

SUR Departmental risks - detailed report EXCLUDING COMPLETED ACTIONS for committee

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Generated on: 25 June 2020

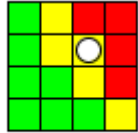
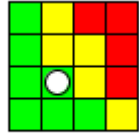



Rows are sorted by Risk Score

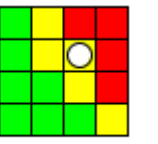
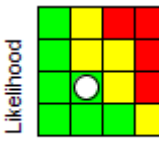
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 001 A fall in property performance	<p>Cause: Unexpected change or unknown impact 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>		12	<p>This risk captures the long-run position and asset allocation within the property funds. Risks relating to the current Coronavirus situation (CVD19 SG PROP 01) are covered in a separate appendix.</p> <p>This risk also links to CR26 Brexit – particularly on the “impact of Brexit on City Corporation income streams”. This risk is owned by the Chamberlain.</p> <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 Headlease geared, FRI, directly managed) 4. Covenants (multinationals, SME) 		3	31-Mar-2021	

03-Mar-2015 Nicholas Gill				5. Asset management (lease renewals, voids, arrears, etc) 6. Monitoring retail habits in change of building use 16 Jun 2020				Constant
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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	16-Jun-2020	31-Mar-2021
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	16-Jun-2020	31-Mar-2021
SUR SMT 001e	Strategy review	Two strategy sessions have been held with Members of Property Investment Board to discuss what the future may look like in a post Covid-19 world. This will be kept under review as the year progresses		17-Jun-2020	31-Mar-2021

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<p>SUR SMT 002 Insufficient budget to meet user and asset demand at Guildhall</p> <p>10-Feb-2015 Peter Young</p>	<p>Cause: . Insufficient budget and accessibility due to the increase/intensification of use at Guildhall Complex. . Insufficient funding being made available for Major Works, Cyclical Works and Day to Day Maintenance Budget to manage the repair demands on the Guildhall Complex.</p> <p>Event: Insufficient asset funding and lack of accessibility to complete all works due to increase/intensification of use at Guildhall Complex</p> <p>Impact: The standard of the Guildhall Complex will start to deteriorate, resulting in; poorer working environments leading to increased dissatisfaction and lower employee productivity and potential increase in breakdowns and reactive costs as the basic infrastructure of the Complex becomes beyond economic repair.</p>	<p>Likelihood</p>  <p>Impact</p>	<p>12</p>	<p>This risk captures the longer-term risks associated with funding for the Guildhall. Risks relating to the current Coronavirus situation (CVD19 SG PROP 05) are covered in a separate appendix.</p> <p>The principal mitigation actions are related to forecasting and monitoring the allocation of financial and human resources.</p> <p>Whilst this risk reduces due to the uplift in Guildhall Admin budget, this is balanced by the projected increase in FTE occupation of the space.</p> <p>Some parts of the general infrastructure of the Guildhall Complex are becoming beyond economic life, resulting in main Mechanical/Electrical Plant and Fabric failing across the Complex. The Guildhall Masterplan considers a complete refurbishment of some parts of the general infrastructure and has been proposed as part of the Fundamental Review.</p> <p>16 Jun 2020</p>	<p>Likelihood</p>  <p>Impact</p>	<p>4</p>	<p>31-Mar-2021</p>	<p></p> <p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
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. Initial feedback from Members was to investigate this proposal in more detail, and initial cost implications will be presented in the Spring.	Paul Wilkinson; Peter Young	16-Jun-2020	31-Jul-2020
SUR SMT 002f	Cross departmental working	Single point of contact for Profit and Loss to be created within the Remembrancer's Department. This activity has been agreed by CASC and a more detailed report, noting the key figures, will be presented to Members later in the year. The possibility of a sinking fund for the site has been explored and agreed by CASC. CSD will provide a facilities event-related operating business plan with the Remembrancer's Department, detailing the funding, management and operating arrangements including the funding sources. This action has been delayed due to current events (Covid-19) and this will be revisited shortly.	Remembrance r; Peter Collinson	16-Jun-2020	31-Dec-2020
SUR SMT 002g	Maintenance management	The department continues to work with Skanska, our Building Repairs and Maintenance Contractor, to review and improve the correct Planned Preventative Maintenance (PPM) regime. A report was presented to CASC in January 2020 with details of the deferred maintenance level (bow wave). Further discussions to be undertaken as part of the Corporate Property Asset Management Strategy to determine the property condition to which we're aspiring on a site-by-site basis (good or fair).	Peter Collinson	16-Jun-2020	31-Oct-2020
SUR SMT 002h	Prioritisation review	We are reviewing prioritisation list of major projects in light of covid-19 and the financial circumstances. This will also need to consider the Guildhall Masterplan and how this may impact projects.	Peter Collinson; Peter Young	16-Jun-2020	31-Mar-2021

