

# ARMC – Updated Corporate Risks Report

29 October 2025



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## New Corporate Risk (1 risk)

<b>Risk Code</b>	CR42	<b>Risk Title</b>	<i>Housing Revenue Account Financials (formerly CHB 002)</i>
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<b>Description</b>	<p><b>Cause:</b> The Housing Revenue Account must be self-financing, cost pressures include:</p> <ul style="list-style-type: none"> <li>• Ongoing delays in building statutory new homes causing delays to income streams and increased costs.</li> <li>• Resourcing for health and safety to ensure meeting of compliance requirements.</li> <li>• Substantial improvement works required on existing stock.</li> <li>• Existing funding streams are constrained, with reliance on temporary or uncertain sources such as National Insurance grant allocations, external grants, and re-prioritisation decisions regarding City Fund Capital Reserves.</li> </ul> <p><b>Event:</b> Inability to produce balanced Housing Revenue Accounts, breaching the City of London Corporation's statutory duties.</p> <p><b>Effect:</b> Breaching the City of London Corporation's statutory duties, reputational damage and inability to effectively deliver the housing service.</p>
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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
16	Likely	Major
Red	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
8	Unlikely	Major
Amber	<b>Target Date</b>	30 Mar 2026

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
16	Likely	Major
Red	<b>Creation Date</b>	16 Oct 2023

<b>Latest Note</b>	This risk has been upgraded from a departmental risk to a corporate risk following review by the Chief Officer Risk Management Group.	<b>17-Oct-2025</b>
	The Housing Revenue Account is at a pivotal point, needing decisive changes to ensure its sustainability and effective delivery.	
	The Housing Revenue Account is undergoing significant changes aimed at strengthening its financial position and operational effectiveness. Revised capital financing plans have reduced borrowing requirements, providing additional annual headroom that will be used to rebuild reserve balances over the next three years. Simultaneously, the HRA delivery model is being reviewed to ensure it remains both efficient and adaptable to changing needs.	
	To support these improvements, stronger monitoring procedures are being implemented for housing unit delivery, featuring enhanced reporting and accountability so that targets can be met and any issues addressed promptly. Recognising previous weaknesses, new budget oversight measures are also being put in place, including real-time tracking of expenditure, early warning systems, clear escalation protocols, and empowering managers to halt or adjust spending where necessary. Collectively, these steps are designed to boost the HRA's financial resilience, improve the delivery of housing services, and ensure robust oversight into the future.	

<b>Risk Level</b>	Corporate
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Mark Jarvis; Sonia Virdee

#### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB002a Capital Schemes Monitoring	Close monitoring of capital schemes is required during 2023/24, update to be provided in regular reporting of capital	The review of the major projects programme and the revised HRA 10 Year Plan has identified substantial challenges and a funding gap of approximately £100m. Failure to	20-Oct-2025	Mark Jarvis	31-Oct-2025

	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.	<p>address this gap across the major project programmes presents significant health and safety risks. Additionally, potential delays to new build projects may impact the revenue projections outlined in the 10 Year Plan. Ongoing monitoring of the risk associated with non-recovery of leaseholder contributions to capital projects remains essential.</p> <p>Efforts are in progress to address the funding gap through City Fund by considering external and third-party funding sources. A report detailing available options will be presented to the committee in November 2025 for review</p>			
CHB002b Repairs & maintenance	Impact of inflation - capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs.	<p>The Savills report and Pennington review identified high repairs and maintenance costs, management costs and depreciation charges. When compared to other local authorities, this outcome is expected given the relatively low housing stock—3,000 units as opposed to 15,000 units in comparable jurisdictions.</p> <p>Property condition surveys will be available in October, along with further recommendations.</p> <p>Planning to commission further review of cost base to identify efficiencies, including where technology may assist in reducing costs.</p>	20-Oct-2025	Mark Jarvis	31-Oct-2025
CR42c MHCLG	Engagement with government departments (e.g., MHCLG) and	Many other London Boroughs also have very fragile HRAs and we are working with local	20-Oct-2025		30-Nov-2025

