects undertaken by the Barbican and Guildhall School and the engineering projects for the Department of the Built Environment (DBE) are delivered by their own teams and so are accountable for their element of project delivery, not the City Surveyors' Department.
4. Under the agreed governance, the Peer Review Group chaired by the Chamberlain has authority to agree funding increases on individual projects and/or to divert funding to new projects that meet a jointly agreed priority criterion. These changes are made within the agreed programme funding envelope and ensures that project issues can be dealt with promptly.

Current Position

5. The table below outlines overall programme performance to period 7 of the current fiscal year and provides a breakdown of various funds, their budgets, amounts paid and committed, balances, and percentage spent. The table also details the budget, paid and committed amounts, and balances for different award years
6. Please note that the below figures include the programmed works being undertaken at the Barbican, which amounts to c.£1.2m of the City Fund, and GSMD, which amounts to c.£1.15m of the City Estate. The works to the Barbican are the subject of a different report, to carry-forward c.£1.18m of funding, the contents of which will be discussed separately at this committee.

Fund	Budget	Paid & Committed	Balance	% Spend
City Fund	£ 4,060,000	£ 2,717,105	£ 1,342,895	67
Barbican	£ 1,196,000	£ 1,478,834	-£ 282,834	124
City Estate	£ 3,833,000	£ 2,526,332	£ 1,306,668	66
GSMD	£ 1,154,000	£ 956,700	£ 197,300	83
Guildhall	£ 753,000	£ 539,588	£ 213,412	72
Total	£ 8,646,000	£ 5,783,026	£ 2,862,974	67
Programme Award Year	Budget	Paid & Committed	Balance	% Spend
Older	£ 376,000	£ 159,619	£ 216,381*	42
2019/20	£ 956,000	£ 623,616	£ 332,384	65
2020/21	£ 1,529,000	£ 1,068,884	£ 460,116	70
2021/22	£ 192,000	£ 159,066	£ 32,934	83
2022/23	£ 2,784,000	£ 1,700,981	£ 1,083,019	61
2023/24	£ 2,809,000	£ 2,070,861	£ 738,139	74
Total	£ 8,646,000	£ 5,783,026	£ 2,862,974	67

* This budget has been earmarked as part of a funding strategy for the Golden Lane Leisure centre works. Based on the Department from Community & Children's Services (DCCS) programme estimates, it is unlikely to be spent before year end.

7. The overall percentage spend commitment across all funds is around 67%, indicating a significant portion of the budget has been spent.
8. In the 2023/24 programme, the budget spend stands at 74%, reflecting effective budget management. Additionally, all Project Managers have assured that all high-value projects will be committed by the end of December, well ahead of the financial year-end in March.
9. Overall expenditure across all funds is at a good level for this time in the year. It should be noted that the uncommitted sums for 20/21 and 22/23 mostly relate to new projects that have benefited from 'underspends' from projects within those programmed years. All project orders are expected to be made before the end of the calendar year. Delivery contractors have also confirmed works will be complete within the fiscal year.

Corporate & Strategic Implications

10. Strategic implications – Cyclical Works Programmes are a strategic initiative that not only maintains and enhances the operational estate but also aligns with and supports the broader goals of the City of London's Corporate Plan.

Leading Sustainable Environment	The inclusion of climate action strategy works demonstrates a commitment to sustainability, reducing the carbon footprint and promoting environmental stewardship.
Flourishing Public Spaces	Well-maintained public spaces contribute to the overall well-being and quality of life for residents and visitors.
Dynamic Economic Growth	By maintaining and improving the operational estate, the programme creates a conducive environment for businesses to thrive, supporting economic growth.
Providing Excellent Services	The programme allows for timely upgrades and repairs, ensuring that services remain excellent and responsive to changing demands.

11. Financial implications – The funding for these programmes of work have already been approved. Any unspent funds at year end will fall back to central reserves unless Members agree a carry-forward request. For the schemes being delivered by the City Surveyor, no request for carry-forward of funds is anticipated.
12. Resource implications – none.
13. Legal implications – none.
14. Risk implications - The central corporate risk register identifies risk CR37 – Maintenance & renewal of corporate physical operational assets (excluding housing). The delivery of this programme of works will address this risk and will be updated at the appropriate juncture(s). This has been updated to include any risk linked to this programme. Departmental risk register.
15. Equalities implications – none.
16. Climate implications – The CWP's include projects which will contribute modestly towards the reduction of carbon usage across corporate estate.
17. Security implications – none.

Conclusion

18. With regard to the programmed works being delivered by the City Surveyor and the Department of the Built Environment, all previous CWP programmes will complete before the end of the fiscal year.
19. Through the reallocation of project savings, additional reserve and priority projects of at least £1.2million have been able to take place. This was unspent money, which was diverted to new projects by the Peer Review Group and will lighten the financial burden on latter programme years. Going-forward, the only live CWP programme will be the 2024/25 programme, which has an agreed 6-monthly reporting strategy to this committee.

Report Author

Jonathan Cooper
Assistant Director - City Surveyor's Department
T: 07903 945152
E: jonathan.cooper@cityoflondon.gov.uk

City of London Corporation Committee Report

Committee(s)	Dated:
Resource Allocation Sub (Policy and Resources) Committee – For information	11 December 2024
Subject: City Surveyor’s Business Plan 2024-29 - Quarter 2 of 2024/25 Update	Public report: For information
This proposal: Delivers Corporate Plan 2024-29 outcomes	Providing Excellent Services, Leading Sustainable Environment, Flourishing Public Spaces, Dynamic Economic Growth
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of:	The City Surveyor and Executive Director of Property (CS 293/24)
Report author:	John Galvin/Anna Flashman/Faith Bowman City Surveyor’s Department

Summary

- This report provides Members of Resource Allocation Sub (Policy and Resources) Committee (RASC) with details of progress in quarter 2 2024/25 (July to September) against the City Surveyor’s 2024-29 Business Plan. A comparable report is also submitted to the Members of the Investment Committee (IC, CS 291/24).
- RASC oversees twelve key performance measures from the City Surveyor’s Department (CSD). Among these, six are currently achieving their targets (green), two (KPI.7 Capital Projects - Project Risk Status and KPI.16 Markets - Each Markets outstanding debt as a percentage of their total invoice income) are falling short of their targets (amber), and one (KP1.12 Property Contract Performance Compliance) is categorised as underperforming (red). Additionally, two measures were still awaiting confirmation at the time of this report’s preparation and will be reported in quarter 3. Additionally, one measure will be evaluated and reported to this Committee later in the year.
- The City Surveyor’s 2024/25 quarter 2 budget outturn (Appendix A) reveals that the department is forecasting an overspend of £970k (3.2%) against a total budget of £30.1m for City Fund and City’s Estate services.

Recommendation

- That Members note the content of this report.

Main Report

Background

1. In line with the City Corporation's performance management approach this is a regular update report on the progress made against the department's 2024-29 Business Plan. The City Surveyor's Department (CSD) reports performance quarterly to Resource Allocation Sub (Policy and Resources) Committee (RASC).
2. The department's business plan outlines seventeen Key Performance Indicators (KPIs). RASC oversee the progress against twelve of these measures, whilst Investment Committee (IC) oversee fourteen and Markets Board oversee two.
3. Performance is assessed on a traffic light basis (RAG), where red denotes a high risk of non-attainment, amber indicates some concern, whilst green denotes the measure being on/ahead of target.

