

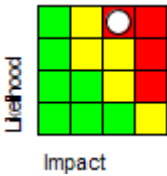
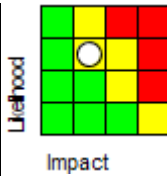

# SUR Departmental risks - DETAILED REPORT EXCLUDING COMPLETED ACTIONS for COMMITTEE

**Report Author:** Faith Bowman

**Generated on:** 29 April 2025



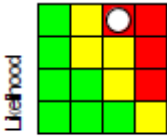
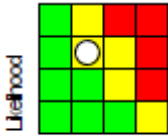

Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>SUR SMT 005</b> <b>Construction and Service Contracts Price Inflation beyond that which was anticipated or planned</b>	<b>Cause:</b> Market conditions have led to input price inflation <b>Event:</b> Project and programme cost escalation <b>Impact:</b> Inability to delivery capital and revenue projects within budget		<b>16</b>	This risk relates to material costs and labour availability are continuing to raise costs beyond that has been anticipated or planned.  This item impacts property projects, our facilities management (FM) provision, reactive repairs, and revenue works.  The risk scoring was reviewed by the Department in January following feedback from Members. Whilst the high levels of material inflation seen earlier has abated, the City has yet to see a significant levelling in tender returns. Although construction inflation is no longer rising at previous rates, six contractors (main		<b>6</b>	31-Mar-2026	

14-Oct-2021 Ola Obadara				<p>and sub) working on City sites have recently gone into administration, meaning that cost increases are likely across projects. To mitigate greater allowances are s made in the Costed Risk Provision (CRP). Further, more detailed contractor credit checks are being undertaken, however there remains a degree of financial risk.</p> <p>As such this risk remains a red risk. Market conditions remain dynamic and will be kept under review. As such the target date should be considered a review point.</p> <p><b>29 Apr 2025</b></p>				
							Reduce	Constant

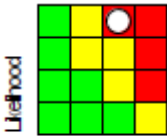
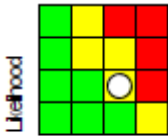

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 005a	<p>Procurement Strategy</p> <p>The department is working with legal and procurement to identify different buying options, thereby managing the risk to the department / organisation.</p>	<p>This exploration included a review of the prior Single Stage tender process (which had been preferred for medium range projects - £2m - £50m).</p> <p>Following the review Two Stage contracts will be used more frequently which is the current market norm for these projects. This change enables contractors to better transfer their risk, however, leaves the City with a degree of cost uncertainty, even post Gateway 5. Whilst this transfer is not desired, it does offer far better market coverage and reflects the prevailing external conditions.</p>	Ola Obadara	29-Apr-2025	31-Mar-2026
SUR SMT 005d	<p>Contracts</p> <p>Exploring the potential to include different clauses into contracts such that work offered by the City remains attractive to suppliers.</p>	The department and the Chamberlain's Procurement team to have explored the inclusion of fluctuating provisions in our contracts. This has resulted in attracting a greater number of contractors to bid on projects, however the inflation risk has been transferred to the organisation. The value of this approach will be continually reviewed.	Ola Obadara	29-Apr-2025	31-Mar-2026
SUR SMT 005e	Contract Engagement	The team plan to engage early with our contractors on a consultancy basis to obtain as much information as possible prior to contract.	Ola Obadara	29-Apr-2025	31-Mar-2026

	Expanding the amount of information available at an early stage of contract exploration. This will provide greater cost certainty.				
SUR SMT 005f	<p>Specification and Materials</p> <p>Ensuring materials are readily available before and during the design phase and, if possible, procure in advance of the contract. This limits the impact of further price rises in at risk commodities.</p>	<p>Inflation in raw materials has decreased, however, it should be noted that prices are not typically falling elsewhere. Further consideration is being given to the origin of source materials to ensure supply.</p>	Ola Obadara	29-Apr-2025	31-Mar-2026

