Committee(s)	Dated:
Operational Property and Projects Sub Committee – For information	06 March 2023
Property Investment Board – For information	19 May 2023
Subject: The City Surveyor's Departmental Risk Register – February 2023 Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	4, 7, 11, 12
Does this proposal require extra revenue and/or capital spending? N/A	N
If so, how much? N/A	N/A
What is the source of Funding? N/A	N/A
Has this Funding Source been agreed with the Chamberlain's Department? N/A	N/A
Report of: The City Surveyor (CS 059/23)	For Information
Report author:	
John Galvin / Faith Bowman	
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 is the owner for one corporate risk. There are a further nine risks on its Departmental Risk Register (Appendix B). Three of these departmental risks are recorded as red. The red risks currently being managed are:

Corporate Risk:

 CR 37 – Maintenance and renewal of physical assets – Investment property and Corporate (operational) property (excluding housing) – PIB & OPPSC Current risk score 16 (Red)

Departmental Risks:

- SUR SMT 005 Construction Price Inflation PIB & OPPSC Current risk score 16 (Red)
- SUR SMT 006– Construction Consultancy Management PIB & OPPSC Current risk score 16 (Red)
- SUR SMT 009 Recruitment and retention of property professionals PIB & OPPSC

Current risk score 16 (Red)

Recommendation(s)

Members are asked to note this report, and the actions taken within the City Surveyor's Department to effectively monitor and manage risks arising from our operations.

Main Report

Background

- 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 register on a quarterly basis.
- 2. This report would ordinarily be reported through to the March date of PIB. This Committee date has been cancelled, and consequently this report is being presented to Members of this Committee in May. Where possible updates have been included to the Departmental Risk Register.
- 3. Aligned with the November report, we are now only reporting through to your Committee the risks which are relevant under the Committee's terms of reference. For clarity and transparency Appendix A provides a summary table of all departmental risks and the Committee to which they are reported. The full departmental risk register is available to Members upon request.
- 4. The risks relevant to this Committee are included as Appendix B to this report.
- 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.
- 6. 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

7. The City Surveyor's Department has escalated one red risk to the Corporate Risk Register. The City Surveyor is working with colleagues from across the City Corporation to progress mitigations. Further, the Departmental Risk Register contains three red and six amber risks.

Changes since last review

- 8. The main changes to the department's risks are captured below.
 - A. SUR SMT 011 Contractor failure PIB & OPPSC Current risk score 12 (Amber)

This is a new risk on our departmental register, capturing the possible failure of one of our contractors, or their sub-contractors. Such failures may result in increased delivery cost, or increased time to completion. Historically the City Corporation has not had significant influence over the selection of sub-

contractors, and we are exploring with Procurement what additional controls can be put in place in order to manage this risk.

B. SUR SMT 010 – Insurance – Investment and Corporate Estate – PIB & OPPSC

Current risk score 12 (Amber)

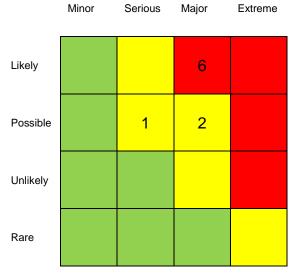
The risk scoring on this item has reduced from November when it was Red 16. This risk captures the need to re-value our property estates (both Investment and Corporate) to ensure that the City meets its legal obligation under its insurance policies. The reason for the change in scoring is the recent identification and release of funding to undertake the valuation process. As these are undertaken it is anticipated that this risk will reduce to target.

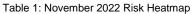
C. SUR SMT 007 – Energy Pricing – OPPSC Current risk score 8 (Amber)

The scoring on this risk has reduced from November when this was Red 16. This change reflects the new Power Purchase Agreement, the solar farm in Dorset, going live. This will provide greater energy cost certainty into the future. Further the wider market price of energy has fallen back from the peaks seen in 2022. Combined these factors have reduced this risk to Amber.

Heatmap

- 9. Through the performance dashboard tool, Power BI, it is possible to create heatmaps of the department's risks as below. 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. Note that the table includes the Corporate Risk that is being managed by the department.
- 10. The Heatmaps do not track individual risks over time, rather it is a snapshot comparison of the overall risk profile. Members will note that, whilst the overall number of risks has increased (by one) the portion of red risks has decreased.





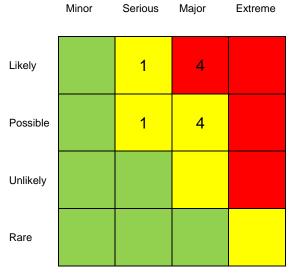


Table 2: February 2023 Risk Heatmap

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 A	Risks by Committee
•	Appendix B	The City Surveyor's Corporate and Departmental Risk
		Register relevant to this Committee

Background Papers

•	The City Surveyor	The City Surveyor's Departmental Risk Register – June 2022 Update (CS 219/22)
•	The City Surveyor	The City Surveyor's Departmental Risk Register – September 2022 Update (CS 270/22)
•	The City Surveyor	The City Surveyor's Departmental Risk Register – November 2022 Update (CS 357/22)

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