Current Position

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

Financial Statement

6. The budget monitoring statement for quarter 2 (Appendix A) shows that the City Surveyor is currently forecasting an overspend of £970k (3.2%) against a total budget for the year of £30.1m for his City Fund and City's Estate services. When City Bridge Foundation (CBF) services are included, this decreases to an overspend of £735k (2.2%) against a total budget for the year of £33.7m.
7. The main reasons for this forecast are some residual savings yet to be realised, overspends on the departmental and Guildhall salary budgets due to the assumed vacancy factor not being met and resourcing pressures, and budget pressures on Smithfield Market because of the closure of the Poultry Market. These overspends are partially offset by savings on the corporate facilities management contract arising from rebate payments received and improved commercial income performance at the Central Criminal Court. Further, the City Surveyor expends his professional resources supporting other Chief Officers with various property transactions which result in increased income for their budgets and the Corporation. The City Surveyor continues to examine his budgets to see if further savings and income can be made to reduce the forecast year-end overspend.
8. On a more positive note, investment rental income which is shown under central risk, reflects an overall surplus of £1.3m compared to the original budget for City's Estate and City Fund estates. This is primarily attributed to City's Estate where the main reason for the higher forecast income is due to tenants not exercising their break clause option across a few properties, and new leases starting earlier than anticipated.

Quarter 2 2024/25 update

9. The table below provides an 'at a glance' assessment of the department's performance through the second quarter of the 2024/25 reporting year.

Status ¹	Green	Amber	Red	TBC	N/A
Resource Allocation Sub Committee	6	2	1	2	1
Overall (including non-RASC measures)	8	2	2	2	3

Of the twelve measures presented to this Committee, six achieved their targets (green), two (KPI.7 Capital Projects – Project Risk Status and KPI.16 Markets - Each Markets outstanding debt as a percentage of their total invoice income) are falling short of their targets (amber), and one (KPI.12 Property Contract Performance Compliance) is categorised as underperforming (red). Additionally, two measures were still awaiting confirmation at the time of this report's preparation and will be reported in quarter 3. Additionally, one measure will be evaluated and reported to this Committee later in the year.

10. The red and amber KPI's relevant to this committee in quarter two are set out below.

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

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

Target – 80%

Performance – 67% (Red)

One of our FM supplier's (CBRE) performance in innovation, continuous improvement, and environmental and social initiatives has lagged this quarter which has negatively impacted the overall assessment of our suppliers' performance. The Department remains committed to rigorous contract performance monitoring across all lots and ensures contractors pay service credits when services fail to meet contractual standards. It should be recognised that the Integrated Facilities Management (IFM) contracts have now been in place 18 months against a 5+5-year contract term, and performance is satisfactory for this stage in the tenure.

B. **KPI.16 Markets – Each Market's outstanding debt as a percentage of their total invoice income (excluding 0-30 days invoices)**

This indicator assesses the level of debt at Billingsgate, Smithfield and New Spitalfields Markets and includes Covid arrears.

Target – Less than 1.5%

Performance – 5% (Amber)

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

The amber rating is a direct result of a single debtor at Billingsgate who is responsible for a significant proportion of this debt. If this debt was excluded, the total arrears from various smaller debtors would decrease to 1.88%. Furthermore, at New Spitalfields, there is an active Covid debt repayment plan which is on track to be resolved by October 2025. The remaining amount of £240k comprises of multiple smaller, less aged debt and is being pursued.

The department follows rigorous credit control processes, using appropriate escalation channels in collaboration with Chamberlain's and Comptroller and City Solicitor's Departments to ensure the payment of arrears.

C. KPI.7 – Capital Projects – Project Risk Status

This indicator assesses the proportion of projects (excluding minor 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 – 37% (Amber)

It has been noted in prior communications to this Committee that more than 60% of the department's active projects commenced in 2020 or earlier, suggesting that their progress has been significantly impacted by COVID-19. These projects experienced extended periods of reduced site capacity and productivity, along with notable inflation in construction costs. As a result, a greater number of projects have exceeded their expected timelines and budgets. Although the execution of current projects continues to be robust, the backlog of older projects has adversely affected overall performance.

Quarter 1 2024/25 update

11. The following measure is reported in arrears and therefore, this data was not available at the at the time of preparation of the quarter 1 report.

A. KPI.10 Delivery of Climate Action Strategy (CAS) Milestones - operational estate

This indicator shows progress towards the Climate Action Strategy targets of the operational estate set by the CAS team.

Target - less than 5%

Q1 Performance - 10.24% (Red)

Energy consumption and the associated carbon emissions have continued to decrease across the operational estate. However, this reduction does not meet the target mainly because energy carbon factors have not decreased as predicted. The rate at which the carbon factors decrease is beyond the control of the City of London Corporation due to limitations on the national grid infrastructure limiting renewable generation, combining with government policy and regulation limiting market growth in the short term. The ultimate objective is to ensure that the City Corporation is carbon net zero by 2027. The energy team is working closely with Chief Officers and operational sites to reduce energy consumption as much as possible, with the expectation of meeting this target by year-end.

Corporate & Strategic Implications

Strategic implications

12. The City Surveyor's Department is dedicated to advancing the objectives outlined in the Corporate Plan through effective and efficient proactive management of the City's investment and operational properties.
13. This department plays a crucial role in realising the City's vision by executing major programme initiatives, such as Salisbury Square, the London Museum at Smithfield and Barbican Renewal, while also preserving our heritage assets for the benefit of all Londoners and generating substantial revenue from both investment and operational property portfolios, which underpins all of the City's service activities.
14. The department actively collaborates with corporate leaders to ensure the effective implementation of our strategic priorities, particularly in relation to Destination City, the Climate Action Strategy, and the City's Corporate Property Asset Management Strategy for 2020-2025.

Financial implications

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

Resource implications

16. The department is actively working to identify several strategies to mitigate the core challenges it encounters. It has acknowledged possible pathways for enhancing revenue and capital inflows for the organisation and has developed business cases to progress these.

Legal implications

17. None

Risk implications

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

Equalities implications

19. None.

Climate implications

20. The department facilitates the implementation of the Climate Action Strategy by executing both minor and major projects. This capability has been strengthened by securing funding for the Cyclical Works Programme for those property assets within this programme.

Security implications

21. None

Conclusion

22. Overall, the department has made good progress on the key deliverables outlined in the Business Plan during the second quarter.

23. Whilst one measure was classified as underperforming in quarter 2, the relevant team is working diligently to ensure performance returns to expectations. Whilst the department's local risk budget position is challenging, it continues to generate significant income and capital receipts to support the City Corporation's financial sustainability which benefit the Corporation overall beyond the City Surveyor's local and central risk budgets.