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>SUR SMT 006 Construction Consultancy Management</b>          14-Oct-2021 Ola Obadara	<b>Cause:</b> Poor performance by consultants <b>Event:</b> Abortive work, delays, or non-performance. <b>Impact:</b> Additional costs, project delays		16	This relates to abortive design / development. The department continues to suffer the impacts of this risk, with action being taken against consultants when their performance does not meet expectations. The individuals assigned in the commercial market to City (and public sector generally) projects do not have the skill and competency required to deliver the work to the standard required. This issue is being seen across the construction industry, although is more pronounced in public sector bodies.  <b>29 Apr 2025</b>		6	31-Mar-2026	
							Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 006a	Commissioning stage  The department has commenced going to market at RIBA stage 3 rather than RIBA stage 4. This is designed to prevent abortive design and development.	Close work with the Procurement Team in Chamberlain's has resulted in deciding to change the stage at which the City is approaching the market. The impact will be tracked over the coming months.	Ola Obadara	29-Apr-2025	31-Mar-2026
SUR SMT 006b	Legal  The team is working closely with the legal department to ensure that procurement activity aligns with project objectives and the consultants meet quality requirements	Where performance has been poor action has been taken against consultants – these cases increase end-to-end timescales. Due to public sector contract constraints, our ability to seek immediate redress from construction consultancy contractors is limited so whilst action is taken, results take longer than would otherwise be possible in a commercial environment. The department is working with colleagues through the Construction Category Board on this item.	Ola Obadara	29-Apr-2025	31-Mar-2026

SUR SMT 006c	<p>Procurement</p> <p>Working with Procurement to increasing due diligence, particularly in regard to the quality of contractor appointed (rebalancing the quality/cost equation). This is with the view that we will get better quality applications, and this risk may reduce.</p>	<p>The department continues to work with colleagues from the Procurement Team to explore available options to manage and mitigate this risk. The City's public sector role limits the number of avenues compared to commercial operators</p> <p>The City Surveyor's Department participated at the March "Meet the Supplier – Construction and Professional Services" event organised by the Procurement team. This event was aimed at further diversification and strengthening of our supplier base. Subsequently further engagement with colleagues has taken place to consider lessons learnt and next steps.</p>	Ola Obadara	29-Apr-2025	31-Mar-2026
SUR SMT 006d	<p>Scope of works</p> <p>The team is reviewing and tightening up the scope of works specification. This will counter opportunistic interpretations of the scope of works that we were seeing from some consultants</p>	Detailed scoping is required to ensure that projects are delivered on-time and on-budget which can lead to extended lead times. Due to a wider lack of skills in the industry, consultants allocated to this element of work are making more errors than desired which has contributed to the overall red rating to this risk. Further actions are being explored; however, this is an industry wide issue (particularly for public sector organisations).	Ola Obadara	29-Apr-2025	31-Mar-2026
SUR SMT 006e	<p>Review of appointment documents</p> <p>The team is working closely with the legal department to ensure that procurement activity aligns with project objectives and the consultants meet quality requirements</p>	Action has been taken against consultants where performance has been poor and end to end timescales have increased.	Ola Obadara	29-Apr-2025	31-Mar-2026

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>SUR SMT 009 Recruitment and retention of property professional</b>          21-Jan-2022 Paul Wilkinson	<b>Cause:</b> Uncompetitive pay and benefits structures within some professional grades; poor quality work environments; lack of professional progression over recruitment freeze and restructuring period; increased employee focus on work-life balance <b>Event:</b> Increasingly difficult to recruit suitably skilled staff at the correct level for the grade being recruited for. Increasingly difficulty to keep staff who get better reward packages from other organisation (both commercial and public sector) <b>Impact:</b> Increased vacancies, objectives unachieved or delivered late (including project delivery and income generation), reduced customer satisfaction, less real estate activity, reduced employee wellbeing, demotivation of staff. Increased costs borne by the organisation through recruitment campaigns and training etc, or to the department through filling vacancies through comparatively expensive temporary contracts.	 Likelihood Impact	16	This risk has been identified across several divisions of the City Surveyor's Department especially within Investment Property, Surveying and Project Management.  A reviewed conducted in January 2025 confirmed the risk score which remains unchanged due to specific issues in certain industries.  The department is actively collaborating with Corporate colleagues to address this risk in the long term.  The risk will be kept under review, with the target date reflecting this on-going review.  <b>29 Apr 2025</b>	 Likelihood Impact	8	31-Mar-2026	 Constant
							Reduce	

