

Appendix 1: CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

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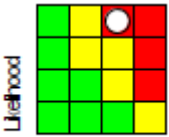
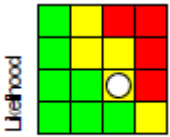

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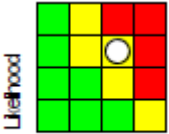
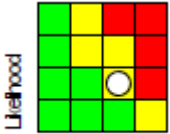

Rows are sorted by Risk Score

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
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 February on the S20 service charge recoverability issue.	 Likelihood Impact	8	31-Mar-2025	
							Reduce	

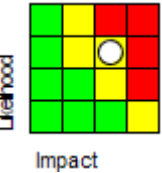
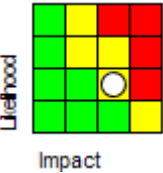

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB002a	Close monitoring of capital schemes is required during 2023/24, update to be provided in regular reporting of capital forecasts next due in early November. Continue to monitor the risk around non-recovery of leaseholder 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 the revised 5 Year Plan reported e with the budget Estimates 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	02-Feb-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> <p>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.</p>	Mark Jarvis	02-Feb-2024	31-Mar-2024

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<p>CR38 Unsustainable Medium Term Finances - City's Estate</p> <p>31-Oct-2022 Caroline Al-Beyerty</p>	<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). 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>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.</p>	 <p>Likelihood</p> <p>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 programme against budgets.</p> <p>Developing income generation opportunities.</p> <p>11 Jan 2024</p>	 <p>Likelihood</p> <p>Impact</p>	<p>8</p>	<p>31-Mar-2025</p> <p>Reduce</p>	<p></p> <p>Constant</p>

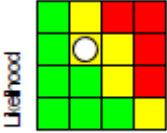
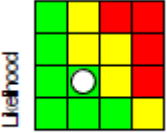

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR38a	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme <ul style="list-style-type: none"> • Monitor 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	11-Jan-2024	31-Mar-2025
CR38e	Monitoring key income streams <ul style="list-style-type: none"> • 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 	Sonia Virdee; Genine Whitehorne	11-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	11-Jan-2024	31-Mar-2024
CR38g	Remain within the financial envelopes approved for major projects.	Monthly updates on major projects forecasts and issues arising.	Sonia Virdee	11-Jan-2024	31-Mar-2029
CR38h	Bringing third party capital to surplus operational property opportunities.	<p>Identified initial opportunities which have been supported by Resource Allocation Sub Committee.</p> <p>Proposals for each opportunity to be worked up and submitted for member consideration to relevant Committees.</p>	Sonia Virdee; Paul Wilkinson	11-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.	Emily Brennan; Sonia Virdee	11-Jan-2024	31-Dec-2024

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CR33 Major Capital Schemes 14-Feb-2020 Caroline Al-Beyerty	<p>Cause: The City Corporation has set itself the ambition to deliver at least three landmark multi-million pound capital schemes over the next decade (currently programmed to complete 2028).</p> <p>Event: there is insufficient technical and professional capability and resource to effectively deliver the schemes.</p> <p>Effects:</p> <ul style="list-style-type: none"> • Schemes not delivered on time • Inability of the organisation to move at the required pace • Potential for increased capital costs as a result of delayed decision making • Reputational impact on the Corporation vis a vis key stakeholder across London and UK Govt. • Potential revenue impact of delayed delivery to services affected (e.g. Markets, Museum of London Grant, City of London Police) • failure to deliver on corporate outcomes 	 <p style="text-align: center;">Impact</p>	12	Risk is currently under review 16 Jan 2024	 <p style="text-align: center;">Impact</p>	8	31-Mar-2023 Reduce	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR33h	Implement a new project governance approach	The Town Clerk's portfolio board commenced in November 2023. A portfolio overview report has been prepared for the February 2024 Projects and Procurement sub-committee.	Genine Whitehorne	23-Jan-2024	30-Sep-2024
CR33i	Undertake Tier 1 programme health checks	The health check review will be undertaken by the Programme Governance team between February 2024 and April 2024.	Matthew Miles	23-Jan-2024	30-Apr-2024
CR33j	Refresh the Project Management Academy	Currently refreshing the project management academy with new learner types.	Matthew Miles	23-Jan-2024	30-Apr-2024
CR33k	Procure and implement a new project management system	Plans are being developed to procure and implement a fit-for-purpose project management system, which has the functionality of a portfolio view.	Matthew Miles	23-Jan-2024	30-Apr-2024
CR33l	Monitor the high-level cashflow/forecast monthly	The Investment Management Monthly Meeting has been established. Membership includes the CIO, Corporate Treasury, and Financial Services and is led by the Chamberlain.	Sonia Virdee	23-Jan-2024	31-Mar-2029
CR33m	Secure Third-Party Funding	Report being bought back by officers in the spring.	Sonia Virdee/ Paul Wilkinson	23-Jan-2024	30-June-2024
CR33n	Provide regular member updates	A project Update report has been prepared Finance Committee, City Bridge Foundation Board and Policy & Resources Committee.	Genine Whitehorne / Sonia Virdee	23-Jan-2024	31-Mar-2029

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CR35 Unsustainable Medium Term Finances - City Fund 19-Jun-2020 Caroline Al-Beyerty	Causes: Persistent high inflation, as reported and forecast by the Office for Budget Responsibility. 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. 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. The Police Transform program fails to achieve anticipated budget mitigations outlined in the MTFP. 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. Effect: 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.		12	Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2024/25. 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. Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves. Quarterly monitoring of capital programme against budgets. Developing income generation opportunities. 11 Jan 2024		8	31-Mar-2026 Reduce	 Constant

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 <ul style="list-style-type: none"> • 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	11-Jan-2024	31-Mar-2026
CR35c	Remain within the financial envelopes approved for major projects.	Monthly update on major projects forecasts and issues arising.	Sonia Virdee	11-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; Sonia Virdee; Genine Whitehorne	11-Jan-2024	31-Mar-2026
CR35n	Prepare a balanced Medium Term Financial Plan	The next instalment of the MTFP presented to Finance Committee in February 2024.	Daniel Peattie	02-Feb-2024	31-Mar-2024

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CHB 001 Chamberlain's department transformation and knowledge transfer 12-Nov-2021 Caroline Al-Beyerty	<p>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.</p> <p>Event: Culture change is insufficient. Corporate memory is lost. The Chamberlain's Department is not fit for the future.</p> <p>Effect: Chamberlain's Department fails to deliver its objectives.</p>	 Likelihood Impact	6	<p>A key risk remains but is reducing within Financial Services.</p> <p>The remaining key vacant posts in Financial Services Division are advertised throughout January.</p> <p>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.</p> <p>11 Jan 2024</p>	 Likelihood Impact	4	31-Mar-2024	 Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB001b	Colleagues are provided with the training they need to fulfil their role.	<p>The departmental Learning & Engagement Board was re-launched on 21 June with a renewed vision, terms of reference and refined learning objectives.</p> <p>An all-staff learning survey was circulated in to request feedback on individual needs which has informed the learning priorities for 23/24.</p> <p>A skills matrix review is planned to independently analyse strengths and areas for improvement for Chamberlain's staff. This will be undertaken by CIPFA in the coming weeks.</p>	Phil Black	02-Feb-2024	31-Mar-2024

		<p>Key workstreams for the board have been identified and are currently being progressed.</p> <p>A programme of learning events has been developed and the first took place in December which was well received.</p>			
CHB001c	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 2023/24 and 2024/25.	Anna Flashman	11-Jan-2024	31-Mar-2024
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	11-Jan-2024	31-Mar-2024