Appendices

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

Background Papers

- The City Surveyor The City Surveyor's Business Plan 2024-29
- The City Surveyor City Surveyor's Business Plan 2024-29 - Quarter 1 2024/25 Update (CS 225/24)

Departmental Performance & Services
City Surveyor's Department

Budget Monitoring Statement

Quarter 2 2024/25

Appendix A

Page 1 of 2

2024-25 (Period to 30th September 2024)

LOCAL RISK BUDGET Quarter 2	Latest Approved Budget £000	Q2 Profile £000	Q2 Total Expenditure £000	Under / (Over) Spend for Period £000	Q2 Projected Outturn £000	Under / (Over) Spend for 2024-25 £000	Note
City Fund							
City Fund Estate	(2,100)	(186)	(525)	(339)	(2,214)	(114)	1
Walbrook Wharf	(950)	(462)	(432)	30	(1,014)	(64)	
Mayor's & City of London Court	(39)	(63)	(20)	43	(62)	(23)	
Central Criminal Court	(394)	(197)	(288)	(91)	(276)	118	2
Lower Thames St Roman Bath	(9)	(9)	(2)	7	(4)	5	
Spitalfields Market	(150)	(28)	662	690	(202)	(52)	
Corporate FM R&M cleaning & security	(1,476)	(738)	(567)	171	(1,134)	342	3
	(5,118)	(1,683)	(1,172)	511	(4,906)	212	
City's Estate							
City's Estate	(2,917)	(647)	(698)	(51)	(2,917)	0	
Departmental	(11,140)	(5,720)	(5,982)	(262)	(11,920)	(780)	4
Mayoralty & Shrievalty	(48)	(48)	(13)	35	(38)	10	
Markets Directorate	(427)	(213)	(170)	43	(412)	15	
Billingsgate Market	(215)	(162)	383	545	(204)	11	
Smithfield Market	(594)	(541)	(982)	(441)	(817)	(223)	5
Smithfield Market (other)	212	33	22	(11)	195	(17)	
Corporate FM R&M cleaning & security	(1,989)	(995)	(928)	67	(1,856)	133	6
	(17,118)	(8,293)	(8,368)	(75)	(17,969)	(851)	
Guildhall Administration							
Guildhall Complex	(7,851)	(3,629)	(3,972)	(343)	(8,182)	(331)	7
	(7,851)	(3,629)	(3,972)	(343)	(8,182)	(331)	
Total City Surveyor Local Risk excl CBF	(30,087)	(13,605)	(13,512)	93	(31,057)	(970)	
City Bridge Foundation							
City Bridge Foundation	(3,600)	(1,510)	(1,169)	341	(3,365)	235	8
	(3,600)	(1,510)	(1,169)	341	(3,365)	235	
Total City Surveyor Local Risk incl CBF	(33,687)	(15,115)	(14,681)	434	(34,422)	(735)	

1. The overspend relates to additional reactive repairs and maintenance works, professional fees and energy expenditure.
2. The outturn comprises of commercial income performance and minor savings across several areas.
3. Underspend resulting from rebate payments received from CBRE due to not meeting key performance indicators as part of the contract.

4. Overspend due to residual Target Operating Model (TOM) savings not achieved, some additional spend on recruitment costs, and not achieving the vacancy factor.
5. The overspend is due to not achieving savings at the Poultry Market following the closure, partly offset by additional car parking income.
6. The underspend is because of rebate payments received from CBRE due to not meeting key performance indicators as part of the contract.
7. Comprises overspends on employee costs due to not achieving the vacancy factor, and additional Citigen costs.
8. Underspends on advertising, professional fees, security and energy expenditure, offset in part by a consequential reduction in service charge.

KPI Performance Table Quarter 2 2024/25

Appendix B

Key Performance Indicators								
Ref	Title	Target	Group	Committee	Q1		Q2	
					Actual	RAG	Actual	RAG
KPI. 1	Capital Receipts & additional income	£4.68m (annual)	CPG	RASC	on target	green	on target	green
KPI. 2 New	Adherence to Budgetary Spend Profile (Guildhall, Walbrook and CCC)	100% (annual) +/-2%	CPG/CCC	RASC	26.0%	green	51.0%	green
KPI. 3	Achieve Rental Forecasts*	£123.03m (budget 24/25)	IPG	IC	n/a	green	£125.48m	green
KPI. 4	Minimise Arrears (<2%March)*	<2% eoy	IPG	IC	n/a	n/a	4.80%	red
KPI. 5	Minimise voids (*)	<5%	IPG	IC	n/a	n/a	4.60%	green
KPI. 6	Outperform MSCI**	exceed benchmark	IPG	IC	n/a	n/a	n/a	n/a
KPI. 7	Capital Projects - Project Risk Status	< 30%	PPG	I C; RASC	37%	amber	37%	amber
KPI. 8	Capital Projects- Health & Safety*	80%	PPG	I C; RASC	n/a	n/a	95.0%	green
KPI. 9	Capital Projects - Site sustainability waste management	> 90%	PPG	I C; RASC	99.0%	green	99.0%	green
KPI. 10	Delivery of Climate Action Strategy Milestones - operational estate	<5%	OG	RASC	10.24%	red	tbc	tbc
KPI. 11 New	Energy Use Intensity (EUI) Kwh/m2 reduction per portfolio *	4% reduction	OG/IPG	IC	n/a	n/a	n/a	n/a
KPI. 12	Property Contract Performance Compliance	> 80%	OG	I C; RASC	83.0%	green	67.0%	red
KPI. 13 New	CWP Programme Adherence to Budgetary Spend Profile****	95% - 105%	OG	I C; RASC	n/a	n/a	n/a	n/a
KPI. 14 New	Adherence to Budgetary Spend Profiles (Projects)***	95% - 105%	All	I C; RASC	n/a	n/a	tbc	tbc
KPI. 15 New	Adherence to Budgetary Spend Profiles (Local Risk)	100% (annual)	All	I C; RASC	26.0%	green	43.9%	green
KPI. 16 New	Mkts- Each Market's outstanding debt as a percentage of their total invoice income	<1.5%	MKT	IC; RASC	7.6%	red	5.0%	amber
KPI. 17 New	Mkts-Maintain a minimum 95% occupancy with the expectation to achieve 100%	95%	MKT	IC; RASC	91.0%	amber	97.0%	green
	KPI.10 reported quarterly in arrears							
	*reported bi annually							
	** reported annually							
	*** KPI. 14 will be reported in Q3 following confirmation from Finance.							
	**** KPI. 13 will be reported following budget profiling approval at RASC in December							
	Investment Committee (IC) Resource Allocation Sub Committee (RASC)							
	Markets (MKTS) measures are also reported to Markets Board							

page 15

KPI 6 - Outperform MSCI - achieved in 23/24.

KPI 11 – Energy Use – Quarter 2 data will be reported in quarter 3 to ensure data accuracy with inclusion of missing metering data.

KPI 14 – Adherence to Budgetary Spend (projects) – this figure is under review and will be reported in Q3 following confirmation from Finance.

