

# SUR Departmental risks - detailed report EXCLUDING COMPLETED ACTIONS for COMMITTEE

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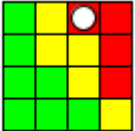
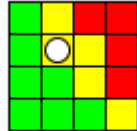



Rows are sorted by Risk Score

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
<b>SUR SMT 004 Repairs and Maintenance</b>  04-Nov-2019 Peter Collinson	<b>Cause:</b> insufficient funds to manage maintenance and repair demand <b>Event:</b> Maintenance demands exceeds available funding. <b>Impact:</b> Assets do not perform at the anticipated levels – either through supporting our operational activities, or develop the income returns and capital appreciation. In extreme circumstances there may be H&S implications, or asset failure	 Likelihood Impact	<b>16</b>	This risk captures the earlier backlog maintenance risk. The five repairs and maintenance funding streams are identified, CWP, ring-fenced properties, local maintenance budgets, Capital projects and the revenue programme for the investment estate.  Note that the majority of this risk relates to the Corporate Estate.  <b>08 Nov 2021</b>	 Likelihood Impact	<b>4</b>	31-Mar-2023	 Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 004a	Cyclical Works Programme (CWP)	The CWP bid for 22/23 is valued at £29.8m, and these works are essential to keep the operational properties in a good standard.	Peter Collinson	08-Nov-2021	31-Mar-2023

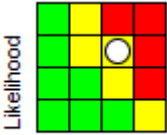
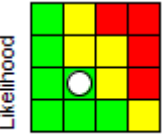

		This bid was subject to a bilateral meeting on 08/10 and following Member steer has subsequently been reduced to c.£11.1million. This paper will be presented to CASC in November 2021.			
SUR SMT 004b	Ring fenced budgets	CSD is communicating with ring fenced departments to identify appropriate building maintenance requirements and spend (forward maintenance). These department occupiers allocate 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 activity. This element is being mitigated through the delivery of the Internal Audit recommendation report, notably including the draft 'principles of occupation' document.	Peter Young	08-Nov-2021	31-Mar-2022
SUR SMT 004c	Repairs and Maintenance Budget	The local repairs and maintenance budget has come under significant pressure. The intelligent prioritising of works helps mitigate the impact of this issue.	Peter Collinson;	08-Nov-2021	31-Mar-2022
SUR SMT 004d	Revenue Programme (Investment Estate)	The allocation of sufficient funds to maintain our investment portfolio to a high standard is required to maximise income generation and asset appreciation. Discussions are on-going with internal colleagues such that sufficient provision is made from the rent received.	Nicholas Gill	08-Nov-2021	31-Mar-2022
SUR SMT 004e	Next generation CAFM system	The new CAFM system has been procured and is now in the mobilisation stage with a go live date of 24 November 2021 anticipated. There is a dedicated resource leading this project in the Property Contracts Performance Team so it is fully expected the project will be delivered on time.	Peter Collinson	08-Nov-2021	31-Mar-2022
SUR SMT 004f	Annual Capital Bids	The City Surveyor's Department have submitted proposed capital bids for 22/23 of £17.7m, these projects are all essential to keep the operational estate including the Guildhall in a good standard. Significant works have been identified from the recent Smithfield Market Condition Survey and if not funded present a live Health and Safety risk.	Peter Collinson Peter Young	08-Nov-2021	31-Mar-2023

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SUR SMT 005 <b>Construction Price Inflation</b>	<b>Cause:</b> Market conditions have led to input price inflation <b>Event:</b> Project and programme cost escalation <b>Impact:</b> Inability to delivery capital and revenue projects within budget		16	Material costs and labour availability are combining to raise costs. This cost increase has already been seen in our tender returns, and this explains why this risk has increased likelihood to “likely”.  There is the risk that there are further price rises. This will lead to some cancelled projects, or projects facing uplifts in costs. This therefore has a knock-on impact on other corporate priorities which require project delivery.  These increased costs may impact the organisation’s ability to deliver capital and revenue projects within budget		6	31-Mar-2023	
14-Oct-2021				08 Nov 2021		Reduce	Increasing	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 005a	Buying Options	The department is working with legal and procurement to identify different buying options, thereby managing the risk to the department / organisation.	Ola Obadara	08-Nov-2021	31-Mar-2022
SUR SMT 005b	Committee Paper	A joint paper is being prepared by Procurement, Chamberlain's and City Surveyor's Department to be presented to the December Committee cycle of Project Sub Committee, Procurement Sub Committee and Policy and Resources. This will outline the impact and implications.	Ola Obadara	08-Nov-2021	31-Jan-2022



