

<b>Committee(s)</b>	<b>Dated:</b>
Investment Committee – For information	14 December 2023
<b>Subject:</b> The City Surveyor’s Departmental Risk Register – November 2023 Update	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>All</b>
<b>Does this proposal require extra revenue and/or capital spending? N/A</b>	<b>No</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 340/23)</b>	<b>For Information</b>
<b>Report author:</b> John Galvin / Faith Bowman City Surveyor’s Department	

### Summary

This report has been produced to provide Members of Investment Committee (IC) with an update on the management of the City Surveyor’s Department’s (CSD) risks relevant to this Committee.

CSD reports its risks to two Committees – Resource Allocation Sub (Policy and Resources) Committee and IC each quarter. Every six months, the update for IC also includes an update on the treasury function and the City’s Cash financial investments, which is managed by the Corporate Treasury Team in the Chamberlain’s Department. This wider update was provided to IC at your meeting in September.

There are seven risks on the CSD Departmental Risk Register relevant to this Committee. Three of these are recorded as red. The red risks currently being managed are:

- SUR SMT 005 – Construction and Service Contracts 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.

- Consider further risks and mitigations relating to the services overseen by the Investment Committee.

## **Main Report**

### **Background**

1. The City Surveyor's Department (CSD) and the Chamberlain's Corporate Treasury Team report to the Investment Committee (IC) those risks relevant to your Committee under your Terms of Reference.
2. The risks presented by the CSD are departmental and, in line with the Corporate Risk Management Policy and Strategy, 2021 (RMP&S), these are presented to IC quarterly. Those relating to Corporate Treasury are functional risks and relate to the treasury function and the financial investments of City's Cash, so are not governed by the same requirements. These have been historically reported to Finance Investment Board every six months and this frequency has been maintained with the new IC.
3. This report includes an update from CSD, with the last report containing both services (CS 265/23).

### **Review of Risks**

4. The method of assessing risk reflects the City of London's standard approach as defined in the RMP&S. The risk matrix, which explains how risks are assessed and scored is attached at Appendix A. These scores are summarised into three broad groups, each with increasing risk, and categorised "green", "amber" and "red".
5. Risks are reviewed frequently in both departments, and where there are any material changes to the risks between reporting periods these will be reported through to IC on an exceptional basis.
6. Appendix B relates to risks owned by CSD, capturing items which could impact the performance of the investment property portfolio. Risk relating to the Corporate Treasury function will be included in the next quarterly update.
7. Each risk presented in the Risk Register is accompanied by one or more "action(s)" which reflect how the risk is managed and mitigated. A "due date" for required completion is set against each action. Due to the nature of the risk overseen by the Committee in many cases it is impossible to entirely eliminate a risk, and therefore corresponding actions will always remain live. These ongoing actions are necessary in order to maintain the current risk score. Where this is the case the Risk Register includes an annual update, which will be reviewed each year.

### **Current Position**

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

- a. SUR SMT 005  
Construction and Service Contracts Price inflation  
Current Risk Score 16 (Red)

This risk has been updated to include service contracts which are similarly impacted by price inflation. Whilst market movements have moderated in recent months, price inflation remains above historic norms. The department will continue to progress mitigations wherever possible.

- b. SUR SMT 006  
Construction Consultancy Management  
Current Risk Score 16 (Red)






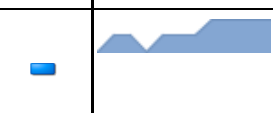


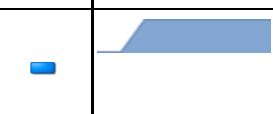
This risk relates to abortive design and development work. The department is pursuing several mitigating activities to reduce the likelihood of this risk. We are engaging with procurement and legal to ensure that project objectives are met. This has included flexing the balance of cost and quality at the procurement stage, and through tightening the scope of works.











- 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 (CR 39 Recruitment and Retention), and it is an active participant in the Reward Refresh programme.

## Risk Summary

The below table provides a summary of CSD risks relevant to this Committee.

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator	Trend Icon	Flight path
SUR SMT 005	Construction Price Inflation	16			
SUR SMT 006	Construction Consultancy Management	16			
SUR SMT 009	Recruitment and retention of property professional	16			

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator	Trend Icon	Flight path
SUR SMT 010	Insurance - Investment and Corporate Estates	12			
SUR SMT 003	Investment Strategy Risk	12			
SUR SMT 011	Contractor Failure	12			
SUR SMT 012	Adjudication & Disputes	8			

## Conclusion

- 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 City of London Risk Matrix
- Appendix B The City Surveyor's Departmental Risk Register relevant to this Committee

## Background Papers

- The City Surveyor The City Surveyor's Departmental Risk Register – July 2023 Update (CS181/23)
- The City Surveyor The City Surveyor's Departmental Risk Register – September 2023 Update (CS 265/23)

**John Galvin**

**Faith Bowman**

Departmental Performance & Services

City Surveyor's Department

E: [john.galvin@cityoflondon.gov.uk](mailto:john.galvin@cityoflondon.gov.uk)