This page is intentionally left blank

City of London Corporation Committee Report

Committee(s)	Dated:
Resource Allocation Sub (Policy and Resources) Committee – For information	11 December 2024
Subject: The City Surveyor’s Corporate and Departmental Risk Register 2024 Update	Public report: For information
This proposal: Delivers Corporate Plan 2024-29 outcomes	Providing Excellent Services, Leading Sustainable Environment, Flourishing Public Spaces, Dynamic Economic Growth
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of:	The City Surveyor and Executive Director of Property (CS no.297/24)
Report author:	John Galvin/Anna Flashman/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 both RASC and Investment Committee, with each Committee receiving information aligned with their terms of reference. 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 as Head of Profession of Estates and Facilities Management is the lead Chief Officer for one corporate risk - Maintenance and renewal of Corporate Physical Operational Assets (excluding housing assets), CR 37. The delivery of the Cyclical Works Programme (CWP) is a key mitigation of this risk. Following the recent approval of additional funds, the five-year delivery programme is being mobilised. This risk has been redefined to encompass property-related risks throughout the broader non-housing estate, including assets that fall outside the direct accountability of the City Surveyor. Under the organisation’s property model, accountability for the delivery of mitigating activities often lies with the relevant Chief Officer in occupation as indicated on Appendix B.

- There are eleven risks managed by the City Surveyor relevant to this Committee. In addition to CR37, there are a further five departmental risks are recorded as red.

The red risks currently being managed are:

- SUR SMT 017 – MCP disruption necessitating the Markets remaining in existing buildings, requiring further investment in maintenance works
Current risk score 24 (Red)
- 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)
- SUR SMT 011 – Contractor failure
Current risk score 16 (Red)

Recommendation

- Members are asked to note this report, and the actions taken and being taken to effectively monitor and manage risks arising from our operations.

Main Report

Background

1. The City of London Corporation's Risk Management Strategy 2024-29 (RMS) 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 report 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 RMS. 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 delivery of the Cyclical Works Programme (CWP) is a key mitigation of this risk for those specific assets within this programme. Following the recent approval of additional funds, the five-year delivery programme is being mobilised. This risk has been redefined to encompass property-related risks throughout the broader non-housing estate, including assets that fall outside the direct accountability of the City Surveyor. This is in line with discussions at the organisation's Chief Officer Risk Management Group. Under the organisation's property model, accountability for the delivery of mitigating activities with advice from the City Surveyor often lies with the relevant Chief Officer in occupation and their own ringfenced budgets. Where relevant this has been noted within Appendix B.

- b. SUR SMT 017
MCP disruption necessitating the Markets remaining in existing buildings, requiring further investment in maintenance works
Current Risk Score 24 (Red)

The evaluation of the co-location programme for the markets is currently underway to ensure the financial sustainability of the programme. Should this assessment result in a delay in relocating existing markets to the proposed new site, there will be a requirement to undertake further maintenance and renewal actions at the current market locations. A comprehensive evaluation of this risk will be conducted, and supplementary mitigation strategies will be developed, following the completion of the review and a decision is made by the Court of Common Council.

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

The Department re-evaluated the risk scoring in October after receiving feedback from Members. Whilst the high levels of material price inflation seen earlier has abated, the City has yet to see a significant levelling in tender returns. Therefore, this risk remains as a Red risk. The department continues to collaborate with the Chamberlain's procurement team to encourage a larger pool of contractors to participate in bidding for projects, and the use of Two Stage contracts aligned with current market practices. The department will continue to regularly review this risk and to pursue mitigation strategies wherever possible.

- d. SUR SMT 006
Construction Consultancy Management
Current Risk Score 16 (Red)

The expertise and qualifications of construction consultants in the public sector frequently differ from those found in the commercial sector.

To mitigate this issue, the department is working in close partnership with the City's Procurement team, the legal department, and the Construction Category Board to ensure due diligence in the procurement process. Furthermore, the department is pursuing actions against consultants whose performance does not adhere to established quality standards. In some instances, this may result in extended project timelines.

The department is now initiating market engagement at RIBA stage 3 rather than RIBA stage 4 to prevent unnecessary design and development efforts. The effects of this adjustment will be monitored in the upcoming months.

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

The risk scoring on this item was reviewed again by the department's management team in October which confirmed there remains considerable competition with the private sector and other public bodies for attracting skilled and experienced property professionals within our current pay structure, especially in the fields of commercial Surveying and Project Management.

The department has conveyed these challenges at a corporate level and is actively contributing to the broader organisational pay and reward review (Ambition 25) to address this risk. It is important to note that this issue has also been recognised as a Corporate Risk (CR 39 Recruitment and Retention).

- f. SUR SMT 011
Contractor failure
Current Risk Score 16 (Red)

This risk pertains to the potential failure of a primary contractor or a principal sub-contractor.

The City Corporation has historically had limited control over the selection of those commissioned for work, particularly regarding the latter. In the event of a failure by either a main contractor or sub-contractor, there could be subsequent effects on warranties and the ability to pursue remedies for design defects.

To address this, the department is now conducting biannual assessments of contractor suitability, a practice that previously took place only at the start of a contract. This change is expected to prepare the City of London Corporation if a contractor encounters challenges.

Recent industry fluctuations have heightened the probability of this risk; therefore, its risk status continues to be classified as Red.

Corporate & Strategic Implications

Strategic implications

7. Organisationally strategic risks are managed on the City Corporation's Corporate Risk Register. Currently the City Surveyor has one risk on this register, CR 37 – Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets).

Financial implications

8. Should a risk manifest there may be financial impacts. The assessment of risk includes consideration of potential financial implications, and this is reflected within the risk scoring.

Resource implications

9. The progression of mitigating activities often requires the provision of adequate resources. Where relevant this has been highlighted within the risk actions.

Legal implications

10. Legal and contractual implications are highlighted where relevant within the department's Risk Register.

Risk implications

11. Key risks managed by the department are included in this Risk Update Report.

Equalities implications

12. The department's risk register highlights the importance of equalities, diversity, and inclusion, particularly through mitigations associated with SUR SMT 009 – Recruitment and Retention of Property Professionals.

Climate Implications

13. The department supports the delivery of the Climate Action Strategy through the delivery of minor and major projects. This capacity has been enhanced by the agreement of funding for the Cyclical Works Programme, which includes £18m in carbon reduction works.

Security implications

14. None

Conclusion

15. Members are requested to acknowledge the recent updates to the departmental risk register and the ongoing measures implemented by the department's officers to reduce the probability and/or consequences of identified risks.
16. The ongoing allocation of funds for the maintenance and renewal of the City's operational property portfolio continues to be a key corporate focus for Members within the framework of the overall medium-term financial strategy.
17. The risk status within the department remains consistent with previous reporting periods. Continuous monitoring of SUR SMT 017 MCP is in place, particularly concerning the Markets Co-location Programme and the consequent prolonged utilisation of current sites. This risk will undergo a comprehensive review, and further mitigation strategies will be developed upon the conclusion of the Markets Co-location Programme review.

