

Appendix 1 - Tracked changes to Corporate Risks CR35 and CR38

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CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

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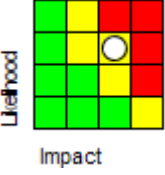
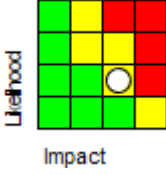



Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR38 Unsustainable Medium Term Finances - City's Cash Estate	<p>Causes: <i>The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility). .</i> <i>Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves.</i> <i>Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation.</i></p> <p>Event: <i>Inability to manage financial pressures within the fiscal year, resulting in an inability to achieve anticipated savings and generate expected income, may necessitate additional reliance on Reserves. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risks.</i></p>	 Likelihood Impact	16	<p><i>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2024/25.</i></p> <p><i>Earning more income from property investment portfolio – diversification of asset portfolio.</i></p> <p><i>The five-year financial plan includes cyclical works programme to cover bow-wave of outstanding works and provision of £62.7m p.a. for works going forward.</i></p> <p><i>Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</i></p>	 Likelihood Impact	8	31-Mar-2025	

<p>2 January -2024</p> <p>Caroline Al-Beyerty</p>	<p>Effects: <i>The City of London Corporation's reputation could suffer from failure to achieve financial goals or from reduced services to businesses and the community. Experience challenges in delivering the capital program and major projects within budgetary limits. Inability of expenditure to align with the corporate plan, leading to inefficient resource utilisation and reduced corporate performance.</i></p>			<p><i>Quarterly monitoring of capital programme against budgets.</i></p> <p><i>Developing income generation opportunities.</i></p> <p>02 Jan 2024</p>			<p>Reduce</p>	<p>Constant</p>
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR38a	<p><i>Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme</i></p> <ul style="list-style-type: none"> <i>Monitor the</i> <i>se of inflation contingency</i> 	<ul style="list-style-type: none"> <i>Regular monitoring the office of budget responsibility's inflation forecasts</i> <i>Identify areas that are forecasting to exceed budget envelope due to inflation increases, and review action.</i> 	Sonia Virdee	2-Jan-2024	31-Mar-2025
CR38e	<p><i>Monitoring key income streams i.e. rental income from the property investment portfolio).</i></p>	<p>This is being monitored monthly, with action being taken to within the portfolio to maximise income generation opportunities.</p> <p><i>Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to:</i></p> <ul style="list-style-type: none"> <i>Lord Mayor Show and events across the Corporation</i> <i>Advertising</i> <i>Filming inside and outside the square mile</i> <i>Retail opportunities</i> <i>Fees and Charges</i> 	Robert Murphy; Genine Whitehorne; Sonia Virdee	2-Jan-2024	31-Mar-2025
CR38f	<p><i>Delivering the current savings programme and securing permanent year-on-year savings</i></p>	<p>Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet savings. High risk departments are undertaking monthly revenue monitoring.</p>	Sonia Virdee	2-Jan-2024	31-Mar-2024
CR38g	<p>Remain within the financial envelopes approved for major projects</p>	<p><i>Monthly updates on major projects forecasts and issues arising</i></p>	Genine Whitehorne;	2-Jan-2024	31-Mar-2029

			Sonia Virdee		
CR38h	<i>Bringing third party capital to surplus operational property opportunities</i>	<i>Identified initial opportunities which have been supported by Resource Allocation Sub Committee</i> <i>Proposals for each opportunity to be worked up and submitted for member consideration to relevant Committees.</i>	<i>Paul Wilkinson; Caroline Al-Beyerty</i>	2-Jan-2024	30-Jun-2024
CR38i	Undertake the Charities Review (Natural Environment)	The ability for charities to fundraise and generate more income to support ambitions for activities and operational property requirements.	Sonia Virdee	2-Jan-2024	31-Dec-2024

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
CR35 Unsustainable Medium Term Finances - City Fund 19-Jun-2020 Caroline Al-Beyerty	<p>Causes: <i>Persistent high inflation, as reported and forecast by the Office for Budget Responsibility.</i></p> <p><i>Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio to support Major Projects programmes.</i></p> <p><i>Anticipated reductions in public sector funding (local government and Police), escalating demands (both revenue and capital), and an ambitious program for major project delivery pose a threat to sustaining the Square Mile's vibrancy and growth.</i></p> <p><i>The Police Transform program fails to achieve anticipated budget mitigations outlined in the MTFP.</i></p> <p>Event: <i>The failure to manage financial pressures within the fiscal year and achieve sustainable savings as planned, or to boost income generation to address the Corporation's projected medium-term financial deficit.</i></p> <p>Effects: <i>Inability to establish a balanced budget, which is a statutory requirement for the City Fund. The City of London Corporation's reputation could suffer due to failure to meet financial objectives or the necessity to curtail services provided to businesses and the community.</i> <i>Challenges in executing the capital program and major projects within affordable limits.</i></p>	 <p>12</p>	<p><i>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2024/25.</i></p> <p><i>The five-year financial plan includes cyclical works programme to cover bow-wave of outstanding works and provision of £71m p.a. for works going forward.</i></p> <p><i>Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</i></p> <p><i>Quarterly monitoring of capital programme against budgets.</i></p> <p><i>Developing income generation opportunities.</i></p> <p>2 Jan 2024</p>	 <p>8</p>	31-Mar-2026	
					Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date

CR35a	<i>Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme Use of inflation contingency</i>	<ul style="list-style-type: none"> • <i>Regular monitoring the office of budget responsibility's inflation forecasts</i> • <i>Identify areas that are forecasting to exceed budget envelope due to inflation increases</i> 	Sonia Virdee	2-Jan-2024	31-Mar-2026
CR35c	Remain within the financial envelopes approved for major projects	<i>Monthly update on major projects forecasts and issues arising</i>	Genine Whitehorne; Sonia Virdee	2-Jan-2024	31-Mar-2029
CR35f	<i>Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority)</i> <ul style="list-style-type: none"> • <i>Develop income generation opportunities</i> 	<i>Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to:</i> <ul style="list-style-type: none"> • <i>HARC – Heathrow Animal Reception Centre</i> • <i>Events across the Corporation</i> • <i>Advertising</i> • <i>Filming inside the square mile</i> • <i>Retail opportunities</i> • <i>Fees and Charges.</i> 	Genine Whitehorne; Sonia Virdee; Alistair Cook	2-Jan-2024	31-Mar-2026
CR35g	<i>Prepare a balanced Medium Term Financial Plan</i>	<i>Update on the progress of the preparation of the next instalment of the MTFP</i>	Sonia Virdee	2-Jan-2024	31-Mar-2024