

Appendix 2 - Departmental Risk Register

CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

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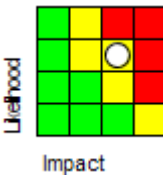
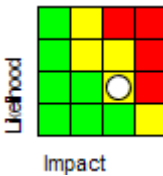

Rows are sorted by Risk Score

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/Risk Approach	Current Risk score change indicator
CR38 Unsustainable Medium Term Finances - City's Estate	<p>Causes: The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility).</p> <p>Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation.</p> <p>Event: 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.</p>	<p>Liability Impact</p>	<p>16</p>	<p>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2024/25.</p> <p>Earning more income from property investment portfolio – diversification of asset portfolio.</p> <p>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.</p> <p>Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</p> <p>Quarterly monitoring of capital</p>	<p>Liability Impact</p>	<p>8</p>	<p>31-Mar-2025</p>	

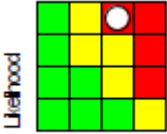
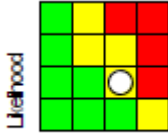

2 January -2024 Caroline Al-Beyerty	Effects: The City of London Corporation’s reputation could suffer from failure to achieve financial goals or from reduced services to businesses and the community. Experience challenges in delivering the capital program and major projects within budgetary limits. Inability of expenditure to align with the corporate plan, leading to inefficient resource utilisation and reduced corporate performance.			programme against budgets.					
				Developing income generation opportunities.					
				02 Jan 2024				Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR38a	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme <ul style="list-style-type: none"> Monitor the use of inflation contingency 	<ul style="list-style-type: none"> Regular monitoring the office of budget responsibility’s inflation forecasts Identify areas that are forecasting to exceed budget envelope due to inflation increases, and review action. 	Sonia Virdee	2-Jan-2024	31-Mar-2025
CR38e	Monitoring key income streams i.e. rental income from the property investment portfolio.	<p>This is being monitored monthly, with action being taken to within the portfolio to maximise income generation opportunities.</p> <p>Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to:</p> <ul style="list-style-type: none"> Lord Mayor Show and events across the Corporation Advertising Filming inside and outside the square mile Retail opportunities Fees and Charges 	Robert Murphy; Genine Whitehorne; Sonia Virdee	2-Jan-2024	31-Mar-2025
CR38f	Delivering the current savings programme and securing permanent year-on-year savings	Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet savings. High risk departments are undertaking monthly revenue monitoring.	Sonia Virdee	2-Jan-2024	31-Mar-2024
CR38g	Remain within the financial envelopes approved for major projects	Monthly updates on major projects forecasts and issues arising	Genine Whitehorne; Sonia Virdee	2-Jan-2024	31-Mar-2029
CR38h	Bringing third party capital to surplus operational property opportunities	Identified initial opportunities which have been supported by Resource Allocation Sub Committee	Paul Wilkinson;	2-Jan-2024	30-Jun-2024

		Proposals for each opportunity to be worked up and submitted for member consideration to relevant Committees.	Caroline Al-Beyerty		
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

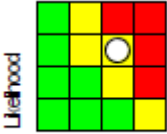
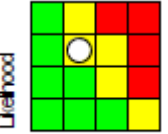

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Current Risk score change indicator
<p>CR35 Unsustainable Medium Term Finances - City Fund</p> <p>19-Jun-2020</p> <p>Caroline Al-Beyerty</p>	<p>Causes: Persistent high inflation, as reported and forecast by the Office for Budget Responsibility.</p> <p>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.</p> <p>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.</p> <p>The Police Transform program fails to achieve anticipated budget mitigations outlined in the MTFP.</p> <p>Event: 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.</p> <p>Effects: 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. Challenges in executing the capital program and major projects within affordable limits.</p>	 <p>12</p>	<p>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2024/25.</p> <p>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.</p> <p>Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</p> <p>Quarterly monitoring of capital programme against budgets.</p> <p>Developing income generation opportunities.</p> <p>2 Jan 2024</p>	 <p>8</p>	<p>31-Mar-2026</p> <p>Reduce</p>	<p></p> <p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR35a	Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme Use of inflation contingency	<ul style="list-style-type: none"> Regular monitoring the office of budget responsibility's inflation forecasts Identify areas that are forecasting to exceed budget envelope due to inflation increases 	Sonia Virdee	2-Jan-2024	31-Mar-2026
CR35c	Remain within the financial envelopes approved for major projects	Monthly update on major projects forecasts and issues arising	Genine Whitehorn e; Sonia Virdee	2-Jan-2024	31-Mar-2029
CR35f	Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority) <ul style="list-style-type: none"> Develop income generation opportunities 	Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to: <ul style="list-style-type: none"> HARC – Heathrow Animal Reception Centre Events across the Corporation Advertising Filming inside the square mile Retail opportunities Fees and Charges. 	Alistair Cook; Genine Whitehorn e; Sonia Virdee	2-Jan-2024	31-Mar-2026
CR35n	Prepare a balanced Medium Term Financial Plan	Update on the progress of the preparation of the next instalment of the MTFP	Sonia Virdee	2-Jan-2024	31-Mar-2024