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 – September 2024 Update (CS248/24)

Departmental Performance & Services
City Surveyor's Department

Risks by Committee

1. The City Surveyor’s Department (CSD) is currently managing one risk at the corporate level (CR 37) and a further twelve at the departmental level.
2. Outlined in the table below is how these risks relate to the two reporting Committees Resource and Allocation Sub Committee (RASC) and Investment Committee (IC)
3. Of the thirteen total risks, eleven relate to RASC Committee and eight relate to Investment committee
4. Only risks 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 Physical Operational Assets (excluding housing assets)	X		16
SUR SMT 017	MCP disruption necessitating the Markets remaining in existing buildings, requiring further investment in maintenance works	X		24
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 011	Contract Failure	X	X	16
SUR SMT 016	Investment Property Group staffing and Capacity		X	12
SUR SMT 002	Insufficient budget to meet user and asset demand at Guildhall	X		12
SUR SMT 003	Investment Strategy Risk		X	12

Code	Title	RASC	IC	Score
SUR SMT 010	Insurance - Investment and Corporate Estates	X	X	8
SUR SMT 012	Adjudication & Disputes	X	X	8
SUR SMT 008	Special Structures	X		6
SUR SMT 015	UKPN - Condition and maintenance of substations	X		6

SUR Departmental risks - DETAILED REPORT EXCLUDING COMPLETED ACTIONS for COMMITTEE




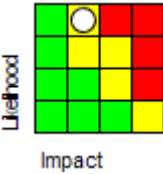
Report Author: Faith Bowman

Generated on: 28 October 2024

Rows are sorted by Risk Score

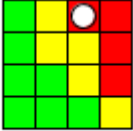
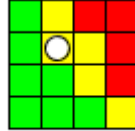
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Current Risk score change indicator
SUR SMT 017 MCP disruption necessitating the Markets remaining in existing buildings, requiring further investment in maintenance works. 16-Aug-2024 Ben Milligan	<p>Cause: The Markets Co-location Project (MCP) team are leading a project to move the City’s Wholesale Markets to a single site in Barking & Dagenham. This proposed move may influence decisions on maintenance at the existing markets to ensure resources are not invested in works whose life will exceed the anticipated occupation of the respective market site. However, should the City of London Corporation be unable to, or decide not to, complete the MCP or determines an alternative use for the Barking site, the markets may not move, and this could have an injurious effect on the continued operation of the markets on their existing sites.</p> <p>Event: The City’s three wholesale food markets, New Spitalfields, Smithfield and Billingsgate are unable relocate to the Barking site and find themselves with seriously dilapidated infrastructure due to the investment decisions taken in anticipation of the proposed move to the Barking site.</p> <p>Effect: This could result in a new programme of works at the existing markets sites to catch up with the deferred maintenance in order to ensure we continue to comply with out landlord obligations. This would likely require additional capital investment. Relationships with tenants may be adversely affected due to the impact on normal operation of the refurbishment works, which could result in adverse publicity, possibly leading to reputational damage to the City and tenant claims against City of London Corporation for loss of earnings and other incurred costs, although such claims would be resisted if unjustified.</p>	 Likelihood Impact 24	The markets’ co-location programme is under review. Should this result in a delay to the move of existing markets to the proposed new location, then the existing markets sites will need additional forward maintenance and renewal to ensure that they continue to be maintained in line our contractual obligations. A comprehensive evaluation of this risk will be conducted, and supplementary mitigation strategies will be developed, following the completion of the review and a decision is made by the Court of Common Council. 22 Oct 2024	 Likelihood Impact 4	31-Dec-2026	 Constant
					Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 017a	Keep risk under regular review	Following a review, the risk and likelihood have been adjusted to reflect the impact of the ongoing review of options and the scale of potential liability if the Markets' Co-location Programme is delayed.	Ben Milligan	22-Oct-2024	31-Dec-2026
SUR SMT 017b	Agree and implement a maintenance strategy to ensure there are appropriate levels of maintenance such that the markets will not be forced to close due to failing infrastructure.	The interim maintenance strategy will ensure that appropriate levels of maintenance continue to be carried out until there is more certainty about the markets' move. This will address the risk that the markets cannot operate due to failing infrastructure in the short to medium term. Bow-wave funding (£2.5m) has been approved that will address the most significant works needed at Smithfield. Billingsgate Action Plan works (Racking and Cold store roof) are complete, and so are the remedial works on Spitalfields roof.	Ben Milligan	22-Oct-2024	31-Dec-2026

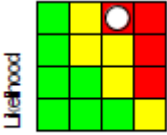
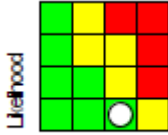

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Current Risk score change indicator
<p>CR37 Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets)</p> <p>04-Nov-2019 Paul Wilkinson</p>	<p>Cause: Significant on-going and previously unmet property maintenance costs across the City’s Corporate property portfolio (excluding housing). Event: Misalignment between funding available and that required by the asset (as defined by the relevant Asset Management Strategy). 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>16</p>	<p>This risk captures systemic property related risks across the corporate property estate (excluding housing).</p> <p>Under the organisation’s property model, accountability for the delivery of mitigating activities lies with the relevant Chief Officer.</p> <p>The City Surveyor, as Head of Profession for Estates and Facilities Management, advises the relevant Chief Officer of their accountabilities with respect to property assets they occupy beyond those assets under the City Surveyor’s accountability.</p> <p>The delivery of the Cyclical Works Programme (CWP) is a key mitigation of this risk. Following the recent approval of additional funds, the five-year delivery programme is being mobilised. It should be highlighted that CWP funding is not attributable to ringfenced property assets (Police estate, New Spitalfields, Billingsgate and the three private schools).</p> <p>The target date of this risk aligns with the five-year CWP delivery timeframe.</p> <p>22 Oct 2024</p>	 <p>8</p>	<p>31-Mar-2029</p> <p>Reduce</p>	<p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR37a	<p>Cyclical Works Programme (CWP)</p> <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>In March 2024 the Court of Common Council agreed £133m funding to be delivered over five years to support the Cyclical Works Programme (CWP).</p> <p>The focus of this action will be to track the delivery of the CWP in line with programme.</p> <p>The delivery team is being mobilised following recruitment.</p>	Peter Collinson; Paul Wilkinson	22-Oct-2024	31-Mar-2029
CR37b	<p>Ring fenced properties and budgets</p> <p>“Ring fenced” properties include the City of London Police estate, New Spitalfields, Billingsgate and the three private schools.</p> <p>These departmental occupiers allocate their own funds for the maintenance of the built assets. Whilst the City Surveyor’s Department 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>Ring-fenced property occupiers are accountable for the identification of maintenance and renewal actions. The City Surveyor, as Head of Profession, is able to advise on required works and / or is responsible for delivering agreed maintenance services.</p> <p>Specific property related risks are noted on the relevant departmental/ Institution risk register.</p> <p>The target date for this action is considered as a 'major review' date.</p>	Ben Milligan; Paul Wilkinson	28-Oct-2024	31-Mar-2025
CR37f	<p>Annual Major Capital Bids</p> <p>The annual capital bids programme and recommendations (October) are built into the subsequent year’s organisational budget which is presented to Court.</p> <p>Capital bids are only considered where funding is not possible through other funding routes (such as CWP).</p>	<p>The Capital Bid process for 2025/26 is due to commence shortly, with review and approval due by the end of the financial year (aligned with the action target date).</p> <p>Where bids are approved works will need to progress before a material change in the risk scoring will result.</p> <p>The accountability for the development of capital bids lies with the relevant Chief Officer. Support is also provided to occupying departments where they are required to collate their own bids (in-line with the City Surveyor’s role as Head of Profession).</p> <p>The City Surveyor’s Department presents bids in relation to works at the Guildhall, Walbrook Wharf, the three wholesale markets and the Central Criminal Court.</p> <p>The target date on this risk reflects the annual nature of bidding process.</p>	CORMG	28-Oct-2024	31-Mar-2025
CR37g	<p>Operational Property Review</p> <p>The City Corporation has commenced an Operational Property Review (OPR) programme to consider the future property requirements to deliver the organisation’s services. This will align with the Resource Priority Refresh programme.</p> <p>Where properties are identified as no longer required to deliver City services, alternative uses (or disposal) can be progressed. This will both lower the maintenance backlog, and funds can be used for maintenance projects elsewhere in the estate. Whilst a positive move, the majority of outstanding maintenance is at our major buildings (Guildhall, Barbican etc).</p>	<p>The Environment, and Community & Children Services reviews have been completed and the results presented to Members. These initial reviews identified baseline operational requirements, financial position, and state of repair which has enabled the consideration of detailed costed options.</p> <p>Guidance for 2025/26 business planning has been issued by the City Surveyor to all Chief Officers to assist in identifying underutilised or surplus assets no longer in use or required for the purpose they were allocated.</p>	Judith Finlay; Katie Stewart	28-Oct-2024	31-Mar-2025

