

CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

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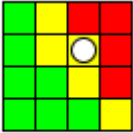
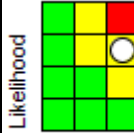



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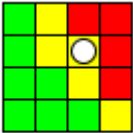
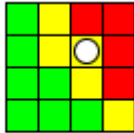
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR16 Information Security (formerly CHB IT 030) 10-May-2019 Caroline Al-Beyerty	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.		12	All Staff Mandatory Security training to be held in April. A special one off IT Cyber check paid for by LGA has been completed with a report due shortly New PSN Health check commissioned to commence in June 2021 01 Jun 2021		8	30-Jun-2021	 Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
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 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 new Security	Gary Brailsford-Hart	01-Jun-2021	30-Jun-2021

		training is being rolled out to all staff. There is also Phishing exercises being undertaken with Chief Officers and Members.			
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 will be submitted	Gary Brailsford-Hart	01-Jun-2021	30-Jul-2021
CR16l	Gain assurance on understanding and mitigating our security vulnerabilities	The next PSN health check being planned for June alongside an ethical hack on premise and a business continuity desktop exercise that simulates the scenario of a successful ransomware attack		01-Jun-2021	30-Jul-2021

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CR23 Police Funding 21-Nov-2016 Caroline Al-Beyerty; Ian Dyson	Cause: Reduction in government funding, workforce costs and growing demand in Policing services leading to pressures for the City Fund -Police. Event: Reduction in government funding. Failure to deliver VfM savings. Budget deficit forecast for next 5 years requiring action to balance the budget 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.	 Likelihood Impact	12	<ul style="list-style-type: none"> Finance Committee has approved the reduction of the risk rating from Red to Amber. The updated MTFP prepared for February Police Authority Board in light of 21/22 Home Office settlement and the CoLC 12% savings requirement was approved. The application of the CoLP 20/21 underspend is in the process of being formalised and future year pressures and savings plans are being updated. 	 Likelihood Impact	12	30-Sep-2021	 Constant
							Accept	

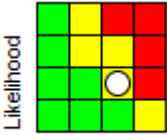
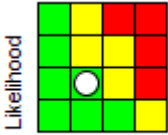
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CR23g	Implement sustainable medium-term financial settlement for CoLP: - Revenue position, Capital financing	Loan based capital financing model implemented for 20/21. Balanced budget set for 21/22 Savings plans need to be developed for future year deficits, plus Action Fraud and other pressures / risks.	Alistair Cook	02-Jun-2021	30-Sep-2021

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CR35 Unsustainable Medium Term Finances 19-Jun-2020 Caroline Al-Beyerty	<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 financial deficit will not be realised.</p> <p>Effects: 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</p>	 <p>Likelihood</p> <p>Impact</p>	<p>12</p>	<ul style="list-style-type: none"> The risk score is being maintained at amber 12. The proposed triggers agreed by May finance committee have been added to the actions listed below. None of these have been triggered in May 21, close monitoring will continue. Work has commenced on the update on the MTFP to RASC away day. Close monitoring is being undertaken by the finance units to monitor the delivery of TOM and FR savings through 21/22 and across the MTFP (Deep Dive Reports to be presented to E&P Sub Committee). <p>01 Jun 2021</p>	 <p>Likelihood</p> <p>Impact</p>	<p>12</p>	<p>31-Mar-2022</p> <p>Accept</p>	<p>■</p> <p>Constant</p>

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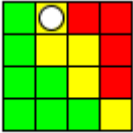
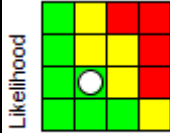

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CR 35a	A reduction in key income streams and increase in bad debt	This is being monitored monthly, with action being taken to reduce spend where possible. Budget forecast for 21/22 includes reduced income, with recovery profiled across the medium term.	Sonia Virdee	02-Jun-2021	31-Mar-2022
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. Cash flowing modelling for major commitments is being carried out. Next tranche, £200m, of private placement monies for City's Cash will be in July 2021. 	James Graham; Sonia Virdee	02-Jun-2021	31-Mar-2022
CR 35c	Increased expenditure related to COVID measures- maximise recovery from government <i>Triggers:</i> <ul style="list-style-type: none"> Any changes to funding arrangements below the baseline 	<ul style="list-style-type: none"> Maximising recovery from government- spend is being coded and monitored. Estimated claim of up to £11.7m for loss of fees & charges on City Fund. Total claim made to date is £5.3m (£1.5m received for qtr1 and £3.8m pending). Furloughing workers where appropriate has been done recovering £4m to end of January 	Sonia Virdee	01-Jun-2021	31-Mar-2022
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. <i>Triggers</i> <ul style="list-style-type: none"> Change to business rate reset (further deferral will result in a positive impact). Shift from commercial to residential (hot off the press). Reduction in Rateable Value (the risk is minimal). Changes to methodology in business rate calculations. Alternative funding sources e.g. sales tax. 	<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. The 20/21 collection rate was 3% down on the previous year, an improvement on the 5% previously reported. 21/22 collection to date has been in line with pre-COVID level. 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. Business Rate appeals linked to COVID have been ruled out due to Govt legislation, but we are seeing an increase in appeals on other grounds. Impacts will continue to be monitored. 	Phil Black	01-Jun-2021	31-Mar-2022
CR 35e	Impact on investments: securities/property <i>Triggers:</i>	<ul style="list-style-type: none"> The values of the three main financial investment portfolios have continued to grow steadily The total value of the investment property portfolios has declined by 4.1% to £4.1bn. COL's Pension Fund contributions are fixed until 2023, providing some protection, whilst 	Nicholas Gill; James Graham	02-Jun-2021	31-Mar-2022