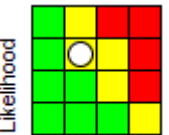


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SUR SMT 014 Backlog maintenance 04-Nov-2019 Peter Collinson	<p>Cause: insufficient funds to manage the repair demands at operational properties (Budget available does not match the annual Cyclical Works Programme Bid List of requirements)</p> <p>Event: 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>	 <p>Likelihood</p> <p>Impact</p>	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>CWP report has been presented to CASC. This shows a gradual rise in deferred maintenance from c£80m to c£130m over the next five years. The Fundamental Review has proposed the reduction in the funds available to the CWP for 2020/21 by £1m, which will impact this risk.</p> <p>16 Jun 2020</p>	 <p>Likelihood</p> <p>Impact</p>	4	31-Mar-2021	■
								Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 014b	Additional funding report may be required	Draft additional funding report to committee (next report due 2021).	Alison Bunn	16-Jun-2020	31-Dec-2020
SUR SMT 014e	Corporate Property Asset Management Strategy	Asset Management Strategy to be reviewed and appropriate condition for our property assets be considered. This may be undertaken on a site-by-site basis. Report to be presented to Members in Spring/Summer 2020 (this action aligns with action SUR SMT 002g).	Peter Young	16-Jun-2020	31-Oct-2020
SUR SMT 014f	CWP process review	CWP process is currently under review. This will focus more clearly on asset need rather than on available funds. This will rely upon intelligent information from our MICAD system	Peter Collinson	16-Jun-2020	31-Mar-2021

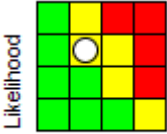
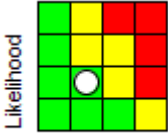
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<p>SUR SMT 010 Unable to meet the Carbon Decent Plan for 2026</p> <p>13-Dec-2018 Peter Collinson</p>	<p>Cause: Lack of resources – people and funds across organisation to deliver energy efficiency projects</p> <p>Event: Failure to reach Carbon Decent Plan Targets (40% reduction in 2008 energy consumption by 2026)</p> <p>Effect: Environmental damage, Failure to reduce expenditure, Reputational damage, Failure to achieve vision of the department, unable to meet ambition of the Corporate Plan.</p>	<p>Likelihood</p> <p>Impact</p>	<p>8</p> <p>Energy consumption has decreased by 19% since 2008 baseline year. 2019/20 performance was positive. If sustained the current reduction trajectory will meet the 2026 target.</p> <p>Further investment will be required to meet this trajectory.</p> <p>Recent recruitment has filled the position for:</p> <ol style="list-style-type: none"> 1. Energy Reporting Manager 2. Energy Engineer 3. Corporate Energy Manager <p>The role of 4. Energy Project Manager is subject to gateway funding.</p> <p>16 Jun 2020</p>	<p>Likelihood</p> <p>Impact</p>	<p>2</p> <p>31-Mar-2026</p>	<p>Constant</p>