CR37h	<p>Renewal Programmes</p> <p>Where appropriate it may be more efficient to wrap up a number of maintenance requirement (both forward and backlog) into a major renewal programme. By their nature these will be far wider in scope and therefore substantial funding is required. Whilst these actions are more uncertain it is useful to track progress as, should they progress, they will make a significant impact on the overall risk.</p>	<p>The Barbican Centre renewal project will repair the building so it can function in 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 throughout 2023 to support the initial business case development. This business case will be brought forward to Policy and Resources Committee for consideration in November and will be subject to onward approvals. In the interim, £25m has been identified to address immediate concerns, and further work up detailed analysis on requirements.</p> <p>The Guildhall School of Music and Drama (GSMD) are working closely with corporate colleagues to develop and further the Barbican Renew project. GSMD have also engaged space consultants who are undertaking a wide-ranging review of the site to ensure future needs are captured and future funding bids are aligned.</p>	David Farnsworth ; Jonathan Vaughan	22-Oct-2024	31-Mar-2025
CR37i	<p>Maintenance and Renewal</p> <p>The on-going maintenance and renewal of property assets is required to ensure that assets remain in a condition aligned with the organisation's Corporate Property Asset Management Strategy.</p>	<p>Under the City of London's operating model, it is the Chief Officer in occupation who is accountable for the identification and mitigation of property related risks within their area of control. This is done with the advice of the City Surveyor as Head of Profession for Estates and Facilities Management.</p> <p>This mitigating action is therefore devolved to all Chief Officers across the organisation, and actions will vary in line with the needs of that individual department. Local risks are captured on individual risk registers.</p> <p>The target date for this risk action is considered a major review date.</p>	CORMG	15-Aug-2024	31-Mar-2025
CR37j	<p>Adherence to statutory maintenance / relevant British Standards / Codes of Practice</p> <p>The City Surveyor's Department, as Head of Profession, to develop an audit programme on built assets. This will enable the department to provide assurance to the wider business that repair and maintenance activity is being delivered in a way which manages the organisation's risks</p>	<p>The City Surveyor's Department is considering ways that it can best provide assurance to the City Corporation that risks to property assets across the estate are being managed in line with expectations. Further definition and codification of roles and responsibilities of the City Surveyor as Head of Profession will be required to deliver this action, and this is being pursued with Corporate colleagues.</p>	Paul Wilkinson	22-Oct-2024	31-Mar-2025

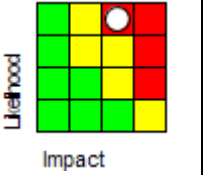
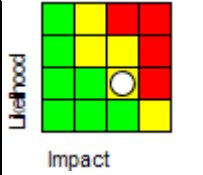

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<p>SUR SMT 005 Construction and Service Contracts Price Inflation beyond that which was anticipated or planned</p> <p>14-Oct-2021 Ola Obadara</p>	<p>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</p>	<p>Likelihood</p>  <p>Impact</p>	<p>16</p>	<p>Material costs and labour availability are continuing to raise costs beyond that has been anticipated or planned.</p> <p>This item impacts property projects, our facilities management (FM) provision, reactive repairs, and revenue works.</p> <p>Whilst construction cost inflation had been forecast to level out, this has yet to happen. This is across both building materials and construction expertise where labour constraints continue to place upward pressure on pricing.</p> <p>The risk scoring was reviewed by the Department in October following feedback from Members. Whilst the high levels of material inflation seen earlier has abated, the City has yet to see a significant levelling in tender returns. As such the risk was maintained as a red risk. As with all risks, this will be reviewed regularly.</p> <p>Market conditions remain dynamic and will be kept under review. As such the target date should be considered a review point.</p> <p>22 Oct 2024</p>	<p>Likelihood</p>  <p>Impact</p>	<p>6</p>	<p>31-Mar-2025</p> <p>Reduce</p>	<p>■</p> <p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 005a	Procurement Strategy 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). Following the review Two Stage contracts will be used more frequently which is the current market norm for these projects. This change enables contractors to better transfer their risk, however, leaves the City with a degree of cost uncertainty, even post Gateway 5. Whilst this transfer is not desired, it does offer far better market coverage and reflects the prevailing external conditions.	Ola Obadara	22-Oct-2024	31-Mar-2025
SUR SMT 005d	Contracts Exploring the potential to include different clauses into contracts such that work offered by the City remains attractive to suppliers.	The department and the Chamberlain's Procurement team have explored the inclusion of fluctuating provisions in our contracts. This 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	22-Oct-2024	31-Mar-2025
SUR SMT 005e	Contract Engagement Expanding the amount of information available at an early stage of contract exploration. This will provide greater cost certainty.	The team plan to engage early with our contractors on a consultancy basis to obtain as much information as possible prior to contract.	Ola Obadara	22-Oct-2024	31-Mar-2025
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. This limits the impact of further price rises in at risk commodities.	Inflation in raw materials has decreased, however, it should be noted that prices are not typically falling elsewhere. Further consideration is being given to the origin of source materials to ensure supply.	Ola Obadara	22-Oct-2024	31-Mar-2025

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 006 Construction Consultancy Management 14-Oct-2021 Obadara	Cause: Poor performance by consultants Event: Abortive work, delays, or non-performance. Impact: Additional costs, project delays	 Lifelihood Impact	16	This relates to abortive design / development. The department continues to suffer the impacts of this risk, with action being taken against consultants when their performance does not meet expectations. The individuals assigned in the commercial market to City (and public sector generally) projects do not have the skill and competency required to deliver the work to the standard required. This issue is being seen across the construction industry, although is more pronounced in public sector bodies.	 Lifelihood Impact	4	31-Mar-2025	 Constant
							Reduce	

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.	Close work with the Procurement Team in Chamberlain's has resulted in this change. The impact will be tracked over the coming months.	Ola Obadara	31 Oct - 2024	31-Mar-2025
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. Due to public sector contract constraints, our ability to seek immediate redress from construction consultancy contractors is limited so whilst action is taken, results take longer than would otherwise be possible in a commercial environment. The department is working with colleagues through the Construction Category Board on this item.	Ola Obadara	31-Oct - 2024	31-Mar-2025
SUR SMT 006c	Procurement Working with Procurement to increasing due diligence, particularly in regard to the quality of contractor appointed	The department continues to work with colleagues from the Procurement Team to explore available options to manage and mitigate this risk. The City's public sector role limits the number of avenues compared to commercial operators.	Ola Obadara	31-Oct-2024	31-Mar-2025

