

# CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

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Rows are sorted by Risk Score

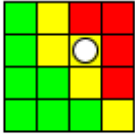
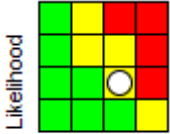

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>CR35</b> <b>Unsustainable</b> <b>Medium Term</b> <b>Finances</b>	<p><b>Causes:</b></p> <p>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</p> <p>Normal course of business unable to function due to COVID 19 restrictions</p> <p>BREXIT compounding market uncertainty and exacerbating the economic downturn.</p> <p>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.</p> <p>Police Transform programme fails to realise the budget mitigations anticipated</p> <p>Reduction in the value of investments- property and securities- reduces available capital for major project financing.</p>	<p>Likelihood</p> <p>Impact</p>	<b>24</b>	<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. 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>Cash flow position is holding up well.</p> <p>Balance Sheet- it is too early to assess any permanent re-valuation.</p> <p>Securities portfolio- after an initial drop has largely recovered the Dec 2019 valuation.</p>	<p>Likelihood</p> <p>Impact</p>	<b>12</b>	31-Mar-2021	

19-Jun-2020 Caroline Al-Beyerty	<p><b>Event:</b> Inability to contain financial pressures within year (2020/21) and compensatory savings and/or income generation to meet the Corporation's forecast medium term financial deficit will not be realised.</p> <p><b>Effects:</b> 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. 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. Being unable to set a balanced budget which is a statutory requirement for City Fund. Spend is not aligned to Corporate Plan outcomes resulting in suboptimal use of resources and/or poor performance. Capital projects stalled due to COVID restrictions. Stakeholders experiencing reduced services and service closures.</p>			05 Jan 2020				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	This is being monitored monthly, with action being taken to reduce spend where possible.	Sonia Virdee	05-Jan-2020	31-Mar-2021
CR 35b	To reduce strain on cash flow.	<ul style="list-style-type: none"> <li>• The Corporation remains very liquid and the outlook for near term cash flows is robust.</li> <li>• Review major commitments, including options for re-profiling.</li> </ul>	James Graham; Sonia Virdee	05-Jan-2020	31-Mar-2021
CR 35c	Increased expenditure related to COVID measures-maximise recovery from government	<ul style="list-style-type: none"> <li>• Maximising recovery from government- spend is being coded and monitored. Estimated claim of up to £12.6m for loss of fees &amp; charges on City Fund. Claim submitted for 1st quarter of £1.5m</li> <li>• Furloughing workers where appropriate has been done recovering £2.2m to end of August</li> </ul>	Sonia Virdee	05-Jan-2020	31-Mar-2021
CR 35d	Inability of occupiers to pay rates as their income falls as 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.	<ul style="list-style-type: none"> <li>• Monthly monitoring in place. The impact of COVID-19 has been to lower the collection rate for business rates.</li> <li>• 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.</li> </ul>	Phil Black; Neilesh Kakad	05-Jan-2020	31-Mar-2021

	Non-payment of rates across London leading to difficulties in meeting cash flow payments as host of the pool.				
CR 35e	Impact on investments: securities/property	<ul style="list-style-type: none"> <li>• The values of the three main financial investment portfolios have continued to grow steadily</li> <li>• 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.</li> <li>• 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.</li> </ul>	Nicholas Gill; James Graham	05-Jan-2020	31-Mar-2021
CR 35f	Impact on the MTFP	<ul style="list-style-type: none"> <li>• FR proposals affecting staff put into abeyance during CoLC's response to Covid-19.</li> <li>• CHB currently reviewing achievability of savings built into the MTFP</li> </ul>	Caroline Al-Beyerty; Alistair Cook	05-Jan-2020	31-Mar-2021
CR 35h	To implement the Fundamental Review project plan-TOM	<ul style="list-style-type: none"> <li>• FR proposals affecting staff put into abeyance during CoLC's response to Covid-19.</li> <li>• The Flexible Retirement Scheme for those aged 60+ is currently being implemented.</li> <li>• Other savings relating to organisation design and an associated reduction in headcount are expected to begin from the new financial year.</li> </ul>	Chrissie Morgan	05-Jan-2020	31-Mar-2021



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<b>CR16 Information Security (formerly CHB IT 030)</b>  10-May-2019 Peter Kane	<b>Cause:</b> Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information. <b>Event:</b> The City Corporation does not adequately prepare, maintain robust (and where appropriate improve) effective IT security systems and procedures. <b>Effect:</b> 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 Impact	12	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.  <b>05 Jan 2021</b>	 Likelihood Impact	8	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-Mar-2021
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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<b>CHB IT 004 Business Continuity</b>  30-Mar-2017 Sean Green	<p><b>Cause:</b> 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><b>Event:</b> 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><b>Effect:</b> 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"> <li>• Essential/critical Systems or information services are unavailable for an unacceptable amount of time</li> <li>• Recovery of failed services takes longer than planned</li> <li>• Adverse user/member comments/feedback</li> <li>• Adverse impact on the reputation of the IT division/Chamberlain's Department</li> </ul>	<p>Likelihood</p> <p>Impact</p>	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 benefit 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.  <b>21 Dec 2020</b>	<p>Likelihood</p> <p>Impact</p>	4	30-Jun-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	21-Dec-2020	30-Jun-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. Due to BREXIT and supply chain issues this might be delayed	Matt Gosden	21-Dec-2020	31-Mar-2021
CHB IT 004m	Repurpose GJR Comms Room	The Spatial Application has been migrated, the remaining application including telephony will now be scoped for migration	Kevin Mulcahy	21-Dec-2020	31-Jan-2021