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
SUR SMT 009a	Advertising  The department and the HR Business Partner has produced a recruitment best practice document, which includes ensuring that vacant posts are advertised in areas which will generate interest from suitably qualified candidates, including those currently under-represented within our workforce.	Recruitment campaigns have followed Corporate best practice recruitment document (i.e. diverse panels) which has been well received by staff.			Paul Wilkinson	29-Apr-2025	31-Mar-2026

SUR SMT 009b	<p>Best Practice</p> <p>Including delivery of appraisals, regular one-to-ones, team and group meetings. This aims to improve communications at all levels, ensuring that CSD is a positive work environment and that issues/blockers can be raised and addressed. In some areas career graded roles have been instituted, and deployment can be further explored.</p>	CSD is supporting Corporate HR with embedding the on-line appraisal system which enables greater tracking of compliance with the performance management process.	Paul Wilkinson	29-Apr-2025	31-Mar-2025
SUR SMT 009c	<p>Communication</p> <p>Including delivery of appraisals, regular one-to-ones, team and group meetings. This aims to improve communications at all levels, ensuring that CSD is a positive work environment and that issues/blockers can be raised and addressed. In some areas career graded roles have been instituted, and deployment can be further explored.</p>	Managers across the service are ensuring that all end-of-year (2024/25) are complete, and delivered within Corporate timeframes. The organisation are moving to a new appraisal system for 2025/26 (through Sapphire) and the department is actively engaging with this process. This evidences the regular engagement between managers and staff members.	Paul Wilkinson	29-Apr-2025	31-Mar-2026
SUR SMT 009d	<p>Engagement with HR</p> <p>Some of the items highlighted as the ‘causes’ of this risk are outside the control of CSD, and engagement with our Corporate partners will be critical to overcoming these items. This departmental risk directly supports the Corporate Risk on “Recruitment and Retention” (CR39).</p>	The CSD EDDI group continues to meet regularly and monitor, and track delivery of the EEDI Action Plan. The EEDI 2025 Action Plan has been drafted and circulated to all CSD staff for feedback.	Paul Wilkinson	29-Apr-2025	31-Mar-2026
SUR SMT 009e	<p>Equity, Equalities, Diversity and Inclusion (EEDI)</p> <p>The department has an active ED&amp;I network, which regularly engages with the City Surveyor and the Senior Management Team. This is seeking to make the department/profession a more attractive for under-represented groups and seek to retain and progress staff from all backgrounds. There is corporate HR representation on this departmentally led Group.</p>	The CSD EDDI group continues to meet regularly and monitor, and track delivery of the EEDI Action Plan. The EEDI 2025 Action Plan has been drafted .	Ola Obadara	13-Jan-2025	31-Mar-2025
SUR SMT 009f	<p>Pay and Review Survey</p> <p>The Corporation is reviewing pay &amp; reward</p>	The department has highlighted that there are specific pressures within this department in relation to the withdrawal of the earlier reward scheme (where those on top-of-grading salaries could achieve performance related pay) prior to the review conclusions which has made our remuneration package less competitive than our peers. The department is engaging with the Ambition 25 team, who are reviewing several aspects including pay and reward. Local feedback has noted that there is some apprehension about the potential negative impact of Ambition 25 programme, and this item has been communicated to the project team.	Paul Wilkinson	29-Apr-2025	31-Mar-2026

		Overall, the department has noted that whilst recruitment is possible, the limited scope for (pay and professional) progression makes retention more challenging.			
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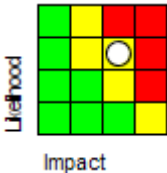
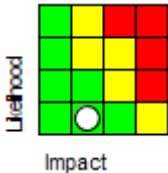