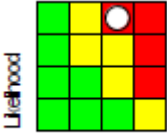
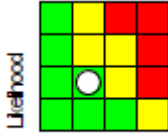

	(rebalancing the quality/cost equation). This is with the view that we will get better quality applications, and this risk may reduce.	The City Surveyor's Department participated at the March "Meet the Supplier – Construction and Professional Services" event organised by the Procurement team. This event was aimed at further diversification and strengthening of our supplier base. Subsequently further engagement with colleagues has taken place to consider lessons learnt and next steps.			
SUR SMT 006d	<p>Scope of works</p> <p>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</p>	<p>Detailed scoping is required to ensure that projects are delivered on-time and on-budget which can lead to extended lead times.</p> <p>Due to a wider lack of skills in the industry, consultants allocated to this element of work are making more errors than desired which has contributed to the overall red rating to this risk. Further actions are being explored; however, this is an industry wide issue (particularly for public sector organisations).</p>	Ola Obadara	31-Oct-2024	31-Mar-2025
SUR SMT 006e	<p>Review of appointment documents</p> <p>The team is working closely with the legal department to ensure that procurement activity aligns with project objectives and the consultants meet quality requirements</p>	<p>Action has been taken against consultants where performance has been poor and end to end timescales have increased.</p>	Ola Obadara	31-Oct-2024	31-Mar-2025

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 009 Recruitment and retention of property professionals 27 Jan-2022 Paul Wilkinson	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 borne by the organisation through recruitment campaigns and training etc, or to the department through filling vacancies through comparatively expensive temporary contracts.	 16	This risk has been identified across several divisions of the City Surveyor's Department especially within Investment Property, Surveying and Project Management. A reviewed conducted in October 2024 confirmed the risk score which remains unchanged due to specific issues in certain industries. The department is actively collaborating with Corporate colleagues to address this risk in the long term. The risk will be kept under review, with the target date reflecting this on-going review. 22 Oct 2024	 8	31-Mar-2025	Reduce		
							Constant	

Page 34

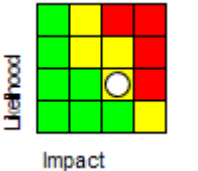
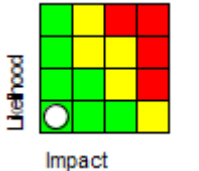

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 009a	Advertising The department and the HR Business Partner has produced a recruitment best practice document, which includes ensuring that vacant posts are advertised in areas which will generate interest from suitably qualified candidates, including those currently under-represented within our workforce.	Recruitment campaigns have followed Corporate best practice recruitment document (i.e. diverse panels) which has been well received by staff.	Paul Wilkinson	22-Oct-2024	31-Mar-2025

SUR SMT 009b	<p>Best Practice</p> <p>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.</p>	CSD is supporting Corporate HR with embedding the on-line appraisal system which enables greater tracking of compliance with the performance management process.	Paul Wilkinson	22-Oct-2024	31-Mar-2025
SUR SMT 009c	<p>Communication</p> <p>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.</p>	Managers across the service ensured that all end-of-year (2023/24) and start-of-year (2024/25) appraisals were complete and inputted into the on-line HR system. The department is currently ensuring that all mid-year appraisals are complete in line with our Corporate timescales. This evidences the regular engagement between managers and staff members.	Paul Wilkinson	22-Oct-2024	31-Mar-2025
SUR SMT 009d	<p>Engagement with HR</p> <p>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).</p>	<p>Corporate HR have completed the 2024 all staff survey. Results of this survey have been communicated to all staff within the department and an Action Plan developed. This draft Action Plan has been shared with staff for comment and further development. Progress will be reported Corporately bi-monthly.</p> <p>Some departmental feedback will be addressed corporately as the reflections of City Surveyor’s staff are often aligned with the thoughts / feedback of those in other departments. The department will be communicating locally the progress of this organisational Action Plan.</p>	Paul Wilkinson	22-Oct-2024	31-Mar-2025
SUR SMT 009e	<p>Equalities, Diversity and Inclusion</p> <p>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.</p>	The CSD EEDI group continues to meet regularly and monitor, and track delivery of the EEDI action plan. A neurodiversity all staff talk has been delivered which covered the full end-to-end process of responsible procurement, the contractor’s commitment to delivery, and the social value impact.	Ola Obadara	22-Oct-2024	31-Mar-2025
SUR SMT 009f	<p>Pay and Review Survey</p> <p>The Corporation is reviewing pay & reward</p>	<p>The department has highlighted that there are specific pressures within this department in relation to the withdrawal of the earlier reward scheme (where those on top-of-grading salaries could achieve performance related pay) prior to the review conclusions which has made our remuneration package less competitive than our peers. The department is engaging with Korn Ferry who are currently conducting the Ambition 25 review of pay and reward. Local feedback has noted that there is some apprehension about the Ambition 25 programme, and this item has been communicated to the project team.</p> <p>Overall, the department has noted that whilst recruitment is possible, the limited scope for (pay and professional) progression makes retention more challenging.</p>	Paul Wilkinson	22-Oct-2024	31-Mar-2025

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	16	This risk pertains to the potential failure of a primary contractor or a key sub-contractor. Notably, the City Corporation has traditionally lacked substantial control over the selection of entities assigned to perform work. In the event of a failure by a primary contractor or sub-contractor, there could be consequential effects on warranties and our ability to pursue remedies for any design deficiencies. Recent fluctuations in the industry have heightened the probability of this risk, which continues to be classified as Red.	 Likelihood Impact	4	31-Mar-2025	 Constant
							Reduce	

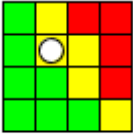
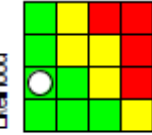

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 011a	Tendering Seeking to have greater say over who a main contractor appoints as a sub-contractor. This will help reduce the likelihood of this risk occurring.	The department has commenced work with Procurement to ensure that our commissioning takes greater account of contractor and sub-contractor failure into consideration. 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	22-Oct-2024	31-Mar-2025
SUR SMT 011b	Review Process Regular review of contractors and their sustainability will reduce the likelihood of the risk and help us put in place measures to reduce the impact.	The department is instituting six-monthly reviews of contractor suitability. Historically this only happened at contract commencement. This will better prepare the organisation if the contractor (or significant sub-contractor) begins to experience difficulty.	Ola Obadara	22-Oct-2024	31-Mar-2025