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SUR SMT 001a	Investment property	Investment Property Consultant has recently been appointed for the first phases. We are anticipating work commencement in September. This workstream will counter the possibility of low value / stranded assets.	Peter Collinson; James Rooke	08-Nov-2021	31-Mar-2027
SUR SMT 001b	Corporate Property	Mobilisation in progress facilitated by the delivery of the recruitment action.	Peter Collinson; James Rooke	08-Nov-2021	31-Mar-2027
SUR SMT 001c	Capital Projects	Mobilisation in progress facilitated by the delivery of the recruitment action. Guidelines / brief requires clarification, and this is being resolved with the relevant internal leads.	Peter Collinson; James Rooke	08-Nov-2021	31-Mar-2027
SUR SMT 001d	Resilience	Mobilisation in progress facilitated by the delivery of the recruitment action.	Peter Collinson; James Rooke	08-Nov-2021	31-Mar-2027
SUR SMT 001f	Monitoring and awareness	Review of targets annually to reflect changing industry standards. This is related to the 'carbon factor' of the electricity grid, and how rapidly this de-carbonises. This may change the programme or prioritisation of works.	Peter Collinson; James Rooke	08-Nov-2021	31-Mar-2027
SUR SMT 001g	Recruitment	There is a requirement to have a team of nine for climate action, but recruitment has been delayed by governance issues. The team has gone out to tender for a services contract which we are aiming to have in place by end of 2021.	Peter Collinson; James Rooke	08-Nov-2021	31-Mar-2027

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<b>SUR SMT 002</b> <b>Insufficient budget to meet user and asset demand at Guildhall</b>  10-Feb-2015 Peter Young	<b>Cause:</b> Insufficient funding available for Major Works, Cyclical Works and Reactive Maintenance to manage the repair demands on the Guildhall Complex. <b>Event:</b> Insufficient asset funding. <b>Impact:</b> The standard of the Guildhall Complex will deteriorate, resulting in; poorer working environments leading to increased dissatisfaction and lower employee productivity and potential increase in breakdowns and reactive costs as the basic infrastructure of the Complex becomes beyond economic repair.	 Likelihood Impact	<b>12</b>	The principal mitigation actions are related to forecasting and monitoring the allocation of financial and human resources  The department reviewed the prioritisation of major projects in light of covid-19 and the financial circumstances. This also considered the Guildhall Refurbishment and how this may impact projects. This review has been approved by CAsC.  This risk has is influenced by other risks, notably the wider repairs and maintenance risk (SUR SMT 004).  <b>08 Nov 2021</b>	 Likelihood Impact	<b>4</b>	31-Mar-2023	  Increasing
							Reduce	

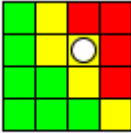
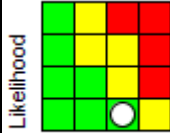

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SUR SMT 002e	Fundamental Review of the Guildhall Complex	A wholesale review of the North Wing and West Wing was presented as an option to Members for consideration as part of the Fundamental Review. An Annual Bid for fees in 2021/22 was approved and this will be progressed to Gateway 2 stage in November 2021. The GW2 report will explore outline options for the future of the north and west wings to provide modern, fit-for-purpose accommodation for Members and Officers.	Paul Wilkinson; Peter Young	08-Nov-2021	31-Mar-2022
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.	Remembrancer; Peter Collinson	08-Nov-2021	31-Mar-2022
SUR SMT 002g	Maintenance Management	The department continues to work with Skanska, our Building Repairs and Maintenance	Peter	08-Nov-	31-Mar-

		Contractor, to review and improve the correct Planned Preventative Maintenance (PPM) regime.	Collinson	2021	2023
SUR SMT 002h	Prioritisation review	The department reviewed the prioritisation of major projects in light of covid-19 and the financial circumstances. This also considered the Guildhall Refurbishment and how this may impact projects. This review has been approved by CAsC, and the some bids approved by Resource Allocation Sub-Committee for funding in 2021/22.	Peter Collinson; Peter Young	08-Nov-2021	31-Mar-2022
SUR SMT 002j	Budget adjustment	The department is identifying how to maintain services across the complex in light of lower budget allocations for 2021-22 and ongoing Covid 19 conditions. This will identify areas where savings are being made and any changes in service to align to the new budget.	Peter Collinson; Peter Young	08-Nov-2021	31-Mar-2022
SUR SMT 002k	Annual Bid Process	Further bids for Guildhall major projects approved by CASC Aug 2021 and will be submitted for funding in 2022/23. CWP bid for minor projects to be approved by CASC on 30 September and then submitted to RASC.	Peter Young	08-Nov-2021	31-Mar-2022