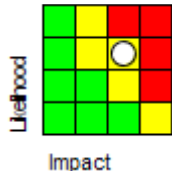
Engagement	other stakeholders to discuss challenges and options.	government colleagues as well as MHCLG and Treasury on wider solutions to current challenges.  A meeting is booked with MHCLG in October.			
CR42d Grant Funding for 2025/26	Utilising fair proportion of National Insurance Grant Funding to cover increased Employers NI for health and safety staffing costs for 2025/26	Modelling full staff costs in the 5 year HRA plan.	20-Oct-2025		31-Mar-2026

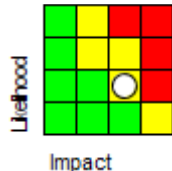
## Revised Corporate Risks (2 risks)

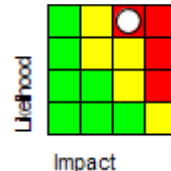
<b>Risk Code</b>	CR33
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<b>Risk Title</b>	<i>Project portfolio strategic impact and/or financial value</i>
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<b>Description</b>	<p><b>Cause:</b> The City of London Corporation is committed to delivering a diverse and ambitious portfolio of projects spanning both capital and revenue projects. As part of strengthening governance and delivery oversight, the Corporation is introducing a new P3 (Projects, Programmes and Portfolio) Framework in autumn 2025. The successful adoption of this framework is critical along with the development and appropriate utilisation of a strategic prioritisation tool to support consistent decision-making and alignment with corporate priorities. If the framework and its associated tools are not successfully embedded and adopted, it may result in fragmented governance, unclear accountability, and inability to deliver projects and programmes and achieve strategic intent.</p> <p><b>Event:</b> Inadequate portfolio-level control and weak adherence to corporate prioritisation mechanisms result in consistent delays to project progression, evidently inconsistent delivery, and fragmented governance. Financial implications emerge from deferred starts and prolonged maintenance obligations, whilst increasing the risk of reputational damage due to perceived inefficiency and lack of transparency.</p> <p><b>Effect:</b> The realisation of this risk would significantly undermine the Corporation's ability to deliver its strategic priorities and realise intended benefits across both capital and non-capital programmes. Delays or abandonment of pipelined and future initiatives would weaken organisational momentum and credibility, while repeated slippages and inconsistent oversight could erode trust among key stakeholders, including government partners and the wider public. Financially, deferred project starts, and prolonged maintenance obligations would increase revenue expenditure, placing additional pressure on the Medium-Term Financial Plan (MTFP). The lack of effective governance and transparency would reduce assurance over programme performance, hinder informed decision-making, and compromise the Corporation's ability to respond with agility to emerging needs and opportunities. Collectively, these impacts would diminish the Corporation's reputation, operational efficiency, and long-term sustainability</p>
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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
12	Possible	Major
Amber	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
8	Unlikely	Major
Amber	<b>Target Date</b>	31 Mar 2029

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
16	Likely	Major
Red	<b>Creation Date</b>	14-Feb-2020

<b>Latest Note</b>	Risk revised as approved by CORMG 16 October 2025.	<b>17-Oct-2025</b>
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<b>Risk Level</b>	Corporate	<b>Risk Approach</b>	Reduce
<b>Department</b>	Chamberlain's	<b>Risk Owner</b>	Caroline Al-Beyerty

### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR33h New Project Governance Approach	Implement a new project governance approach	<p>The Town Clerk's portfolio board commenced in November 2023.</p> <p>A portfolio overview report approved by Projects and Procurement sub-committee, with one-off funding approved by CoCo on 7 March, further work underway to identify permanent funding source.</p> <p>A drafted project procedure and guidance document is in the process of going through Member governance, having been endorsed by the Town Clerk's Portfolio Board.</p> <ul style="list-style-type: none"> <li>• Phase 1 – Provision of PM Toolkit and enabling portfolio reporting to Portfolio Board and Members – reporting to commence from Summer 2025</li> <li>• Phase 2 – Roll out of new Gateways in the Project Procedure from November 2025</li> </ul> <p>Plan to be presented and approved at PPsC (June 25), Finance Committee (July 25), and CoCo (July 25).</p>	23-Jun-2025	Genine Whitehorne	31-Jul-2025
CR33j Project	Refresh the Project Management	Exploratory discussions as part of soft market	23-Jun-2025	Matthew Miles	30-Sep-2025

