

<b>Committee(s)</b>	<b>Dated:</b>
Investment Committee – For information	07 July 2023
<b>Subject:</b> The City Surveyor’s Corporate and Departmental Risk Register – June 2023 Update	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>4, 7, 11, 12</b>
<b>Does this proposal require extra revenue and/or capital spending? N/A</b>	<b>N</b>
<b>If so, how much? N/A</b>	<b>N/A</b>
<b>What is the source of Funding? N/A</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department? N/A</b>	<b>N/A</b>
<b>Report of: The City Surveyor (CS 181/23)</b>	<b>For Information</b>
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### Summary

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

The City Surveyor’s Risk Register is reported to two Committees – Operational Property and Projects Sub Committee (OPPSC) (CS 183/23) and IC (CS 181/23). The way that the risks map to the two Committees are included as Appendix A. Only risks relevant to this Committee are included within the detailed risk register (Appendix B). The full departmental risk register is available on request.

There are six risks on its Departmental Risk Register relevant to this Committee. Three of these departmental risks are recorded as red. The red risks currently being managed are:

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

In addition, the City Surveyor is the owner for one corporate risk – CR 37 – Maintenance and renewal of Corporate Operational Assets (excluding housing assets). This risk does not fall under the terms of this Committee.

## **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. Both OPPSC and IC have determined that they will receive the City Surveyor's risk register on a quarterly basis.
2. Aligned with the new reporting arrangements 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.
3. The risks relevant to this Committee are included as Appendix B to this report.
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'.
6. Members should note that the Chamberlain's department will be regularly reporting to IC risks relating to financial investments. This is the subject of a separate report.

#### **Current Position**

7. The key points to note for this period are captured below:
  - A. SUR SMT 005 – Construction Price Inflation  
Current risk score 16 (Red)

Over the past 12-24 months, the construction industry has seen significant input price inflation. Whilst the peaks of this uplift have started to fall back, inflation is still high in the sector. Further, whilst some products have seen prices reduce, others (notably labour) are expected to remain at an elevated level. Within the City of London context, existing contracts will continue to suffer from costs in excess of those initially anticipated at project commencement.

B. SUR SMT 010 – Insurance – Investment & Corporate Estate  
 Current risk score 12 (Amber)

The City Corporation needs to ensure that it keeps an up-to-date register of property valuations to ensure that it meets provisions under its insurance policies. This activity has now been funded and is underway. As this progresses it is expected that the scoring associated with this risk will reduce.

- Since the last review in February, there were no new departmental level risks identified. This will be kept under review.

### Heatmap

- 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 (left). A comparison with the those presented at the last report (February) is included as the table on the right. Note that the table includes the Corporate Risk and all departmental risks that are being managed by the department.

- The Heatmaps do not track individual risks over time, rather it is a snapshot comparison of the overall risk profile. Whilst the overall profile of the risks did not change between the two periods, a number of mitigations have been progressed. In many instances it was considered prudent to retain the risks at their current level considering wider economic uncertainty.

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

Table 1: June 2023 Risk Heatmap

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

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 – September 2022 Update (CS 270/22)
- The City Surveyor The City Surveyor's Departmental Risk Register – November 2022 Update (CS 357/22)
- The City Surveyor The City Surveyor's Departmental Risk Register – February 2023 Update (CS 059/23)

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