

Committee(s)	Dated:
Operational Property and Projects Sub Committee – for information	26 May 2022
Property Investment Board – For information	20 th June 2022
Subject: City Surveyor’s Departmental Risk Register – April 2022 Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	5
Does this proposal require extra revenue and/or capital spending?	N
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: City Surveyor (CS 137/22)	For Information
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Summary

This report has been produced to provide your Committee with a quarterly update on the management of risks within the City Surveyor’s Department.

The City Surveyor department currently has nine risks on its Departmental Risk Register (Appendix 1). Two of these risks are recorded as red. The red risks currently being managed by the department are:

- SUR SMT 004 - Maintenance and renewal of physical assets – Investment property and Corporate (operational) property (excluding housing assets)
- Current risk score 16 (Red)
- SUR SMT 005 - Construction Price Inflation
- Current risk score 16 (Red)

SUR SMT 004 is currently under consideration to be escalated to the Corporate Risk Register. The remaining seven risks are all currently scored as amber.

Members receive one appendix which captures all departmental risks.

Recommendation(s)

Members are asked to:

- Note the report, and the actions taken within the City Surveyor Department to effectively monitor and manage risks arising from our operations.

Main Report

1. The Risk Management Strategy of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department. The Property Investment Board (PIB) and Operational Property and Projects Sub Committee (OPPSC) has determined that they will receive the City Surveyor's risk registers on a quarterly basis.
2. This report has attached the overall departmental risk register as Appendix 1.
3. Risks are reviewed regularly by the department's Senior Management Team (SMT) in line with the organisation's Risk Management Policy and Strategy (RMP&S). Risks are assessed on a likelihood-impact basis, and the resultant score is associated with a traffic light colour.
4. Should any changes occur between formal meetings a process exists such that risks can be captured, assessed, and mitigating activities captured. This ensures that the risk management process remains 'live'.

Current Position

5. The City Surveyor Departmental Risk Register currently contains two red, and seven amber risks. The details of each of these are included in Appendix 1.
6. Risk SUR SMT 004, relating to the 'maintenance and renewal of physical assets' is being considered for escalation onto the Corporate Risk Register. In line with the RMP&S, this will be presented to the next meeting of Audit and Risk Management Committee (24 May), subject to officer governance gateways.
7. The department also manages the repairs and maintenance risks associated with the five city bridges. These risks are reported separately through to the Bridge House Estates Board.

Changes since last review

8. The key items to note for this period are summarised below:
 - A. SUR SMT 004 – Maintenance and renewal of physical assets – Investment property and Corporate (operational) property (excluding housing assets)
Current score – 12 (Red)

This risk is designed to be comprehensive. It covers both investment and corporate (operational non-housing) property assets. Further it captures the five key funding streams that are used to maintain and improve these physical assets. Each of these funding mechanisms are captured under the risk as specific actions.

The risk at department level is currently (Red) 12 rating, reflecting the gap between available funds and the repairs and maintenance needs of the estates – particularly the corporate estate.

This risk has been escalated for consideration into the Corporate Risk Register due to its significance (reflecting the current funding gap) and wide impact (multiple stakeholders).

B. SUR SMT 009 – Recruitment and retention of property professionals
Current score – 8 (Amber)

This risk has been identified by several of the divisions within the City Surveyor's Department as it is becoming increasingly difficult to recruit suitably skilled staff at the correct level for the grade being advertised.

It has also become more difficult to retain staff who get better reward packages from other organisations (both commercial and public sector).

As such, this risk has been recently elevated to the Departmental Risk Register.

The department is actively engaging with corporate partners to help mitigate this risk. There is a strong relation to the emerging Corporate Risk relating to the 'skills and capacity of our people'. This risk is being considered by the Executive Leadership Board.

Whilst some mitigations are outside the control of CSD, the department is keen to ensure that it pursues all available actions to mitigate the likelihood of this risk. These items are captured in the mitigating actions in Appendix 1.

C. SUR SMT 005 – Construction Price Inflation
Current score – 16 (Red)
SUR SMT 007 – Energy Pricing
Current score – 12 (Amber)

Both these risks capture pricing inflation concerns. The department is monitoring these markets closely and pursuing a range of actions which will assist mitigating the impact of these market forces. These items will be kept under close review.

Heatmap

9. Through the performance dashboard tool, Power BI, it is possible to create heatmaps of the department's risks. This is a graphical summary of the current departmental risks (right). A comparison with the those presented at the last report (November) is included as the table on the left.

10. The Heatmaps do not track individual risks over time, rather it is a snapshot comparison of the overall risk profile. Members should note that there is one additional risk for this period.

	Minor	Serious	Major	Extreme
Likely			2	
Possible		1	5	
Unlikely				
Rare				

Table 1: November 2021 Risk Heatmap

	Minor	Serious	Major	Extreme
Likely		1	2	
Possible		1	4	
Unlikely			1	
Rare				

Table 2: April 2022 Risk Heatmap

Conclusion

11. Members are asked to note the recent changes to the departmental risk register, and the actions taken by CSD to mitigate the likelihood and/or impact of the risks.

Appendices

- Appendix 1 – Departmental risk register

Background Papers

- The City Surveyor – The City Surveyor’s Departmental Risk Register – July Update (CS 215/21)
- The City Surveyor – The City Surveyor’s Departmental Risk Register – August Update (CS 357/21)
- The City Surveyor – The City Surveyor’s Departmental Risk Register – November Update (CS 455/20)

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