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SUR SMT 011a	<p>Tendering</p> <p>Seeking to have greater say over who a main contractor appoints as a sub-contractor. This will help reduce the likelihood of this risk occurring.</p>	<p>The department has commenced work with Procurement to ensure that our commissioning takes greater account of contractor and sub-contractor failure into consideration. We may need to have a greater say in who a main contractor identifies as an appropriate sub-Contractor. Further actions to follow this initial engagement.</p>	Ola Obadara	29-Apr-2025	31-Mar-2026
SUR SMT 011b	<p>Review Process</p> <p>Regular review of contractors and their sustainability will reduce the likelihood of the risk, and help us put in place measures to reduce the impact.</p>	<p>The department is instituting six-monthly reviews of contractor suitability. Historically this only happened at contract commencement. This will better prepare the organisation if the contractor (or significant sub-contractor) begins to experience difficulty.</p>	Ola Obadara	29-Apr-2025	31-Mar-2026



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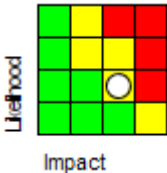
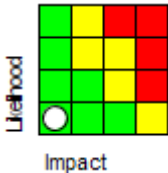

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 003a	<p>Macro-economic</p> <p>Within an overarching Investment Strategy the objective will be to maintain a diverse portfolio that reduces the impact of this risk. This includes:</p> <ol style="list-style-type: none"> <li>1. Use (office, retail, industrial)</li> <li>2. Location (City, Southwark, West End etc.)</li> <li>3. Tenancies (Long term Headlease geared, FRI, directly managed)</li> <li>4. Covenants (multinationals, SME)</li> <li>5. Asset management (lease renewals, voids, arrears, etc.)</li> <li>6. Monitoring retail habits in change of building use</li> </ol>	<p>An overarching investment strategy was approved by Members, agreeing the approach to our real estate investments.</p> <p>The delivery of this strategy will require and appropriately shaped resource base, and this has now been approved by the organisation's governance and will be implemented over the coming months.</p> <p>Consideration includes the potential for recession, inflation, energy pricing etc. and how this will impact tenants and the wider market.</p>	Robert Murphy	29-Apr-2025	31-Mar-2026
SUR SMT 003b	<p>Portfolio</p> <p>Ensuring that the overall composition of the investment portfolio takes advantage of emerging segments of growth, whilst managing the exposure to property types which are showing reducing demand.</p> <p>Capital to reinvest in the portfolio must be sufficient to achieve the Investment Strategy objectives.</p>	<p>The overarching Investment Strategy defines the targets. Tactical implementation will be achieved through regular market scanning, and the integration of learning into the Corporation's approach.</p>	Robert Murphy	29-Apr-2025	31-Mar-2026
SUR SMT 003c	<p>Climate Action</p> <p>The alignment of our portfolio with the future strategic needs of occupiers, particularly supporting their ESG (Environmental-Social-Governance) needs. Climate Action is principally managed through the Climate Action Strategy.</p>	<p>Ensure that the investment portfolios are aligned with the emerging demands of both investors and occupiers as well as the Corporation's Climate Action strategy and Design Standards. which includes CNZ and Resilient Building protocols.</p>	Robert Murphy	29-Apr-2025	31-Mar-2026
SUR SMT 003d	<p>Office risk</p> <p>Reviewing post-pandemic office use and demand.</p>	<p>The department is monitoring key market use through data supplied by partners (such as footfall information), market research reports, and tenant feedback.</p> <p>The department continues to observe a 'flight to quality' – higher specified and higher quality spaces. Occupiers are increasingly considering their space as a tool in the 'war for talent'. Whilst some occupiers are downsizing their space, others are looking to create a better</p>	Robert Murphy	29-Apr-2025	31-Mar-2026

