

### Key Business Risks

The **Animal Reception Centre** at Heathrow depends for the majority of its business on the Passport for Pets scheme and the importation of Companion animals into the UK. The business has held up well over the past year however any further downturn in aviation/travel e.g. a worldwide flu pandemic could well affect income projections. The facility will be subject to a rent review in October 2010 and although expecting a reasonable increase any significant change could again affect budgetary projections.

In **Cleansing**, the commercial waste service is subject to market forces and a key risk is the erosion of this business by the competition. The introduction of commercial recycling has enabled the City to provide a one-stop shop whilst the services are further refined and a formal strategy is produced. The City's Waste Strategy has been produced through a public consultation process and is available through the CoL internet.

The **District Surveyor's** service continues to be subject to strong competition from the private sector service providers. The development market is regularly reviewed to ensure we retain a competitive edge, building on the success of previous marketing activity. With the current downturn in the financial markets City property development is understandably in an uncertain state. The emphasis of marketing initiatives will move towards property adaption and refurbishment. To this end we produced a professional new marketing brochure to attract prospective clients.

At the **Cemetery**, we have experienced significant loss of business to the three privately operated competitors in the area of the City of London Cemetery & Crematorium. This will be mitigated by maintaining a competitive edge on the quality and range of services provided, together with direct and indirect marketing of the main user groups to increase market share, and by continuing regular contact with the funeral directors.

- **Burial space** - A third of income depends on maintaining space for new graves. The cemetery has around five years of 'open' space remaining and there is a significant risk of income being adversely affected unless alternative provision is made. This is being addressed by our pilot scheme to re-use old graves and proposals to develop previously unused parts of the cemetery for new burials.

- **Pandemic** - A significant increase in the mortality rate could overwhelm the cemetery and crematorium service. This risk has been addressed by the production of a pandemic plan for the Cemetery and Crematorium and participation in London wide/national planning to deal with mass fatalities.

- **Cemetery & Crematorium Landscape and buildings** - The landscape and most of the buildings date back to 1856. They require major capital investment to keep them operational. Failure to invest in the buildings would result in the closure of some services and, consequentially, impact income generation. This is being addressed by a major capital programme of works that is subject to evaluation and decision.

We have also experienced the effect of terrorism on the tourism business at **Tower Bridge** and **The Monument**. A major incident in London will have an immediate effect on the number of foreign and domestic visitors to the capital directly impacting on the number of visitors to both attractions. The July 2005 bombings illustrated this vulnerability. Marketing here continues to develop our wider markets, especially into the corporate arena to offset reliance on the single stream tourist business. To this end, the corporate hospitality event management of the Walkways has been outsourced following a competitive tender exercise, to Seasoned Events. A small venue catering contract covering the Engine Rooms, North Tower Lounge and Bridge Master's Dining Room, has also been tendered and the successful caterer is Fizz. Following an incident which took both exhibition lifts out of action, we have put in place mitigation measures for one or both lifts failing in the Exhibition. These measures include an agreed communication strategy with stakeholders and staff and an event management strategy in conjunction with Seasoned Events.

- **Resting block maintenance delays to the bascules at Tower Bridge.**

The maintenance of the bascule resting blocks is key to enabling the bridge to be raised for river traffic and lowered for road traffic. Any significant delays in effecting maintenance would have a severe impact as river traffic is given priority.

Failure of the newly installed Imperial Civil Enforcement System (ICES) computer service for the **Parking Ticket Office** would adversely affect our ability to recover all of the circa £2.8m which accrues to the City Corporation annually from parking Penalty Charge Notices. The System is used for parking and traffic enforcement and is critical for the administration of PCNs in the City. We have manual backup systems for issuing PCNs on street. The System processes around £2.8 million in payments each year and allows us to respond to 18,000 letters. The **company** have disaster recovery for the system and we have the ability to have a skeleton staff at Harbour Exchange.

The **Port Health** service depends on the Ports selected by shipping companies to discharge certain commodities for which inspection charges can be levied. Due to the general downturn in trade, despite an increase at Thamesport during 2008, we do expect a reduction in the level of imported goods during 2009/10. However, we are making preparations to service the new London Gateway port which is being constructed on the former

Shellhaven site, and the Port Health & Environmental Services Committee is due to visit the proposed port during July. We hold regular meetings with Ports' management to monitor trade patterns and to ensure that we can service their needs.