

Committee(s)	Dated:
Resource Allocation Sub (Policy and Resources Committee – For information	05 October 2023
Subject: The City Surveyor’s Corporate and Departmental Risk Register	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
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: The City Surveyor (CS 279/23)	For Information
Report author: John Galvin / Faith Bowman City Surveyor’s Department	

Summary

This report has been produced to provide Members of the Resource Allocation Sub (Policy and Resources) Committee (RASC) with a quarterly update on the management of risks within the City Surveyor’s Department.

The City Surveyor’s Departmental Risk Register is reported to two Committees – your committee for operational property and Investment Committee for the investment property assets. 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.

The City Surveyor is the owner for one corporate risk. Maintenance and renewal of Corporate Operational Assets (excluding housing assets), CR 37, is currently rated as a red risk with a risk score of 16.

There are a further nine 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
Current risk score 16 (Red)
- SUR SMT 006 – Construction Consultancy Management
Current risk score 16 (Red)
- SUR SMT 009 – Recruitment and retention of property professionals
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 2021 (RMP&S) requires each Chief Officer to report regularly to Committee the key risks faced in their department. The City Surveyor's Department (CSD) reports quarterly to both Investment Committee (IC) and Resource Allocation Sub (Policy and Resources) Committee (RASC).
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 considered. This ensures that the risk management process remains 'live'.

Current Position

6. The key points to note for this period are captured below:

- a. CR 37

Maintenance and Renewal of Corporate Physical Operational Assets
(excluding housing assets)
Current Risk Score 16 (Red)

The key mitigation for the risk relates to the provision of sufficient funding. A comprehensive analysis of our forward maintenance requirements has been provided to the Chamberlain such that this can be better accounted for in our medium-term financial plan and strategy. Upon advice we have considered where the works would be considered capital (rather than revenue). Ideally this process will result in greater certainty over future funding provision. The current insufficient funding

allocation has been debated at both your awayday this summer and at Operational Property and Projects Subcommittee.

The risk was also reviewed in detail by the organisation's Chief Officer Risk Management Group (CORMG) in August.

Unless further funding is identified, this risk will remain and may increase.

- b. SUR SMT 005
Construction Price inflation
Current Risk Score 16 (Red)

Whilst the rate of increase in construction costs has abated, it is still above historic norms. Projects continue to suffer from costs above those that were initially projected, and for this reason the scoring associated with this risk has been maintained at 16.

- c. SUR SMT 009
Recruitment and Retention of Property Professionals
Current Risk Score 16 (Red)

Competition for qualified property professionals remains strong, particularly in asset and project management. The department is engaging closely with corporate colleagues where this item is also flagged as a Corporate Risk.

- d. SUR SMT 012
Adjudication and Disputes
Current Risk Score 8 (Amber)

This risk has recently been highlighted and is included on the department's risk register for the first time. This risk is arising from inspection and specification work which, as it was undertaken over COVID-19, may have been done remotely, or with fewer site visits. This is leading to an increased level of issues at hand-over, and legal discussions to resolve.

Conclusion

7. 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, including the corporate risk regarding operational property maintenance and funding.
8. The current funding allocation to the maintenance and upkeep of the City's operational property portfolio is an ongoing consideration for Members as part of its overall medium-term financial plan.

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 – July 2023 Update (CS183/23)

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