		<p>environment for staff through lower densities / improved amenities. This learning informs the portfolio strategy (linked to action SUR SMT 003b).</p> <p>The team is working with Corporate colleagues in connection with the “Destination City” agenda, particularly in highlighting market trends to Members and key stakeholders.</p>			
SUR SMT 003e	<p>Retail</p> <p>Changes in consumer preferences (moving to on-line retail) which has been accentuated through the COVID-19 pandemic. Elements of the City portfolio is also dependent on tourism which has seen fluctuating demand over the post-pandemic period.</p>	<p>The City Surveyor’s Department continues to engage with peers to understand retail market impacts. Regular arrears monitoring, including the provision of bi-monthly dashboards and the production of the Rental collection snapshot by the Chamberlain’s Department.</p>	Robert Murphy	29-Apr-2025	31-Mar-2026
SUR SMT 003f	<p>Strategy</p> <p>The department will be reviewing its strategic approach to ensure that a portfolio approach is developed (rather than decisions being made on an asset-by-asset basis). This will ensure the on-going allocation of funds is balanced between different risks/returns</p>	<p>The Investment Strategy was approved by Members in July 2024. Resourcing has now been agreed by Members and the team is gearing up to re-shape its services to be able to achieve the Strategy.</p> <p>The Corporation’s financial needs may detract from the ability of the portfolios to fund the activities of the Investment Strategy and modernise the portfolio.</p>	Robert Murphy	29-Apr-2025	31-Mar-2026

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>SUR SMT 016</b> <b>Investment Property Group staffing and Capacity</b>  12-Jun-2024 Robert Murphy	<b>Cause:</b> Capacity and the existing skill set of the team is misaligned to deliver changing requirements. <b>Event:</b> Inability to undertake the management of the portfolio at the pace expected by the Market or by senior stakeholders and undertake new requirements as required by the City of London Corporation. <b>Impact:</b> Slow engagement with third parties, reduced capacity to optimise income/capital and ability to react to changes in market conditions at pace impacting on the delivery of the City Corporation's Medium Term Financial Plan, delays to major projects/organisational initiatives, negative impacts on customer/ employee satisfaction and the investment portfolio does not meet its CAS targets.		12	This risk identifies the significant volume and change in the nature of activities to be delivered by the team including: more demanding Investment Objectives, supporting delivery of major projects, increased lease restructurings and transactions, implementation of Destination City and City Occupiers Strategy and City Bridge Foundation (CBF) being an independent client with different reporting requirements and investment strategy.  Recruitment efforts are currently in progress, and the risk has shifted to a resource success risk, with the evaluated target resources deemed adequate to fulfil demands. As noted in the Recruitment & Retention risk (SUR SMT 009), we are awaiting confirmation on whether the financial package and overall corporate offer will be attractive enough to draw in the appropriate candidates.  <b>29 Apr 2025</b>		2	31-Mar-2026	
							Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 016a	Funding	The department presented the Real Estate Investment Strategy to Investment Committee in July 2024. This document highlighted the pressures the function is facing, the changing	Robert Murphy	10-Jan-2025	31-Mar-2026

	Funding request to resource the extra capacity and capability required	demands of the market and of the organisation, and how this could be addressed. Included within this was the consideration of additional capacity and capability.  This paper was supported at Investment Committee and Corporate Services Committee. The needs of the unit will be kept under review in light of evolving demands.			
SUR SMT 016b	Training  Training on new capabilities to be delivered to existing IPG staff.	Training on new capabilities to be delivered to existing IPG staff (FCA licence and regulatory qualifications, data, analytics, structuring JVs) where appropriate.	Robert Murphy	10-Jan-2025	31-Mar-2026
SUR SMT 016d	City Bridge Foundation Approval  Seek City Bridge Foundation's approval to the cost consequences of enhanced capability.	Investment Property Group will seek City Bridge's Foundation (CBF) formal approval for changes in resourcing. The Group continues to work closely with CBF throughout.	Robert Murphy	10-Jan-2025	31-Mar-2026
SUR SMT 016e	Secondments  To consider whether secondments within IPG would support the influx of corporate requests.	This will be considered as an on-going opportunity for staff to develop and achieve more senior organisational roles.	Robert Murphy	10-Jan-2025	31-Mar-2026

