

## Appendix 1 CSD Departmental Risk Register



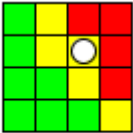
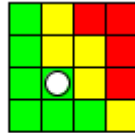
Rows are sorted by Risk Score

### Code & Title: SUR SMT SENIOR MANAGEMENT TEAM - (High Level) DEPARTMENT RISKS 7

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	Current Risk score change indicator
<b>SUR SMT 002</b> <b>Not maximising operational property/building performance</b>  10-Feb-2015 Peter Young	<b>Cause:</b> Reduced budgets/lack of expertise in management  <b>Event:</b> Insufficient resources / poor asset management / poor allocation of resources  <b>Impact:</b> Not maximising operational property / building performance (Reduced rental income, reduced capital value, increased vacancies, increased breakdown of M&E services, reduced customer satisfaction, poor building use and efficiency)	 Likelihood Impact	12	This risk relates to property / building performance and specifically includes the 'Bow Wave'.  The principal mitigation actions are related to forecasting and monitoring the allocation of financial and human resources; £14m has been added over four years to the City fund.  <b>16 Oct 2017</b>	 Likelihood Impact	4	31-Mar-2018	↔  No change

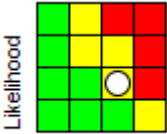
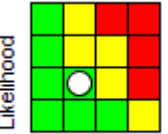
Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 002a	Budget Monitoring Working Party and Senior	The Chamberlain's report to Resource Allocation Sub-committee about measures to reduce the	Peter	16-Oct-	31-Mar-

Ensure appropriate funding of Repairs & Maintenance	Management Team regularly review budgets.	effect of bow wave under financial provision is in progress.	Collinson; Nicholas Gill; Peter Young	2017	2018
SUR SMT 002d Operational Property Review	Operational Property Review	Deliver the Operational Property Review in order to ensure efficient and effective property management. In progress.	Peter Young	16-Oct-2017	31-Mar-2018

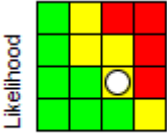
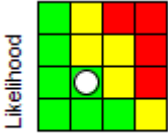

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 005 <b>Recruitment and retention of property professionals</b>  17-Mar-2015 Paul Wilkinson	<p><b>Cause:</b> A strong property and construction market</p> <p><b>Event:</b> Increasingly attractive remuneration packages offered elsewhere</p> <p><b>Impact:</b> Increased vacancies, objectives unachieved or delivered late, reduced customer satisfaction, less activity</p>	<p>Likelihood</p>  <p>Impact</p>	12	<p>Within the CSD department, it is proving challenging to recruit Chartered Surveyors, Chartered Engineers as the base salaries are lower than those being offered in the private sector at this moment in time. As a result, new staff recruited to these positions generally have less experience than desired; as a consequence this requires closer supervision by existing staff this is having an impact on delivery.</p> <p>In order to provide robust evidence to support this view, the following actions are being undertaken:</p> <ul style="list-style-type: none"> <li>• Independent report on total reward, to include current base annual salaries, bonus and benefits package, including holiday allowance.</li> <li>• A report to compare the City of London Corporation's total reward package for roles listed as compared to the market place.</li> </ul> <p><b>26 Oct 2017</b></p>	<p>Likelihood</p>  <p>Impact</p>	4	31-Jul-2017	↔  No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 005a Adopt and	Encourage CoL to adapt and change the approach to Reward and Earnings Package	ongoing	Paul Wilkinson	10-Oct-2017	30-Apr-2018

Change Approach					
SUR SMT 005b Develop Workforce Plan	Establish strategies specific to the department that have a particular focus on talent management, reward and retention	Recently approved flexibility in market forces will be applied where appropriate	Paul Wilkinson	20-Jun-2017	31-Mar-2018
SUR SMT 005C Outsource work	Outsource work that cannot be done in- house	Consider work that will have to be outsourced due to lack of expertise		10-Oct-2017	31-Mar-2018

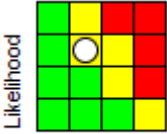
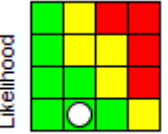
Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
SUR SMT 001 A fall in property performance  03-Mar-2015 Nicholas Gill	<p><b>Cause:</b> Unexpected change or unknown impact of macro-economic policy (decision to terminate membership of E.U., change in interest rate, exchange rate, taxation, government policy etc.)</p> <p><b>Event:</b> Business sentiment changes and U.K. / London becomes less attractive to invest in, to do business in or to move to. Property market becomes increasingly challenging.</p> <p><b>Impact:</b> Service objectives are not achieved (income, yield, voids)</p>	 <p>Likelihood</p> <p>Impact</p>	8	<p>The strategy is 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> </ol> <p><b>16 Oct 2017</b></p>	 <p>Likelihood</p> <p>Impact</p>	4	31-Mar-2018	↔          No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 001c Impact of political and economic decisions	Impact of decision to terminate membership of E.U. the General Election and other political and economic decisions	SMT continues to monitor the position.	Nicholas Gill	16-Oct-2017	31-Mar-2018
SUR SMT 001d Maintain a diverse portfolio	Maintain a diverse mix of space, locations, and tenants to ensure the business has wide market appeal and is not reliant on particular business sector	IPG MT monitors development of property portfolio and tenant mix.	Nicholas Gill	16-Oct-2017	31-Mar-2018