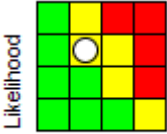
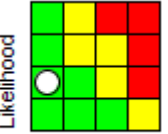
	portfolio takes advantage of emerging segments of growth, whilst managing the exposure to property types which are showing reducing demand.				
SUR SMT 003c	<p>Climate Action</p> <p>The alignment of our portfolio with the future strategic needs of occupiers, particularly supporting their ESG (Environmental-Social-Governance) needs. Climate Action is principally managed through the Climate Action risk (SUR SMT 001). However, it is referenced here as there is a requirement to ensure that the properties offered by the City of London are meeting the emerging needs of tenants.</p>	Ensure that the properties offered by the COL are meeting the emerging needs of tenants.	Nicholas Gill	08-Nov-2021	31-Mar-2023
SUR SMT 003d	<p>Office risk</p> <p>A slow return of workers to the office may lower demand for office spaces, or the types of spaces required may necessitate additional works prior to letting</p>	The department is monitoring the return to the office through data supplied by partners (such as football information), market research reports, and tenant feedback. We have recently seen an increased demand for Cat A property types, however long-term trends are only just emerging.	Nicholas Gill	08-Nov-2021	31-Mar-2023
SUR SMT 003e	<p>Retail</p> <p>Changes in consumer preferences (moving to on-line retail) which has been accentuated through the COVID-19 pandemic. Elements of the City portfolio is also dependent on tourism, which has seen a significant decline over the last 12+ months. The speed at which this return is yet to be understood.</p>	<p>The moratorium on enforcement action is in place until March 2022.</p> <p>This element of the risk has been managed through</p> <ul style="list-style-type: none"> <li>. Move to monthly payments (offered to directly managed and FR&amp;I tenants).</li> <li>. Rent concessions for some tenants (Mar, Jun, Sep, Dec quarters). No further concessions are proposed.</li> <li>. Engagement with peers to understand wider market impacts.</li> <li>. Regular arrears monitoring, including the provision of bi-monthly dashboards Rental collection snapshot is being produced by Chamberlain's Department.</li> </ul>	Nicholas Gill	08-Nov-2021	31-Mar-2023

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<b>SUR SMT 006 Construction Consultancy Management</b>  14-Oct-2021 Ola Obadara	<b>Cause:</b> Poor performance by consultants <b>Event:</b> Abortive work, delays, or non-performance. <b>Impact:</b> Additional costs, project delays	 Likelihood Impact	<b>12</b>	This risk is being managed but it will take some time to resolve issues arising from contractors previously appointed. This relates to abortive design / development.  <b>08 Nov 2021</b>	 Likelihood Impact	<b>4</b>	30-Sep-2022	  Increasing
							Reduce	

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
SUR SMT 006a	Commissioning stage	The department is exploring the opportunity to go to market at RIBA stage 3 rather than RIBA stage 4. This will prevent abortive design and development. The team is working closely with procurement to explore the implications of such a move.			Ola Obadara	08-Nov-2021	31-Mar-2022
SUR SMT 006b	Legal	The team is working closely with the legal department to ensure that procurement activity aligns with project objectives.			Ola Obadara	08-Nov-2021	31-Mar-2022



		domestic customers (thereby minimising price capping implications).			
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<b>SUR SMT 008 Special Structures</b>          20-Oct-2021 Peter Young	<b>Cause:</b> Lack of central register for special structures and/or ambiguity over accountability, responsibility for budget provision <b>Event:</b> Incomplete, or not up-to-date register of special structures <b>Impact:</b> Potential failure of special structure and/or forced closure of asset / space	 Impact	6	Special structures relate to those structural elements with an asset which supports other (often public) elements, so captures basements, sub-road spaces, supporting structures etc.  There is no current central register of these structures within the portfolio, and therefore no current prescribed or routine inspection regime in place to ensure that these structures remain in a suitable condition.  <b>08 Nov 2021</b>	 Impact	2	31-Mar-2023	Constant
							Reduce	

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
SUR SMT 008a	Special Structures register	Funding to undertake the technical inspections, create the inventory and survey current condition is being sought in the CWP 22/23 Bid List. Once approved and funding becomes available in April 2022 the inspections will be instructed. It is anticipated that the process will run through 2022 and, depending on the gap between current and desired condition, further funding bid requests may result.			Peter Collinson; Peter Young	08-Nov-2021	31-Mar-2023