

Appendix 1: Corporate risk register

Date of review September/October '14
Date of next review February - April 2015

Ref	The Risk			Inherent risk assessment			Reducing the risk [planned controls shown in yellow]				Residual risk assessment			
	#	Risk cause and event	Risk consequences	Risk owner	Prob.	Impact	Overall	Control measures (in place and planned)	Date / In place	Prob.	Impact	Overall	DoT	
PROGRAMME AND DELIVERY RISKS														
P1	Air quality Air quality / EU policy such that London is at risk of penalties arising from EU infraction processes.	- legal proceedings; - significant fine and financial loss; and - reputational damage.	Fiona Fletcher-Smith	4	4	16	A) Prioritised within the Environment Unit's work plan B) Frequently raised at Mayor/Minister meetings and through letters; raised by Deputy C) Policy initiatives to improve air quality in those areas of London worst affected including Low Emission Zone; bus retrofit programme; New Bus for London and roll-out of hybrid buses; taxi age limit; building retrofit of more than 400,000 homes, public buildings and schools D) £6m for boroughs over next two years, as part of £20m ten year 'Mayor's Air Quality Fund' to support boroughs to target local pollution hotspots E) Awareness raising programme to help minimise exposure, including supporting airTEXT, promoting air quality within public health system, and launching new "Breathe Better Together" (BBT) campaign F) Ongoing media work in partnership with Government and others to manage potential reputational impact G) Ensuring the GLA fulfils its statutory duties under the GLA Act and Environment Act 1995; including pressing boroughs to fulfil their statutory responsibility to prepare Local Air Quality Management (LAQM) reports H) Additional measures announced in February 2013: i) Ultra Low Emissions Zone, ii) zero emission capable taxi compulsory for new taxis from 2018, iii) enhanced measures at construction sites, iv) further retrofit of 170,000 homes, v) new LAQM structure for London	In place In place In place In place In place In place In place i) 2020 ii) 2018 iii) 2015 iv) 2014-16 v) 2014	3	3	9	→←		
P3	London 2012 Legacy The GLA is exposed to financial risk due to overspends on, or reduced income from, existing London Legacy Development Corporation (LLDC) projects, requirement to underwrite risks and provide cashflow support for the cultural and higher education quarter (Olympicopolis).	- financial consequences affecting the GLA as major funder and funder of last resort; - overspends/financial loss; - pressure on other GLA budgets with a negative impact on services and Mayoral priorities; - GLA unable to meet the Mayor's obligations under the legal agreement with DCMS; and - reputational damage.	Martin Clarke	4	3	12	A) Regular meetings between LLDC Chief Executive and Executive Director of Finance and GLA Finance in preparation for balanced LLDC 2015/16 budget submission B) LLDC budget and ten-year business plan developed in line with Mayoral guidance as part of the GLA's consolidated budget. Informed by on-going discussions to ensure appropriate alignment - and subject to Mayoral decision C) Eight-weekly high-level GLA-LLDC Finance & Policy Liaison meetings to oversee LLDC's ten-year business plan and activities, chaired by the Head of Paid Service. