

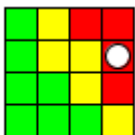
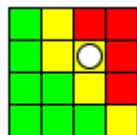

CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Leah Woodlock

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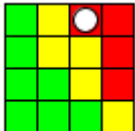
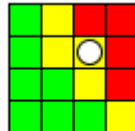
Rows are sorted by Risk Score

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	Current Risk score change indicator
CR35 Unsustainable Medium Term Finances	<p>Causes: Anticipated decline in public sector funding (local government and Police), increasing demands (revenue and capital) and an ambitious programme of major project delivery threaten our ability to continue to deliver a vibrant and thriving Square Mile Normal course of business unable to function due to COVID 19 restrictions BREXIT compounding market uncertainty and exacerbating the economic downturn. Major contraction in key income streams and increase in bad debts. In particular that lower occupancy levels in city properties reduce investment property income over the medium term. Police Transform programme fails to realise the budget mitigations anticipated Reduction in the value of investments- property and securities- reduces available capital for major project financing.</p> <p>Event: Inability to contain financial pressures within year (2020/21) and compensatory savings and/or income generation to meet the Corporation's forecast medium term</p>	 <p>Likelihood</p> <p>Impact</p>	24	<p>Current annual estimated impact is an overspend of £35.9.4M at the end of period 7 across the three funds; £16.8m of which is City Fund. Driven mainly by income loss in the following areas: Barbican, GSMD, Tower Bridge, Animal Reception Centre and Events. Mitigations include spend reduction, furloughing of casual staff and permanent staff not able to work and recovery of lost CF income from the governments compensation scheme anticipated to be £13.6m</p> <p>Property income: In the short term, the City is protected by tenancy arrangements, but that the medium term is more concerning. The make-up of current portfolio is underrated for retail which offers some protection.</p>	 <p>Likelihood</p> <p>Impact</p>	12	31-Mar-2021	

19-Jun-2020 Caroline Al-Beyerty	<p>financial deficit will not be realised.</p> <p>Effects:</p> <p>Additional savings over and above those identified through the Fundamental Review to meet this challenge are required and/or closure in some areas reserves are utilised and/or services stopped.</p> <p>The City Corporation's reputation is damaged due to failure to meet financial objectives or the need to reduce services / service levels to business and community.</p> <p>Being unable to set a balanced budget which is a statutory requirement for City Fund.</p> <p>Spend is not aligned to Corporate Plan outcomes resulting in suboptimal use of resources and/or poor performance.</p> <p>Capital projects stalled due to COVID restrictions.</p> <p>Stakeholders experiencing reduced services and service closures.</p>			<p>Cash flow position is holding up well.</p> <p>Balance Sheet- it is too early to assess any permanent re-valuation. Securities portfolio- after an initial drop has largely recovered the Dec 2019 valuation.</p> <p>23 Nov 2020</p>				Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR 35a	A reduction in key income streams and increase in bad debt	<p>This is being monitored monthly, with action being taken to reduce spend where possible. At end of Month 7 income losses predicted at £35.9.4M</p> <p>Key Impact areas:</p> <ul style="list-style-type: none"> Property investment income – Currently estimating £14.2m adverse variance across all 3 funds at the end of the September. This will be reviewed again in January when impacts from 3rd quarter billing will be available. Resetting of in-year local risk budgets totalling some £15.2m has been agreed by Finance Committee and is subject to Court approval on 3rd December. 	Sonia Virdee	23-Nov-2020	31-Mar-2021
CR 35b	To reduce strain on cash flow.	<ul style="list-style-type: none"> The Corporation remains very liquid and the outlook for near term cash flows is robust. Review major commitments, including options for re-profiling. 	James Graham; Sonia Virdee	28-Oct-2020	31-Mar-2021
CR 35c	Increased expenditure related to COVID measures- maximise recovery from government	<p>In the short-term, high % of additional expenditure recoverable from government, and recruitment controls putting downward pressure on budgets. Possible mitigations:</p> <ul style="list-style-type: none"> Maximising recovery from government- spend is being coded and monitored. Estimated claim of up to £12.6m for loss of fees & charges on City Fund. Claim submitted for 1st quarter of £1.5m Furloughing workers where appropriate has been done recovering £2.2m to end of August Maintaining tight financial disciplines. 	Sonia Virdee	23-Nov-2020	31-Mar-2021

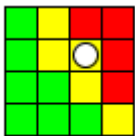
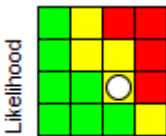

CR 35d	Inability of occupiers to pay rates as their income falls and business models are damaged. A reduction in demand for office space in the square mile, leading to lower occupation and business rate income. The Corporation is currently benefitting from growth in business rates retained income of c£40m. Non-payment of rates across London leading to difficulties in meeting cash flow payments as host of the pool.	<ul style="list-style-type: none"> Monthly monitoring in place. The impact of COVID-19 has been to lower the collection rate for business rates. Collection to the end of October is 6.0% below the previous year. Should business rate income fall by more than 20%, the safety net would be reached. Modelled scenarios have been included in the revised MTFP- high level of income volatility. The Govt has recognised the cashflow impacts of business rates and has deferred its share for April-June, which has been re-profiled over the remainder of the year. The Govt is also allowing authorities to spread the impact of business rate deficits over 3 years. 	Phil Black; Neilesh Kakad	23-Nov-2020	31-Mar-2021
CR 35e	Impact on investments: securities/property	<ul style="list-style-type: none"> The values of the three main financial investment portfolios have continued to grow steadily, participating in a broad-based rally across financial markets over the summer. COL's Pension Fund contributions are fixed until 2023, providing some protection, whilst the diversified asset allocation strategies and use of active management across all three funds should continue to deliver some stability if general market moves become extreme again. Actions on deferral and rent free is aimed at retaining tenants. If tenants default - there is a high risk of long lead in periods (of up to 24 months) to find new tenants. Some tenants are in administration since 19th June 2020. 	Nicholas Gill; James Graham	25-Nov-2020	31-Mar-2021
CR 35f	Impact on the MTFP	<ul style="list-style-type: none"> FR proposals affecting staff put into abeyance during CoLC's response to Covid-19. CHB currently reviewing achievability of savings built into the MTFP 	Caroline Al-Beyerty; Alistair Cook	25-Nov-2020	31-Mar-2021
CR 35h	To implement the Fundamental Review project plan- TOM	<ul style="list-style-type: none"> FR proposals affecting staff put into abeyance during CoLC's response to Covid-19. The Flexible Retirement Scheme for those aged 60+ is currently being implemented and a review is currently being undertaken to assess the feasibility of extending the scheme to those aged 55-59. Other savings relating to organisation design and an associated reduction in headcount are expected to begin from the new financial year. 	Chrissie Morgan	25-Nov-2020	31-Mar-2021

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CR23 Police Funding 21-Nov-2016 Ian Dyson; Peter Kane	<p>Cause: Reduction in government funding, workforce costs and growing demand in Policing services leading to pressures for the City Fund -Police.</p> <p>Event: Reduction in government funding. Failure to deliver VfM savings. Budget deficit forecast for next 5 years requiring action to balance the budget</p> <p>Effect: Potential impact on security and safety in the City as need to make savings, prioritise activity, review funding City of London Police will be unable to maintain a balanced budget and current service levels as reflected in their Medium Term Financial Plan.</p>	 <p>Likelihood</p> <p>Impact</p>	16	<ul style="list-style-type: none"> Updated MTFP is being prepared for consideration by Members, incorporating both growth and savings assumptions. Balanced budget was set for 20/21 based on £5.4m funding of 67 growth roles and CoLP savings plans. Additional Home Office funding has been provided for uplift of 44 officers. After 20/21 there are deficits of about £3m pa, for which further mitigation action is required. Commitment has been given to at least balancing the budget over the medium term. COVID 19 impacts to date have been assessed. Further work will be required to understand and model impact on the MTFP. 	 <p>Likelihood</p> <p>Impact</p>	12	31-Mar-2020	Constant

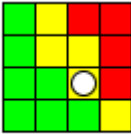
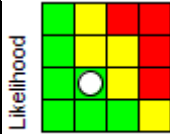

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CR23g	Implement sustainable medium-term financial settlement for CoLP: - Revenue position Capital financing	Update of MTFP currently being prepared for Member review 2020 will include C19 impacts, forecast 20/21 underspend, updated AF loan repayment plan, additional savings requirements, and reserves policy.	Alistair Cook	25-Nov-2020	31-Mar-2020

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CHB IT 030 2020 - Managed Service Contract 11-Oct-2019 Sean Green	Cause: New IT Services contract being implemented to replace the current contract we have with Agilisys Event: The transition and implementation has delays beyond the end of the contract on the 31st August 2020 Effect: Additional costs/dual running costs incurred and potential reputational impact of any failures or service disruption during the Transition and Implementation	 Likelihood Impact	12	Contract negotiations and transition of services are ongoing, contract signature expected by end of November 2020. There is a dispute across some of the delivery strands which are being worked through with the Supplier with Go Live on new Service Management and Service Delivery tools due by 30th November. Areas that are not migrating to the new Managed Service Contract have now been addressed. Scope of TUPE implications have been agreed with consultations with impacted staff having been carried out. 23 Nov 2020	 Likelihood Impact	4	30-Nov-2020	 Constant


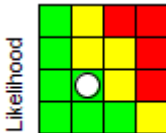
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CHB IT 030e	Work streams are in place for TOM TUPE Migration to Cloud and Service Now Migration	The activities have been divided into two and assigned a senior sponsor at Deputy Director level. These activities have been planned and assigned individual owners and are progressing well. The intention is to complete the TUPE process by the end of November however at time of producing this report there is some risk to this due to some outstanding questions on the Pension guarantees.	Kevin Mulcahy	23-Nov-2020	30-Nov-2020
CHB IT 030f	Service and Commercial Disputed Items under review and discussion, could impact scope and some key milestones	Negotiations continuing around security provisions and separate Service Management system for CoL and CoLP vs being integrated into the multi-tenancy version being proposed by Agilisys.	Sean Green	23-Nov-2020	30-Nov-2020

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CR16 Information Security (formerly CHB IT 030) 10-May-2019 Peter Kane	Cause: Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information. Event: The City Corporation does not adequately prepare, maintain robust (and where appropriate improve) effective IT security systems and procedures. Effect: Failure of all or part of the IT Infrastructure, with associated business systems failures. Harm to individuals, a breach of legislation such as the Data Protection Act 2018. Incur a monetary penalty of up to €20M. Compliance enforcement action. Corruption of data. Reputational damage to Corporation as effective body.	 Likelihood	12 Impact	Regular security updates have been provided to relevant people throughout COVID. A Gateway paper is currently being drafted. Reviewing the National Cyber Security Training with the view to provide training to all staff. PSN remediation activities are complete and have been submitted to the Cabinet Office. 23 Nov 2020	 Likelihood	8 Impact	30-Apr-2021	 Constant

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CR16j	CR16j An update IT Security Roadmap has been developed which has informed work activity for 20/21 and a capital bid for new security tools.	The staff training and awareness of IT security continues during 20/21 under the oversight of the Information Management Board led by our SIRO Michael Cogher. Security campaign to be run in Oct 2020. During COVID regular security messages being sent out. The NCSC training to be rolled out to all staff.	Gary Brailsford-Hart	23-Nov-2020	31-Dec-2020
CR16k	Final stages of completing information security projects which will mean that we can assure Members that the City of London Corporation has implemented all the national government recommended security practices and technology achieving a maturity level of 4.	New Security Projects being planned to fit the funding of £250K that was allocated. Gateway paper has been submitted	Gary Brailsford-Hart	23-Nov-2020	30-Jan-2021

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CHB IT 004 Business Continuity 30-Mar-2017 Sean Green	<p>Cause: A lack of robust infrastructure and restore procedures are not in place on aging infrastructure. Secondly, there is a lack of resilient or reliable Power services or Uninterruptable Power Supply (UPS) provision in multiple Comms rooms and datacentres in COL and COLP buildings.</p> <p>Event: The IT Division cannot provide assurance of availability or timely restoration of core business services in the event of a DR incident or system failure. There will be intermittent power outages of varying durations affecting these areas/buildings.</p> <p>Effect: The disaster recovery response of the IT Division is unlikely to meet the needs of COL leading to significant business interruption and serious operational difficulties.</p> <ul style="list-style-type: none"> • Essential/critical Systems or information services are unavailable for an unacceptable amount of time • Recovery of failed services takes longer than planned • Adverse user/member comments/feedback • Adverse impact on the reputation of the IT division/Chamberlain's Department 	Likelihood  Impact	8	Due to the recent successful migration activities to the Azure public cloud, our business continuity and our disaster recovery response is significantly improved. A bi-product of the move of services to Azure and an increase in remote working has meant that COL relies on the Guildhall power supplier increasingly less. Therefore, risks CHB IT 004 has been migrated into this risk which encompasses both aspects of Business Continuity being processes, plans procedures along with the reducing dependency on the power supply at Guildhall. 20 Nov 2020	Likelihood  Impact	4	31-Mar-2021	 Constant

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CHB IT 004k	RPO and RTO of Critical Apps	Following the Migration into Azure of COL's applications and services, the RPO and RTO capabilities will be redefined once optimisation and consolidation has taken place. COL IT Believe these new capabilities will exceed the current requirements, but these will be confirmed with the business owner for each Critical application and adjustments made where required.	Matt Gosden	25-Nov-2020	31-Mar-2021
CHB IT 004l	Gateway paper to be drafted to release funds for UPS work	Gateway paper produced and submitted. Following approval, the remaining Comms rooms which require UPS protection will have these devices replaced.	Matt Gosden	25-Nov-2020	28-Feb-2021
CHB IT 004m	Repurpose GJR Comms Room	The Spatial Application has been migrated, the remaining application including telephony will now be scoped for removal	Kevin Mulcahy	25-Nov-2020	31-Jan-2021

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CHB CP001 Brexit risk to City Corporation procurement and supply chains 12-Nov-2018 Darran Reid	<p>Cause: The UK leaving the EU (Brexit) with no trading deals in place.</p> <p>Event: The result of the Brexit negotiations could have a negative impact on the Corporation's supply chain, both with direct tier 1 suppliers and their sub-contractor network.</p> <p>Effect: Brexit could effect changes to our direct suppliers and their supply chain, impacting negatively on the Corporation. A range of potential impacts are:</p> <ul style="list-style-type: none"> • Regulatory / Legal requirements -existing supply contracts may be impacted by changes in regulation, or legal requirements. • Assurance of Supply - risk that a complete failure in supply of the goods / service (e.g. Carillion) from key suppliers could be felt. • Quality- quality of the goods / service impact due to changes in our Supply Chain. • Service- Service levels be impacted negatively by any changes in the Supply Chain or access to workers, particularly in low skilled categories. • Financial risk -Are any supply changes likely to drive up costs of the Goods / Services/Works in the short/medium/long term. • Sustainability- risk that will change the level of innovation or sustainability of the goods / service/work against expectations? • Workload- Will changes in the Supply Chain cause significant workload to the Procurement/Commercial/Legal teams due to change controls/re-negotiation of terms? 	 <p>Likelihood</p> <p>Impact</p>	6	<p>To date no significant impacts to our supply chain have been identified due to Brexit. The Commercial Contract Management team, led by the Assistant Director, will send a second survey to our critical suppliers asking for an update including any additional impacts that Covid-19 has had. This will be actioned toward the close of the year as the details of deal/no deal may emerge.</p> <p>18 Nov 2020</p>	 <p>Likelihood</p> <p>Impact</p>	4	31-Dec-2020	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB CP001f	CCM to send a second survey to critical supplier list for update as we move out of the transition period.	To date no significant impacts to our supply chain have been identified due to Brexit. The Commercial Contract Management team, led by the Assistant Director, will send a second survey to our critical suppliers asking for an update including any additional impacts that Covid-19 has had. This will be actioned toward the close of the year as the details of deal/no deal may emerge.	Darran Reid	18-Nov-2020	31-Dec-2020