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 002e	<p>Fundamental Review of the North and West Wings of Guildhall</p> <p>The review will present options to Members on how to consider the medium- and long-term position of the Guildhall site to ensure modern, fit-for-purpose accommodation for Members and Officers</p>	Options have been developed and presented to Members, however, due to the considerable funding gap the progression of any renewal programme will be delayed until more funding is available. However, in the interim repair and maintenance works will continue to be delivered as part of the Cyclical works Programme. This will be kept under review, but the current assumption is that any renewal programme would only be considered from 2028.	Paul Wilkinson; Peter Young	31-Oct-2024	31-Mar-2025
SUR SMT 002f	<p>Cross departmental working with Remembrancer's Events Team.</p> <p>This activity is seeking to create a single profit and loss account for events at the Guildhall, such that there is greater transparency over income and repair and maintenance outgoings.</p>	Single point of contact for Profit and Loss for event space created within the Remembrancer's. Shadow budget was agreed. The business plans of both the Remembrance and the City Surveyor have highlighted the delivery of this activity as a priority for the coming year. The mechanics of the agreed approach of the Trading Account was presented to Members at Finance committee. The department has sought support from Chamberlains through the Deep Dive process to lead the reimbursement of costs incurred.	Remembrancer; John James; Peter Young	31-Oct-2024	31-Jan-2025

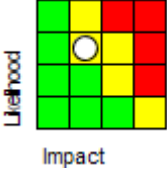
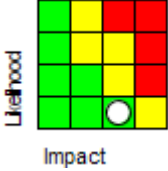
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
SUR SMT 010 Insurance - Investment and Corporate Estates 26-May-2022 Robert Murphy	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 which typically require revaluations by a qualified person are undertaken at least every five years (Investment and Corporate). The City would be 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)		8	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. Funding and resource are being applied. The valuations of CBF are nearly complete; City Fund properties have been tendered; and City Estate will go to tender shortly. 22 Oct 2024		1	31-Mar-2025	 Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 010a	Register of data Ensuring the completeness of the organisation's data sets to ensure that assets are not 'lost' and accuracy of our risk scoring.	A property schedule exists, and this has been updated with the survey carried out on Special Sites (by RLF).	Robert Murphy	22-Oct-2024	31-Jan-2025
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 where relevant within the City Corporation.	John James; Robert Murphy	22-Oct-2024	31-Mar-2025
SUR SMT 010c	Delivery Delivery of the programme of valuation activity. As this progresses the risk score will reduce to target.	The delivery of the valuations will be via an external valuer. Service delivery is either underway or in procurement.	Robert Murphy	22-Oct-2024	31-Mar-2025

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 012a	<p>Project Review and Claims Consultant</p> <p>Claims consultant can advise the organisation where it can seek to recover money from suppliers (thereby reducing the impact).</p>	<p>The department is reviewing projects alongside the contracts to understand our position and have engaged an external Claims Consultants to ensure that risks are managed, and the City's position is protected. Whilst the Claims Consultant has been effective in seeking redress, unfortunately there is a volume of work that needs to be considered. The current risk scoring will be retained until this knot of projects has been delivered and considered.</p>	Ola Obadara	21-Aug-2024	31-Mar-2025

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 Collinson; 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		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. Previously there was no central structures register within the portfolio, and therefore no prescribed or routine inspection regime in place to ensure that they remain in a suitable condition which is being addressed through the mitigation of this risk, but the task is significant. Where inspections are flagged, and remedial work has been identified. These items may be subject to future bids for funds. C&CS now instructed to determine level of maintenance being undertaken by UKPN and to regularise occupation where no lease exists or repairing obligations not expressly provided. 25 Oct 2024		2	31-Mar-2025	
		Reduce			Constant			

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 008a	<p>Special Structures register</p> <p>By tracking delivery against an up-to-date register and assessing the structures in a risk-based approach, will help mitigate the risk swiftly.</p>	<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 has been completed, February 2024) and this has developed a list of structures which required more detailed assessment which are currently in progress. 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> <p>CPG and Ops group working through implications from latest surveys at Guildhall and St Peter's Hill.</p>	Peter Collinson	25-Oct-2024	31-Mar-2025
SUR SMT 008b	<p>Special structures – investment portfolio</p> <p>Ensuring on-going accuracy of the special structures register in the investment portfolio, in order to understand and assess our risks.</p>	Register for the investment estate exists but requires a refreshed survey to ensure on-going accuracy of information. This is being addressed through the programme of works as identified in action SUR SMT 008a.	Peter Collinson; Robert Murphy	25-Oct-2024	31-Mar-2025
SUR SMT 008d	<p>Special Structures – other assets</p> <p>Ensuring that premises controllers, where this is not the City Surveyor, remain aware of their responsibilities. This helps manage the risk at these locations</p>	Corporate Property Director and Operations Group Director are engaging 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	25-Oct-2024	31-Mar-2025
SUR SMT 008e	<p>Special Structures – works</p> <p>To undertake works where the inspection programme has identified areas of need. This will manage the likelihood of this risk.</p>	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 Collinson	25-Oct-2024	31-Mar-2025

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 015 UKPN - Condition and maintenance of substations 18-Feb-2024 Paul Wilkinson	Cause: Either the failure of UK Power Networks (UKPN) to adequately maintain their facilities adequately (including equipment), or any failure on behalf of the City Corporation to structures where these are our responsibility, to a condition adequate to prevent issues arising. Event: Potential for flood or fire of substation Impact: Potential flood or fire leading to impact on operational assets and interruption to service delivery and/or claim from UKPN for business interruption.		6	C&CS now instructed to determine level of maintenance being undertaken by UKPN and to regularise occupation where no lease exists or repairing obligations not expressly provided 25 Oct 2024		4	Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 015a	Corporate Working Group The creation of a corporate wide Working Group by the Corporate Health and Safety committee is to bring the relevant organisational leads together (Legal, Housing, City Surveyor's, etc. to jointly assess and address the risk.	A working group has been set up and is chaired by the City Surveyor. A tracker has been developed for completion by all City departments to identify whether there are any transformers on their assets and progress was reviewed in May. The next step will be to contact UKPN to obtain fires and asbestos risk assessments, liaise with legal team to ensure that lease agreements are in place and to understand departmental responsibilities.	Peter Collinson	25-Oct-2024	31-Mar-2025
SUR SMT 015b	Identifying Responsibility This background data will help codify the split of responsibility between the City Corporation and UKPN	The City Surveyor's Department is collating an inventory of all UKPN substations across our estates and is seeking to identify leases wherever these are available. Because of age of the structures, many assets may not have current legal documentation. The new working group is refreshing a single schedule of all plantrooms and substations which will enable the City Solicitor and Asset Advisors to identify where existing leases may have expired. The organisation's legal team have been in contact with UKPN in connection with codifying roles and responsibilities and arranging access for CoL as landlord.	Robert Murphy; Peter Young	30-Aug-2024	31-Mar-2025
SUR SMT 015c	Net Steps The organisation will need to be satisfied that equipment housed within City assets continues to operate as anticipated – this information will need to be supplied by UKPN as part of an inspection regime. Similarly, the organisation will need to ensure that any structural elements which are our responsibility are maintained appropriately.	The working part has been concluded and a consolidated list of UKPN sub stations has been created. Comptrollers with assistance from CPG, IPG, Housing and the central H&S team are now to formally write to UKPN requesting what risk management and maintenance activity is applied to said sub stations located within or alongside CoL buildings. This action is being progressed by the Comptroller and City Solicitor	Robert Murphy; David Renshaw; Peter Young	25-Oct-2024	31-Mar-2025

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank