

City of London Corporation Committee Report

Committee(s): Audit and Risk Management Committee – For Information	Dated: 03/02/2025
Subject: Risk Management Update	Public report: For Information
This report supports the successful delivery of all six Corporate Plan outcomes and our statutory obligations through identifying and managing risks in line with our business objectives.	Corporate Risk Management
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of:	Dionne Corradine, Chief Strategy Officer
Report author:	Tabitha Swann, Head of Corporate Strategy & Risk

Summary

This report provides the Committee with an update on the corporate and top red departmental risk registers since they were last reported to the Committee in November 2024. Further details can be found in the appendices listed at the end of this report.

Recommendation(s)

Members are asked to note:

- This report and the corporate and top red departmental risk registers attached.
- That since the previous update:
 - The number of corporate risks has decreased from 15 to 14 with *CR41 Tree Maintenance* de-escalated to a service level risk.
 - The number of departmental red risks increased from 19 to 22, with one risk de-escalated, two risks escalated and 2 risks added.¹
- That the draft Risk Management Policy has been endorsed by the City Bridge Foundation Board and the Police Authority Board and is now finalised.

¹ **Risks escalated:** CLS FS 004 School’s Affordability and GSMD SUS 002 Inability to Deliver a Balanced and Sustainable Model over the School’s Business Cycle; **Risks added:** BBC Buildings 001 Building Safety Act 2022 - High Risk Building Status and BBC H&S 001 Safety Maturity; **Risks de-escalated:** SUR SMT 016 Investment Property Group Staffing and Capacity

Main Report

Background

1. The corporate and red departmental risks are reported to this Committee as a minimum on a quarterly basis to enable the Committee to exercise its role in the monitoring and oversight of risk management within the City of London Corporation (CoLC).
2. The corporate and red departmental risk registers were reviewed by the Chief Officer Risk Management Group (CORMG) on 15 January 2025 as Senior Officers accountable for CoLC risk management actions, decisions and outcomes (including consideration of developing risk areas and cross-corporation risk management themes).

Risk Activity – Process and Culture

3. Following its approval by the November 2024 Audit and Risk Management Committee, the draft Risk Management Policy (amended in line with Committee comments) was subsequently endorsed by the City Bridge Foundation Board and the City of London Police Authority Board. No additional changes were suggested and the document has now been finalised (see attached at Appendix 1).
4. We are in the process of promulgating the policy within the organisation. All members of ELB have received a copy, and it is being shared and discussed with the January Risk Management Forum. Further socialisation will be undertaken to ensure that officers understand the link between effective risk management and the achievement of our strategic objectives.
5. Further work has been carried out to update the City Corporation's Risk Appetite Statement. The draft statement is in the process of being finalised – see separate paper to this Committee for details.

Current Position

6. Table 1 below shows the overall number and risk ratings of all risks recorded on the Ideagen risk management system as of 17 January 2025 compared with 16 October 2024 (the figures last seen by the Committee).

Risk rating (RAG)	January 2025	October 2024	Difference
Red	52	55	-3
Amber	243	238	+5
Green	87	119	-32
Total	382	412	-30

Table 1: January 2025: Overall Risk Numbers by RAG Rating on Ideagen

7. Table 2 below shows the breakdown of the red, amber and green rated risks by risk level as of 17 January 2025 compared with 16 October 2024.

Risk rating	Red		Amber		Green	
	Jan 2025	Oct 2024	Jan 2025	Oct 2024	Jan 2025	Oct 2024
Risk level						
Corporate	5	6	9	9	0	0
Departmental	22	19	86	88	25	31
Service	25	30	148	141	62	88
Total	52	55	243	238	87	119
Difference	-3		+5		-32	

Table 2: January 2025: Breakdown of RAG Risks by Risk Level (no team or PPM risks recorded as of 17 January)

- There are currently 14 corporate risks on the corporate risk register (5x Red and 9x Amber). Since the last report to the Committee one risk has been de-escalated to service level (see paragraph 11). Attached to this paper at Appendix 2 is the corporate risk register showing the eight risks above appetite.² Corporate risks are being reviewed by CORMG to ensure they accurately reflect the greatest threats and concerns to the City Corporation.
- The risk score for *CR41 Tree Maintenance* has been de-escalated from a corporate to a service level risk following Chief Officer Risk Management Group approval in November 2024. The risk was previously approved for escalation on a temporary basis and given the impact of the mitigating activity to date, as well as the mitigations in place to oversee this risk moving forwards, CORMG are confident this can be managed locally.
- The RAG matrices below show the distribution of corporate risks as of 17 January 2025 (Table 3) and 16 October 2024 (Table 4):