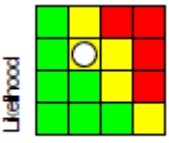
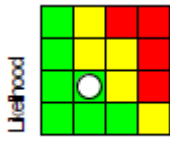

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CHB 002 Housing Revenue Account Financials 16-Oct-2023 Mark Jarvis; Sonia Virdee	Cause: • The embedded increased impact of inflation, following peak of 10.7% in Autumn 2022. Potential issue around non-recoverability of elements of service charge costs due to inadequate s20 consultation process Event: • Inability to contain financial pressures on the Housing Revenue Account, especially around repairs and maintenance costs, management costs and depreciation charges . Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risk. Effect: • The City Corporation’s reputation is damaged due to failure to deliver housing services.	 Likelihood Impact	16	The latest financial position on the overall HRA, including the reviews noted above will form part of the balanced HRA Estimates report being presented in January. The latest five year financial projections show the revenue funding position remains precarious and vulnerable to revenue overspends or significantly rising capital costs (leading to higher loan repayments and interest charges). Counsel opinion is expected in January on the S20 service charge recoverability issue. 05 Jan 2024	 Likelihood Impact	8	31-Mar-2025	
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB002a	Close monitoring of capital schemes is required during 2023/24, update to be provided in regular reporting of capital forecasts next due in early November. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.	Close monitoring of capital schemes is required during 2023/24, update to be provided in regular reporting of capital forecasts due in the HRA estimates and revised 5 Year Plan in January. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.	Mark Jarvis	08-Jan-2024	31-Mar-2024
CHB002b	Impact of inflation - capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs	<p>The Savills report identified high repairs and maintenance costs, management costs and depreciation charges. The level of the internal recharge to the HRA is being reviewed as part of a City wide recalibration however this will not impact the current years estimates.</p> <p>The current repairs and maintenance contract has had to be extended by one year but is being re-procured for the following period. Further controls on the repairs and maintenance contract spend are being implemented by Housing.</p>	Mark Jarvis	08-Jan-2024	31-Mar-2024

		The calculation of the depreciation charge has been reviewed with external valuers and significantly reduced accordingly – this will offset some of inflationary revenue pressures. The latest 2023/24 position and 2024/25 draft Estimates show a finely balanced position.			
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CR29 Information Management 08-Apr-2019 Caroline Al-Beyerty	Cause: Lack of officer commitment and investment of the right resources into organisational information management systems and culture. Event: The City Corporation’s IM Strategy (2018-2023) is not fully and effectively implemented Effect: a) Not being able to use relevant information to draw insights and intelligence and support good decision-making. b) Vulnerability to personal data and other information rights breaches and non-compliance with possible significant ICO fines or other legal action. c) Waste of resources storing information beyond usefulness.	 Likelihood Impact	12	DITS have completed the Data Maturity Assessment facilitated by Microsoft / Hitachi Solutions. This has served to establish priority areas of focus and will be used to inform a refresh of the current IT Strategy. Transformation Funding has been secured to progress with the short term recommendations of the assessment with initial actions due for completion by end of March 2024. 18 Dec 2023	 Likelihood Impact	6	31-Mar-2024	 Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR29j	Draft Data Strategy	This will be a core component of the future DDaT Strategy, and workshops are commencing in November to progress the development of the strategy	Sam Collins	18-Dec-2023	31-Mar-2024
CR29l	Remediate Data Maturity Assessment	Transformation funding has been secured and will be used to fund some temporary roles to progress with the Hitachi Data Maturity recommendations. A PowerBI Architect has already commenced work and recruitment of a Data Governance Officer is underway.	Sam Collins	18-Dec-2023	31-Mar-2024