Management Academy	Academy	<p>testing ongoing with prospective supplier to ascertain appetite and costings for an outline training proposal in line with new project procedure and framework. A transformation funding proposal was submitted to undertake this work in April 2025, with funding approval confirmed in May 2025.</p> <p>A vacancy in the Projects Skills and Capability Manager role is contributing pressures. However, an apprentice is being recruited to provide administrative support.</p>			
CR33k New Project Management System	Procure and implement a new project management system	<p>A broad programme of requirements workshops for the new Cora Project Management system completed in January 2025. Moreover, User Acceptance Testing (UAT) completed in March 2025. Identified issues are being resolved as part of system configuration.</p> <p>The approach to user engagement and training is currently being implemented, with pilot portfolio dashboard reporting to be trialled in early May, with the system expected to be in use for the first full Portfolio reports at end May 2025. During transition data quality assurance is underway, with assured dashboard reporting expected in September 2025.</p> <p>Phase 2 system implementation planning is underway. This will cover changes associated with the updated Project Procedure and implementation of a benefits module. Delivery of a finance module and integration with</p>	23-Jun-2025	Matthew Miles	31-Jul-2025

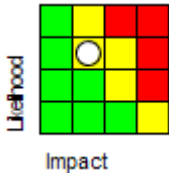
		finance systems will form Phase 3.			
CR33l Cashflow and Forecast Monitoring	Monitor the high-level cashflow/forecast monthly	<p>The Investment Management Monthly Meeting is ongoing.</p> <p>The Chamberlain's Assurance Board has also been established to review the financial dashboards and forecasts for the Major Programmes, with updates provided to the Portfolio Board.</p> <p>The cashflow and capital realisation strategy was presented to Finance and Investment Committees in February with a quarterly updated in May. Quarterly monitoring/reporting will continue going forwards.</p> <p>The achievement of property sales on time, as well as drawdown from financial investments, is necessary to fund cash outflows. This is a key risk that will continue to be monitored.</p>	23-Jun-2025	Sonia Virdee	31-Mar-2029
CR33m Secure Third- Party Funding	Secure Third-Party Funding	A project update report is prepared for information to the Finance Committee, Capital Buildings Board and Policy & Resources Committee on a regular basis. This will continue throughout the lifespan of the Major Programmes.	23-Jun-2025	Sonia Virdee; Paul Wilkinson	31-Mar-2029
CR33n Provide regular Member updates	Provide regular Member updates	A project update report is prepared for information to the Projects and Procurement Sub Committee, Finance Committee, Capital Buildings Board and Policy & Resources Committee on a regular basis. This will continue throughout the lifespan of the Major Programmes.	23-Jun-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2029