	<ul style="list-style-type: none"> • <i>Increase in loss of income over £5m p.a.</i> 	<p>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.</p> <ul style="list-style-type: none"> • The latest vacancy figures as at 1st June 2021, showed our vacancy rate was 3.5% (6.2% including space under offer), which was lower than the City vacancy rate of 12% and the West End vacancy rate of 11.5%. The total availability across all sectors is c 97,000 sq ft compared with c 71,500 sq ft in December 2020. • The total annual rental income from the investment property portfolio for 2021/22 is estimated to reduce from £123.7m (December 2020 quarter estimate) to £121.8m (March 2021 quarter estimate). • The total arrears for the investment property portfolio as at 28th May 2021 stand at 17.74% against a target of 1% which is equivalent to £32.3m. The Government freeze on enforcement action for non-payment of rent is due to be lifted on 30th June 2021. The Government has recently concluded a consultation on what measures it should introduce to replace the current freeze on enforcement action and the results are awaited. 			
CR 35f	Impact on the MTFP	<ul style="list-style-type: none"> • Lower investment income modelled into MTFP and business rate reset in 22/23. • Sums to mitigate risk are being held in Reserves- £30m on City Fund and £20m on BHE. Already drawing down on City's Cash Reserves by £526m across the planning horizon to 2024/25 (which is sustainable given modelling of balance sheet recovery) • Update on MTFP is being prepared for the RASC Away Day in July. 	Caroline Al-Beyerty; Alistair Cook	01-Jun-2021	31-Mar-2022
CR 35h	To implement the Fundamental Review project plan- TOM Triggers: <ul style="list-style-type: none"> • <i>Delays/Reduction to 12% savings.</i> • <i>Delays/Reduction to fundamental review savings.</i> 	<ul style="list-style-type: none"> • An exercise is being undertaken and will continue throughout 21/22 to monitor the achievement of TOM & FR savings across the corporation • Deep-dive reports on departments savings will be reported to E&P committee, deep dives will align with the TOM waves. 	Chrissie Morgan; Sonia Virdee	01-Jun-2021	31-Mar-2022

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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 	 <p>Likelihood</p> <p>Impact</p>	8	<p>All services now migrated into Azure.</p> <p>Agilisys BC/DR plan now provided and is being reviewed internally and will form the basis of the COL IT BCDR Plan.</p> <p>The UPS replacement project has been re-scoped to only include Guildhall Tier1 Comms rooms.</p> <p>The new scope has been documented, GW5 approved and once commercials are set up, the project will commence.</p> <p>01 Jun 2021</p>	 <p>Likelihood</p> <p>Impact</p>	4	30-Jun-2021	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
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	02-Jun-2021	30-Jun-2021
CHB IT 004l	Gateway paper to be drafted to release funds for UPS work	Gateway 1-4 paper approved at Committee in December 2020. GW5 approved. Project to commence imminently.	Matt Gosden	02-Jun-2021	30-Jun-2021
CHB IT 004m	Repurpose GJR Comms Room	Spatial and CBIS have been successfully migrated from IAAS/GJR, work is ongoing on the telephony solution – a full review will be completed to assess what remains in GJR	Kevin Mulcahy	02-Jun-2021	30-Jun-2021

CHB IT 004n	Produce IT-wide BC/DR Plan	Based on the Agilisys-specific plan to be delivered by end Match 2021, develop an IT-wide BCDR Plan, including at least three critical services.	Matt Gosden	02-Jun-2021	31-Oct-2021
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CHB IT 031 IT Revenue Budget 10-May-2021 Sean Green	<p>Cause: The IT Service is subject to a budget reduction of £1.2m in 21/22 or 12% having had this agreed in early March 2021.</p> <p>Event: The planned action programme does not deliver the required level of savings within the timeframe set by the City Corporation/Finance Committees</p> <p>Effect: The IT budget will be overspent in 2021/22 The services provided by IT to the organisation will need to be descoped to save costs and this may have a downstream impact for the organisation to deliver successful outcomes in front line services.</p>	 <p>Likelihood</p> <p>Impact</p>	8	Plan with tracker developed – needs to be reviewed every 2 weeks. Governance process being set up to enable tracking and corrective action to be taken 01 Jun 2021	 <p>Likelihood</p> <p>Impact</p>	4	31-Dec-2021	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB IT 031a	Prepare and execute the IT savings plan for 21/22 with agreement from relevant stakeholders in the organisation	Dedicated Project Manager and Capacity Manager employed to develop and drive forward the IT savings for the Corporation. This is profiled and is being discussed at monthly meetings with the Chamberlain.	Kevin Mulcahy	01-Jun-2021	30-Jun-2021