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CHB 001 Chamberlain's department transformation and knowledge transfer 12-Nov-2021 Caroline Al-Beyerty	Cause: The TOM changes are insufficient or implementation of radical change fails. The impact of the flexible retirement scheme has been taken up by many long term colleagues leaving the corporation in March 2022. The TOM is also creating anxiety which in turn could cause colleagues to find roles elsewhere. Event: Culture change is insufficient. Corporate memory is lost. The Chamberlain's Department is not fit for the future. Effect: Chamberlain's Department fails to deliver its objectives.	 Likelihood Impact	6	A key risk remains but is reducing within Financial Services. The remaining key vacant posts in Financial Services Division are advertised throughout January. The Learning and Engagement Board has been relaunched to support and develop staff. A skills matrix assessment has been commissioned for Finance Staff to commence in Q1, 2024. 04 Jan 2024	 Likelihood Impact	4	31-Mar-2024	 Constant
							Reduce	

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CHB001b	Colleagues are provided with the training they need to fulfil their role.	The departmental Learning & Engagement Board was re-launched on 21 June with a renewed vision, terms of reference and refined learning objectives. An all-staff learning survey was circulated in to request feedback on individual needs which has informed the learning priorities for 23/24. A skills matrix review is planned to independently analyse strengths and areas for improvement for Chamberlain's staff. Key workstreams for the board have been identified and are currently being progressed. A programme of learning events has been developed and the first took place in December which was well received.	Phil Black	4-Jan-2024	31-Mar-2024
CHB001c	Delivering a Chamberlain's TOM structure design and culture is fit for purpose.	A number of actions sit within the workplan for the Learning and Engagement Board and within the empowering transformation workstreams which will be delivered throughout	Leah Woodlock	04-Jan-2024	31-Mar-2024

		2023/24 and 2024/25.			
CHB001f	Ensure procedure notes are in place, accurate and current. To avoid loss of critical knowledge and best practice approaches to departmental tasks and responsibilities.	<p>Findings show that transactional services within Chamberlain’s have a series of comprehensive procedure notes in place.</p> <p>Following the implementation of the Matrix working, procedure notes will be developed for Business Partnering service, depicting best practices and standardisation (where appropriate).</p> <p>A summary of the procedure note review will be presented to the CHB Transformation working group in January 2024</p>	Leah Woodlock	04-Jan-2024	31-Jan-2024

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COO DITS 045 PSTN Switch Off 2025 18-Aug-2023 Zakki Ghauri	<p>Cause: BT will retire their PSTN (Copper) Network at the end of 2025. Rendering all current connections redundant.</p> <p>Event: All current PSTN (Copper) connections will become unusable by the end of 2025. Forcing an upgrade to digital fibre or mobile services.</p> <p>Effect: All of our PSTN connections will cease at the end of 2025. This is in the range of 8,500 connections, which are linked to Lift/BMS/Fire Alarms and Door entry systems. Should these systems fail to be upgraded by the end of 2025, this could lead to essential services being inactive, without anyone being aware. This work will have significant financial impact to complete and failure to complete will have significant reputational impact</p>	<p>Lifehood Impact</p>	16	<p>To mitigate the risk, a review of the connections, locations and services supplied will be required to fully identify the total number of connections supplying critical services.</p> <p>A programme of work will follow to migrate those connections onto digital fibre or mobile enabled services ahead of the 2025 sunset date.</p> <p>18 Dec 2023</p>	<p>Lifehood Impact</p>	8	31-Dec-2025	
								Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
COO DITS 045a	Investigations into the entire estate	BA is required to complete investigations and formulate remediation plan	Chris Rawding	18-Dec-2023	31-Dec-2023

COO DITS 045b	Funding – Start Capital Bid/Gateway Process	Seed funding required to investigate the size of the issue.	Chris Rawding	18-Dec- 2023	31-Dec- 2023