	Minor	Serious	Major	Extreme
Likely			3	
Possible			8	1
Unlikely			1	1
Rare				

Table 3: January 2025 Corporate Risk Heatmap

	Minor	Serious	Major	Extreme
Likely			4	
Possible			8	1
Unlikely			1	1
Rare				

Table 4: October 2024 Corporate Risk Heatmap

- The highest scoring corporate risk is CR16 Information Security at Red 24 (Impact 8 Extreme x Likelihood 3 Possible).
- Table 5 below shows a summary of all CoLC corporate risks as of 17 January 2025:

² We are reviewing the reporting of our above appetite risks as part of the risk appetite refresh.












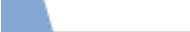














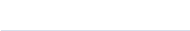















Risk reference	Title	Current Risk Score	Current risk score icon	Trend Icon	Risk flight path (last 12 assessments)	Risk Creation Date (Ideagen)	Risk Adds to CR Register (year)
CR16	Information Security (formerly CHB IT 030)	24				10 May 2019	Pre-Pentana (2014)
CR36	Protective Security	16				10 January 2022	2022
CR37	Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets)	16				04 November 2019	2022
CR38	Unsustainable Medium-Term Finances - City's Estate	16				31 October 2022	2024
CR40	PSTN Switch Off 2027 (formerly CHB DITS 045)	16				26 February 2024	2023
CR01	Resilience Risk	12				20 March 2015	Pre-Pentana (2014)
CR02	Loss of Business Support for the City	12				22 September 2014	Pre-Pentana (2014)
CR09	Health, Safety and Fire Risk Management System	12				22 September 2014	Pre-Pentana (2014)
CR29	Information Management	12				08 April 2019	Pre-Pentana (2014)
CR30	Climate Action	12				07 October 2019	2020
CR33	Major Capital Schemes	12				14 February 2020	2020
CR35	Unsustainable Medium-Term Finances - City Fund	12				19 June 2020	2022
CR39	Recruitment and Retention	12				21 February 2023	2023
CR10	Adverse Political Developments	8				22 September 2014	Pre-Pentana (2014)

Table 5: January 2025: List of Current Corporate Risks by Current Risk Score

Red Departmental Risks

13. There are currently 22 departmental red risks. Since the last report to the Committee, one risk was de-escalated, two risks escalated and 2 risks added. A summary of the top red departmental risks can be found at Appendix 3.

14. Changes to the register:

Risks de-escalated:

- i) *SUR SMT 016 Investment Property Group staffing and capacity* has been de-escalated from Red 16 (Impact 4 Major x Likelihood 4 Likely) to Amber 12 (Impact 4 Major x Likelihood 3 Possible) as a result of Member approval of the Investment Strategy.

Risks escalated:

- ii) *CLS FS 004 School's Affordability* has increased from Amber 12 (Impact 4 Major x Likelihood 3 Possible) to Red 16 (Impact 4 Major x Likelihood 4 Likely) to reflect VAT changes to school fees.
- iii) *GSMD SUS 002 Inability to deliver a balanced and sustainable model over the School's business cycle* increased from Amber 12 (Impact 4 Major x Likelihood 3 Possible) to Red 16 (Impact 4 Major x Likelihood 4 Likely) to reflect increasing financial pressures.

Risks added:

- iv) *BBC Buildings 001 Building Safety Act 2022 - High Risk Building Status*
- v) *BBC H&S 001 Safety Maturity*

Corporate & Strategic Implications

Strategic implications – Reporting in line with CoLC Corporate Risk Management Strategy.

Financial implications – None applicable

Resource implications – None applicable

Legal implications – None applicable

Risk implications – None applicable

Equalities implications – None applicable

Climate implications – None applicable

Security implications – None applicable

Conclusion

15. This risk update and accompanying document (see appendices) are aimed at providing assurance to the Audit and Risk Management Committee that risks within the City of London Corporation are being effectively handled.

Appendices

- Appendix 1: Risk Management Policy_Final
- Appendix 2: Corporate Risk Register – detailed report above appetite only
- Appendix 3: All Red Departmental Risks – short summary report

Tabitha Swann

Head of Corporate Strategy and Risk

tabitha.swann@cityoflondon.gov.uk