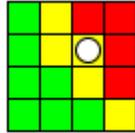
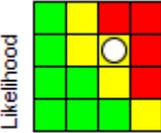


Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR23 Police Funding  21-Nov-2016 Caroline Al-Beyerty; Ian Dyson	<p><b>Cause:</b> Reduction in government funding, workforce costs and growing demand in Policing services leading to pressures for the City Fund -Police.</p> <p><b>Event:</b> Reduction in government funding. Failure to deliver VfM savings. Budget deficit forecast for next 5 years requiring action to balance the budget</p> <p><b>Effect:</b> 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.</p>	 <p>Likelihood</p> <p>Impact</p>	12	<ul style="list-style-type: none"> <li>Finance Committee has approved the reduction of the risk rating from Red to Amber, subject to further work and assurances on medium-term mitigations.</li> <li>There remain some significant pressures and risks to medium-term Police finances, including Action Fraud extension costs. Police Authority Board has recently commissioned a joint review of the opportunities and options within the CoLP budget to mitigate the pressures, most immediately to support the 22/23 budgeting round and bilaterals.</li> </ul>	 <p>Likelihood</p> <p>Impact</p>	12	30-Sep-2021	Constant
							Accept	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR23g	Implement sustainable medium-term financial settlement for CoLP: - Revenue position, Capital financing	Loan based capital financing model implemented in April 2020. Balanced budget set for 21/22. Mitigation plans to be developed to address future year deficits, including Action Fraud and other pressures / risks.	Alistair Cook / Cecilie Booth	07-Jul-2021	30-Sep-2021

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
<b>CR35</b> <b>Unsustainable Medium Term Finances</b>  19-Jun-2020 Caroline Al-Beyerty	<p><b>Causes:</b>            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><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</p>	<p>Likelihood</p> <p>Impact</p>	<p>12</p>	<ul style="list-style-type: none"> <li>The risk score is being maintained at amber 12.</li> <li>The proposed triggers agreed by May finance committee have been added to the actions listed below.</li> <li>None of these have been triggered in May 21, close monitoring will continue.</li> <li>Work has commenced on the update on the MTFP to RASC away day.</li> <li>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&amp;P Sub Committee).</li> </ul> <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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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. 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"> <li>The Corporation remains very liquid and the outlook for near term cash flows is robust.</li> <li>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.</li> </ul>	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"> <li>Any changes to funding arrangements below the baseline</li> </ul>	<ul style="list-style-type: none"> <li>Maximising recovery from government- spend is being coded and monitored. Estimated claim of up to £11.7m for loss of fees &amp; charges on City Fund. Total claim made to date is £5.3m (£1.5m received for qtr1 and £3.8m pending).</li> <li>Furloughing workers where appropriate has been done recovering the total furlough claim to end of May is £6.5m (£6,467,740.94)</li> </ul>	Sonia Virdee	01-Jun-2021	31-Mar-2022
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. 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"> <li>Change to business rate reset (further deferral will result in a positive impact).</li> <li>Shift from commercial to residential (hot off the press).</li> <li>Reduction in Rateable Value (the risk is minimal).</li> <li>Changes to methodology in business rate calculations.</li> <li>Alternative funding sources e.g. sales tax.</li> </ul>	<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. 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.</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> <li>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.</li> </ul>	Phil Black	01-Jun-2021	31-Mar-2022
CR 35e	Impact on investments: securities/property <i>Triggers:</i>	<ul style="list-style-type: none"> <li>The values of the three main financial investment portfolios have continued to grow steadily</li> <li>The total value of the investment property portfolios has declined by c 4% to £4.05bn.</li> </ul>	Nicholas Gill; James Graham	02-Jun-2021	31-Mar-2022

	<ul style="list-style-type: none"> <li>• <i>Increase in loss of income over £5m p.a.</i></li> </ul>	<ul style="list-style-type: none"> <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>• Our voids have not increased significantly, the latest vacancy report, as at 1st December, showed our vacancy rate was 2.52%, which was lower than the City vacancy rate of 5.1% and the West End vacancy rate of 5.9%. There was a slight increase of 15,232 sq ft in vacant space from 1st June to 1st December.</li> <li>• The total annual rental income from the investment property portfolio for 2021/22 is estimated to reduce from £123.656m (December 2020 quarter estimate) to £121.787m (March 2021 quarter estimate).</li> <li>• 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.</li> </ul>			
CR 35f	Impact on the MTFP	<ul style="list-style-type: none"> <li>• Lower investment income modelled into MTFP and business rate reset in 22/23.</li> <li>• 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)</li> <li>• Update on MTFP is being prepared for the RASC Away Day in July.</li> </ul>	Caroline Al-Beyerty; Sonia Virdee	01-Jun-2021	31-Mar-2022
CR 35h	To implement the Fundamental Review project plan- TOM Triggers: <ul style="list-style-type: none"> <li>• <i>Delays/Reduction to 12% savings.</i></li> <li>• <i>Delays/Reduction to fundamental review savings.</i></li> </ul>	<ul style="list-style-type: none"> <li>• An exercise is being undertaken and will continue throughout 21/22 to monitor the achievement of TOM &amp; FR savings across the corporation</li> <li>• Deep-dive reports on departments savings will be reported to E&amp;P committee, deep dives will align with the TOM waves.</li> </ul>	Chrissie Morgan; Sonia Virdee	01-Jun-2021	31-Mar-2022