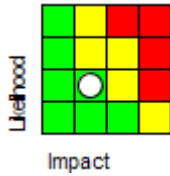


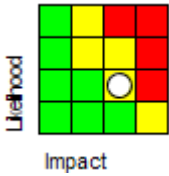
<b>Risk Code</b>	CR02
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<b>Risk Title</b>	<i>City Corporation's role in promoting UK FPS</i>
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<b>Description</b>	<p><b>Cause</b> – A key strategic outcome of the Corporation is to drive economic growth, and champion UK Financial &amp; Professional Services. UK FPS is facing a number of external pressures including extraterritorial regulatory changes, geopolitical instability, and market shifts. There is a risk that the Corporation's approach may be perceived as unambitious strategically or tactically ineffective if it is to address the scale of the challenges faced by FPS.</p> <p><b>Event</b> - The Corporation ceases to be regarded as a champion of UK FPS, diminishing its reputation and perceived relevance among stakeholders in the UK Financial &amp; Professional Services Sector.</p> <p><b>Effect</b> – A key role for the City Corporation is to promote the UK as a leading financial centre. If the Corporation's strategy is viewed as unambitious strategically or tactically ineffective to respond to challenges facing UK FPS, then we could be viewed as inadequate by UK FPS and no longer seen as a partner of choice. This could cause reputational damage to the Corporation, resulting in:-</p> <ul style="list-style-type: none"> <li>• <b>Delivery:</b> the Corporation may struggle to deliver key initiatives such as the Mansion House Accord and Transition Finance Council which rely on strong stakeholder engagement and a stable regulatory environment.</li> <li>• <b>Partnerships:</b> the Corporation may lose its ability to work with key partners. Key industry and government stakeholders may withdraw their collaboration if they do not see the Corporation as an effective or influential partner.</li> <li>• <b>Commercial loss:</b> a decline in the Corporation's reputation could lead to a reduced demand for its commercial offerings such as venue hire.</li> <li>• <b>Talent acquisition:</b> the Corporation may find it harder to attract and retain highly skilled and talented people if it is not viewed as an impactful and relevant organisation.</li> </ul>
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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>6</b>	Possible	Serious
Amber	<b>Trend</b>	Decreasing

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>4</b>	Unlikely	Serious
Green	<b>Target Date</b>	31-Mar-2027

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>8</b>	Unlikely	Major
Amber	<b>Creation Date</b>	17-Feb-2015

<b>Latest Note</b>	Risk has been revised as approved by CORMG 16 October.	<b>17-Oct-2025</b>
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<b>Risk Level</b>	Corporate
<b>Department</b>	Innovation and Growth

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Damian Nussbaum

### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR02j Competitiveness strategy and market prioritisation refresh	The competitiveness strategy is currently under review to ensure the Corporation can stay responsive to evolving market, regulatory and geopolitical conditions, and to enable the Corporation to maintain its competitive edge by adapting to new trends. A market prioritisation review is also underway to ensure our strategy is targeting the most relevant markets.				31-Mar-2026
CR02k Fraser group activity - collaboration	IG chair a cross department working group know as the 'Fraser Group in support of the competitiveness agenda. This group has representatives from IG, Rems, Corporate Affairs, Media, Strategy, OPC, MH and City of London Police and CDIU.				31-Mar-2027
CR02l Awareness of challenges within UK FPS	Teams across IG will monitor extraterritorial regulatory changes, the geopolitical situation and the UK				31-Mar-2027

	governments response to any changes in UK FPS. They will continue to work with stakeholders to understand these changes and help to ensure the Corporation can respond in an agile way to remain competitive and relevant.				
CR02m Engagement with REMS	The REMs team have a Corporate Risk CR10 –adverse political developments. They closely monitor legislation and provide information to CoLC stakeholders. IG will continue to work closely with REMs to monitor such changes.				31-Mar-2027
CR02n Communication strategies	G will work closely with the Corporations Media and Corporate Affairs teams to reinforce the City's reputation as a resilient and adaptable global financial hub. Transparent and timely communications will help mitigate the perceived negative impacts of any regulatory changes.				31-Mar-2027
CR02o Stakeholder engagement	IG will collaborate with FPS stakeholder to maintain awareness of any changes to the UK FPS landscape. IG will take a proactive approach in its engagement strategy to ensure it remains an industry and government partner of choice.				31-Mar-2027

CR02p Engagement with HR	IG will proactively engage with HR to ensure that we have robust recruitment strategies in place to attract talented people into the Corporation.				31-Mar-2027
CR02q Engagement with Office of Policy Chairman	IG will proactively work with the Office of the Policy Chairman to ensure that CPR is actively involved in key IG initiatives which support UK FPS (for example the Vision for Economic Growth)				31-Mar-2027
CR02r Engagement with Mansion House	IG will proactively work with Mansion House to support the Lord Mayor in his promotion of UK FPS (for example the Mansion House Accord). IG will also work closely with the SABBAC to ensure that UK FPS remains a priority for incoming Lord Mayors.				31-Mar-2027