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SUR SMT 010a	Recruitment of posts above 1-4	Recruitment for the two remaining posts within the Energy Team has recently been concluded. The new staff will commence with the City of London upon completion of their notice period (end Aug).	Peter Collinson	16-Jun-2020	31-Mar-2021
SUR SMT 010c	Funding source and route for capital programme	Agreed delivery model and costs Phase 1 and 2 submitted for funding as part of the annual capital bid programme. (Phase 1 provisionally approved). Further funding opportunities discussions have been undertaken with colleagues in the Chamberlain’s Department, particularly in regard to Salix funding.	Peter Collinson	16-Jun-2020	31-Mar-2021
SUR SMT 010d	Better utilisation of the building management system (BMS)	Improved use of the BMS system to result in better energy use at the Guildhall Complex. The BMS expert has been secured for an additional 12 months. They will be working on a detailed	Peter Collinson	16-Jun-2020	30-Sep-2020

		BMS strategy, including for the Guildhall complex.			
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SUR SMT 005 Recruitment and retention of property professionals 17-Mar-2015 Paul Wilkinson	<p>Cause: Uncompetitive pay structures within some professional grades, and work environment across the department</p> <p>Event: Increasingly attractive remuneration and reward packages offered elsewhere externally, particularly in the private sector</p> <p>Impact: Increased vacancies, objectives unachieved or delivered late, reduced customer satisfaction, less real estate activity, reduced employee wellbeing, demotivation of staff.</p>	 Likelihood Impact	6	<p>Within the CSD, it is proving challenging to recruit Chartered Surveyors, Chartered Engineers and Project Managers as the reward 'offer' (including pay) is lower than those being offered in the private sector at this moment in time.</p> <p>The current Covid-19 situation may increase the availability of skilled staff – however this may be a short-term impact. This will be kept under review.</p> <p>16 Jun 2020</p>	 Likelihood Impact	4	31-Mar-2021	 Constant

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SUR SMT 005a	Action Plans	The Action Plans developed following the Staff Survey (2018 and more recently 2019) are being delivered to address areas of focus for staff. The department has completed an Equalities and Diversity self-assessment (May), and this too has an Action Plan. Both these activities are focussed around improving our understanding of our staff and addressing areas of concern.	Paul Wilkinson	16-Jun-2020	31-Dec-2020
SUR SMT 05b	HR Communication	Highlighting emerging issues to our Human Resources Business Partner. This will initiate activities to understand and subsequently address this risk.	Paul Wilkinson	16-Jun-2020	31-Dec-2020

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SUR SMT 016 Health and Wellbeing of Staff 16-Jun-2020	<p>Cause: Extended period of working away from colleagues due to Covid-19 exacerbating stress levels.</p> <p>Event: Health and wellbeing of staff deteriorates</p> <p>Impact: lower staff morale, higher levels of sickness and turnover</p>	 <p>Likelihood</p> <p>Impact</p>	6	<p>This new risk considers the health and wellbeing of departmental staff. This is exacerbated under the current lockdown situation as a result of COVID-19.</p> <p>16 Jun 2020</p>	 <p>Likelihood</p> <p>Impact</p>	4		<p>Constant</p>

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SUR SMT 016a	Communications	All directors are having regular meetings with key staff and encouraging regular interaction at all levels throughout the department. The City Surveyor is holding weekly meetings with all departmental staff through Teams. Electronic staff newsletter was distributed on Friday 12 June. Each of these activities is focussed around ensuring that there is a common sense of purpose, issues can be identified early, and appropriate signposting can be made to ensure that at risk staff are able to access appropriate services.			Alec Childs; Peter Collinson; Nicholas Gill; Ola Obadara ; Peter Young	16-Jun-2020	31-Mar-2021
SUR SMT 016b	Return to work flexibility	Flexibility with returning to work is being considered, together with thought for staff who may wish to continue to work from home on a longer basis, self-risk assessments are one of the options being deliberated.			Alec Childs; Paul Wilkinson	16-Jun-2020	31-Mar-2021