Committee(s)	Dated:
Property Investment Board – For information	19 July 2022
Operational Property and Projects Sub Committee – for information	
Subject: City Surveyor's Departmental Risk Register – June 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 219/22)	For Information
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City Surveyor's Department	

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 managing one corporate risk (Appendix 1). There are a further nine risks on its Departmental Risk Register (Appendix 2). Three of these departmental risks are recorded as red. The red risks currently being managed by the department are:

- Corporate Risk:
 - CR 37 Maintenance and renewal of physical assets Investment property and Corporate (operational) property (excluding housing)
 Current risk score 16 (Red)
- Departmental Risks:
 - SUR SMT 005 Construction Price Inflation Current risk score 16 (Red)
 - SUR SMT 007 Energy Pricing Current risk score 16 (Red)
 - SUR SMT 009 Recruitment and retention of property professionals Current risk score 16 (Red)

Since the last time Members received an update (CS 137/22), the risk relating to the 'maintenance and renewal of physical assets' has been formally escalated to the Corporate Risk Register.

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 City of London Corporation's Risk Management Policy and Strategy (RMP&S) 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. All Corporate Risks are reported regularly through to Audit and Risk Management (A&RM) Committee. Whilst A&RM Committee 'owns' the Corporate Risk Register, Members of both PIB and OPPSC will have invaluable input into the risk itself notably due to their familiarity with the drivers and technicalities associated with the risk. The department welcomes feedback from Members of this Committee to shape these risks, mitigating activities, and risk scoring.
- 3. This report has attached the relevant Corporate Risk as Appendix 1, and the wider Departmental Risk Register as Appendix 2.
- 4. Risks are reviewed regularly by the department's Senior Management Team (SMT) in line with the organisation's RMP&S. 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 captured. This ensures that the risk management process remains 'live'.

Current Position

- 6. The City Surveyor is currently managing one Corporate Risk. This is currently rated as red. Further, the Departmental Risk Register contains three red, five amber and one green risk. The details of each of these are included in Appendix 1 (Corporate Risk) and Appendix 2 (Departmental Risks).
- 7. Risk SUR SMT 009, relating to the Recruitment and retention of property professionals has increased due to a buoyant market for property professionals in the workforce.
- 8. 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

- 9. The key items to note for this period are summarised below:
 - A. CR 37 (formerly SUR SMT 004) Investment property and Corporate (operational) property (excluding housing assets)
 Current score – 16 (Red)

This risk has been escalated up and accepted onto the Corporate Risk register. The risk reflects the disparity between the asset requirements and the available funds required to meet or maintain this standard.

B. SUR SMT 009 – Recruitment and retention of property professionals Current score – 16 (RED)

This risk has been identified by several of the divisions within the City Surveyor's Department. 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).

The risk score on this item has recently been increased to reflect a growing difficulty in recruiting and retaining the best staff.

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 and impact of this risk. These items are captured in the mitigating actions in Appendix 2.

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

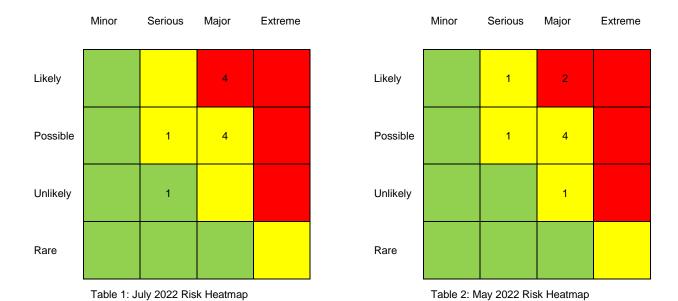
Both these risks capture pricing inflation concerns. The department is monitoring these markets closely and pursuing a range of actions which will assist mitigating the impact of these macroeconomic forces. These items will be kept under close review.

Heatmap

10. 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 (left). A comparison with the those presented at the last report (May) is included as the table on the right. Note that the table includes the Corporate Risk that is being managed by the department.

11. 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.



Conclusion

12. 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 Department's Corporate Risk
- Appendix 2 Departmental risk register

Background Papers

- The City Surveyor The City Surveyor's Departmental Risk Register May Update (CS 137/22)
- 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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