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>SUR SMT 010 Insurance - Investment and Corporate Estates</b>  26-May-2022 Robert Murphy	<b>Cause:</b> Revaluation of the City Corporation's estates (Investment and Corporate) does not happen in a timescale compliant with insurance policy requirements or the terms of leases. <b>Event:</b> The City fails to meet the provision under its insurance policies which typically require revaluations by a qualified person are undertaken at least every five years (Investment and Corporate). The City would be in breach of its legal obligations as a landlord under the terms of its leases to ensure that the full re-instatement value is insured. <b>Impact:</b> The insurance policy does not respond in full (Investment and Corporate)		8	This risk identifies the need of re-valuation of the City of London Estates – (Investment and Corporate) to ensure that the City reaches its legal obligations under its insurance policies. Funding and resource are being applied. The valuations of CBF are nearly complete; City Fund properties have been tendered; and City Estate will go to tender shortly.  <b>29 Apr 2025</b>		1	31-Mar-2026	 Constant
							Reduce	

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
SUR SMT 010a	Register of data  Ensuring the completeness of the organisation's data sets to ensure that assets are not 'lost' and accuracy of our risk scoring.	A property schedule exists, and this has been updated with the survey carried out on Special Sites (by RLF).			Robert Murphy	29-Apr-2025	31-Mar-2026
SUR SMT 010b	Funding	Where leases allow, the cost can be recovered from commercial tenants, and operational occupiers as appropriate. Funding has been agreed and a budget line identified where relevant within the City Corporation.			John James; Robert Murphy	29-Apr-2025	31-Mar-2026
SUR SMT 010c	Delivery  Delivery of the programme of valuation activity. As this progresses the risk score will reduce to target.	The delivery of the valuations will be via an external valuer. Service delivery is either underway or in procurement.			Robert Murphy	29-Apr-2025	31-Mar-2026



Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
SUR SMT 012 <b>Adjudication &amp; Disputes</b>	<p><b>Cause:</b> The impact of COVID-19 on project delivery.</p> <p><b>Event:</b> Regulations restricted access to sites and resulted in more design work being undertaken remotely. Productivity at sites was adversely impacted.</p> <p><b>Impact:</b> Increased likelihood that projects were designed correctly, and resulting legal and adjudication issues, reputational harm.</p>		8	<p>The COVID-19 pandemic resulted in 3 years of impact at project sites.</p> <p>Site productivity was limited (circa 60% productivity) and much design work was undertaken remotely, or with limited site access.</p> <p>This has created a situation where some sites were not designed correctly, or there are issues beyond that which would normally be expected on construction builds.</p> <p>We are now in a situation where we are engaged with legal discussions and adjudications with project suppliers in an effort to iron out issues with final products.</p> <p>The department's risk register has a separate risk relating to 'construction price inflation'. The inflation risk is wider as it also captures cost escalations due to other causes (Ukraine, energy, etc). This risk only focusses on adjudication &amp; disputes.</p> <p>This risk may remain on the register until projects commenced prior to, or during, the COVID-19 pandemic, have been delivered and finalised. The risk scoring will be kept under review.</p> <p><b>29 Apr 2025</b></p>		4	31-Mar-2026	
31-Aug-2023 Ola Obadara							Reduce	Constant

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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
SUR SMT 012a	<p>Project Review and Claims Consultant</p> <p>Claims consultant can advise the organisation where it can seek to recover money from suppliers (thereby reducing the impact).</p>	The department is reviewing projects alongside the contracts to understand our position and have engaged an external Claims Consultants to ensure that risks are managed and the City's position is protected. Whilst the Claims Consultant has been effective in seeking redress, unfortunately there is a volume of work that needs to be considered. The current risk scoring will be retained until this knot of projects has been delivered and considered.	Ola Obadara	29-Apr-2025	31-Mar-2026