

SUR Departmental risks - detailed report EXCLUDING COMPLETED ACTIONS for committee

Report Author: Faith Bowman
Generated on: 04 November 2019

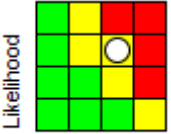
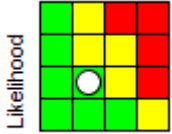


Rows are sorted by Risk Score

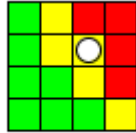
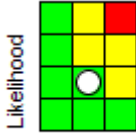

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 001 A fall in property performance	<p>Cause: Unexpected change or unknown impact of macro-economic policy (global and local political and economic decisions, change in interest rate, exchange rate, taxation, etc.)</p> <p>Event: Business sentiment changes and U.K. / London becomes less attractive to investors / tenants.</p> <p>Impact: Business Plan objectives are not achieved with resultant negative impact on income, yields, voids and arrears.</p>	<p>Likelihood</p> <p>Impact</p>	12	<p>The strategy is to maintain a diverse portfolio that reduces the impact of this risk. This includes:</p> <ol style="list-style-type: none"> 1. Use (office, retail, industrial) 2. Location (City, Southwark, West End etc.) 3. Tenancies (Long term Head lease geared, FRI, directly managed) 4. Covenants (multinationals, SME) 5. Asset management (lease renewals, voids, arrears, etc) 6. Monitoring retail habits in change of building use <p>This risk links to CR26 Brexit - particularly on the “impact of Brexit on City Corporation income streams” action, owned by the Chamberlain.</p> <p>Target risk score updated following Member feedback</p>	<p>Likelihood</p> <p>Impact</p>	3	31-Mar-2020	

03-Mar-2015 Nicholas Gill				Updated income generation 'stretch' targets need to be considered in light of constricted revenue budgets for maintenance / improvement, and from the re-allocation of some funds from the designated sales pool. 01 Nov 2019				Constant
------------------------------	--	--	--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	----------

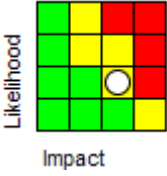
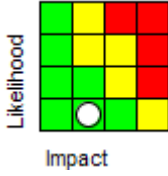

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 001c	Global and local economic and political decisions	SMT continues to closely monitor the position quarterly, including analysis of market reaction. This information is reported through to Property Investment Board regularly.	Nicholas Gill	01-Nov-2019	31-Mar-2020
SUR SMT 001d	Maintain a diverse mix of space, locations, and tenants to ensure the business has wide market appeal and is not reliant on particular business sector	IPG Management Team monitors development of property portfolio and tenant mix.	Nicholas Gill	01-Nov-2019	31-Mar-2020
SUR SMT 001e	Brexit Meetings	Weekly meetings are being undertaken, chaired by the Town Clerk, looking at risks associated with Brexit. This includes the potential impact on the property market	Paul Wilkinson	01-Nov-2019	31-Jan-2020

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
SUR SMT 002 Insufficient budget to meet user and asset demand at Guildhall 10-Feb-2015 Peter Young	Cause Insufficient budget to meet the increase/intensification of use at Guildhall Event: Ineffective asset funding Impact: Poor working environments leading to increased dissatisfaction and lower employee productivity, increase in breakdowns and reactive costs	 Likelihood Impact	12 01 Nov 2019	The principal mitigation actions are related to forecasting and monitoring the allocation of financial and human resources. Whilst this risk reduces due to the uplift in budget for the Guildhall, this is balanced by the projected increase in FTE occupation of the space. This intensification of use will lead to increased demands on the building assets. 01 Nov 2019	 Likelihood Impact	4 31-Mar-2020 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 002b	Guildhall Capital Projects Programme Delivery	Individual projects have been identified and prioritised and have now been submitted as part of the annual bid process. These bids will be considered by Resource Allocation Sub Committee.	Peter Young	01-Nov-2019	31-Mar-2020
SUR SMT 002d	Asset Information	Lack of structured information on buildings can lead to delays and additional professional fees. Initial exploration into opportunities into how this data could be brought into a single solution.	Ola Obadara	01-Nov-2019	31-Mar-2020
SUR SMT 002e	Fundamental Review of the Guildhall Complex	A wholesale review of the North Wing and West Wing was presented as an option to Members for consideration as part of the Fundamental Review. This action to be progressed depending on feedback from Members in the autumn with timescales to be determined.	Paul Wilkinson; Peter Young	01-Nov-2019	31-Dec-2019
SUR SMT 002f	Cross departmental working	Single point of contact for Profit and Loss to be created within the Remembrancer's Department. The possibility of a sinking fund for the site is also being explored. CSD will inform the Remembrancer's Department of requirements	Remembrancer's Department	04-Nov-2019	31-Mar-2020

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 014 Backlog maintenance 04-Nov-2019 Alison Bunn	<p>Cause: insufficient funds to manage the repair demands at operational properties (Budget available does not match the annual Cyclical Works Programme Bid List of requirements)</p> <p>Event: Maintenance demands for operational properties exceeds available funding.</p> <p>Impact: Reactive repairs budget used to meet maintenance demands, loss of income from events spaces, reputational impacts, long-term properties may cease to meet operational requirements (Reduced rental income, reduced capital value, increased breakdown of M&E services, reduced customer satisfaction, poor building use and efficiency)</p>	 Likelihood Impact	12	<p>The Cyclical Works Programme (CWP) bid for 20/21 has a reserve list of unfunded works of £26m, these works are essential to keep the operational properties in a good standard. This unfunded works will result in an increase in the backlog of maintenance.</p> <p>The Fundamental Review has reduced the funds available to the CWP for 2020/21 by £1m, which will impact this risk.</p> <p>04 Nov 2019</p>	 Likelihood Impact	4	31-Mar-2020	 New Risk

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 014a	Cyclical works Programme list	Presentation of the Cyclical Works Program to Members occurred in September, but is subject to available funding, and any changes as a result of the Fundamental Review.	Peter Young	04-Nov-2019	31-Oct-2020
SUR SMT 014b	Additional funding report may be required	Draft additional funding report to committee (next report due 2021).	Alison Bunn	04-Nov-2019	30-Sep-2020

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 010 Unable to meet the Carbon Decent Plan for 2026. 13-Dec-2018 Peter Collinson	Cause: Lack of resources – people and funds across organisation to deliver energy efficiency projects Event: Failure to reach Carbon Descent Plan Targets (40% reduction in 2008 energy consumption by 2026) Effect: Environmental damage, Failure to reduce expenditure, Reputational damage, Failure to achieve vision of the department, unable to meet ambition of the Corporate Plan.		8	Have 21% of target left . Vacant position for 1. Energy Engineer 2. Energy Reporting Manager 3. Corporate Energy Manager 4. Energy Project Manager Q2 2019/20 performance was positive. This indicates that, if sustained, the current reduction trajectory will meet the 2026 target. Further investment will be required to meet this trajectory 04 Nov 2019		2	31-Mar-2026	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 010a	Recruitment of posts above 1-4	Recruit roles 1-4. Role 2 in progress, Roles 1 and 3 under job evaluation, Role 4 pending funding approval.	Peter Collinson	01-Nov-2019	31-Jan-2020
SUR SMT 010c	Funding source and route for capital programme	Agreed delivery model and costs Phase 1 and 2 submitted for funding under fundamental review.	Peter Collinson	04-Nov-2019	31-Mar-2020