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	Current Risk score change indicator
SUR SMT 004 <b>Inability to deliver savings required by Service Based Review</b>  03-Mar-2015 Paul Wilkinson	<b>Cause:</b> Necessary changes to service delivery are not being implemented  <b>Event :</b> Saving targets not achieved  <b>Impact:</b> Objective not achieved	 Likelihood	8	2017/18 savings are on target which will potentially be supplemented by savings from the next generation building repairs and maintenance contract (BRM2) which commenced in July 2017. Facilities Management review (Strategic Asset Management Programme) has identified savings for 2018/19 in addition to further savings from BRM2. It must however be noted that more work is required to ensure this is achieved.  <b>10 Oct 2017</b>	 Likelihood	4	31-Mar-2019	  Decreased Risk Score

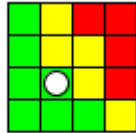
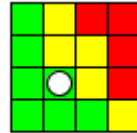

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 004b Corporate Asset Management control of operational property	Asset management of the Service Based Review	Asset Management service based review commenced. Scope of review agreed by SAM Programme Board. Recruitment of Project Manager and Business Analyst still underway. Chief Officers to attend. Individual workshops currently half way through.	Peter Young	10-Oct-2017	31-Mar-2018
SUR SMT 004c Rationalising of FM service	Reduce staffing budget	Guildhall FM Team transfer to Operations Group is planned for October 2017. Continue to progress reviews of FM services and staffing requirements. Recruitment to posts where gaps in capacity are identified.	Peter Collinson	10-Oct-2017	31-Mar-2018



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SUR SMT 009 <b>Optimise effectiveness and use of the Oracle Property Management System</b>  03-Mar-2015 Nicholas Gill	<p><b>Cause:</b> Oracle Property module failure to meet business needs</p> <p><b>Event:</b> Inappropriate technological solution or unsuccessful project management or failure to implement an appropriate management framework</p> <p><b>Impact:</b> Unable to manage property portfolio / loss of income and poor maintenance of property and lease records.</p>	 <p>Likelihood</p> <p>Impact</p>	6	<p>The mitigations to reduce this risk are progressing, albeit slowly. These include ensuring the business as usual model is developed, outstanding issues are resolved, enhancement programme is progressed and that issues with the Data Loader are resolved. Additionally there are provisional arrangements in place to manage system tasks that are not yet fully operational.</p> <p><b>10 Oct 2017</b></p>	 <p>Likelihood</p> <p>Impact</p>	2	31-Mar-2018	↔  No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 009c Business as usual model	Ensure Business as usual model is developed	No significant change since last assessment. Business as usual model - work in progress.	Nicholas Gill	10-Oct-2017	01-Jul-2018
SUR SMT 009d Outstanding issues	Outstanding issues from original project	<p>We are now focussing on resolving errors in reports including : Rent deposits, leases events, tenancy schedule and Archibus reports. These are currently in User Acceptance Testing.</p> <p>Tenant names and addresses, property aged debt report, tenant debt report are with the Oracle Development Team.</p>	Nicholas Gill	10-Oct-2017	01-Jul-2018



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	Current Risk score change indicator
<b>SUR SMT 008</b> <b>Performance failure in service based property contracts</b>	<p><b>Cause:</b> Contractors fail to carry out contractual obligations</p> <p><b>Event:</b> Failure of service delivery and/or non compliance with statutory obligations</p> <p><b>Impact:</b> Service not delivered / work programmes uncompleted / financial penalties / occupier dissatisfaction</p>	<p>Likelihood</p>  <p>Impact</p>	<p>4</p>	<p>This risk allows the Senior Management Team to monitor the risks associated with the corporate property contracts.</p> <p>We are currently monitoring compliance with contractual obligations.</p> <p>Our current contracts are:</p> <ul style="list-style-type: none"> <li>- BRM</li> <li>- Lifts/escalators</li> <li>- Cleaning</li> <li>- Window cleaning</li> <li>- Security</li> <li>- Pest Control</li> <li>- Water coolers</li> <li>- Catering</li> <li>- Post/Courier Investment property specialist contracts eg. Drainage, locksmith etc</li> </ul> <p>All mitigation actions have now been achieved. The risk score has been assessed and has been reduced.</p> <p>This risk will therefore be taken off the department risk register and put on</p>	<p>Likelihood</p>  <p>Impact</p>	<p>4</p>	<p>31-Mar-2018</p>	

03-Mar-2015 Peter Collinson				to the service risk register (Operations Group) where all contracts listed above are maintained.  It will continued to be monitored at Service Level <b>16 Oct 2017</b>				Decreased Risk Score
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Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 008g BRM contractor	Transition to new BRM contractor	Transition to the BRM2 - completed	Peter Collinson	02-Oct-2017	31-Mar-2018

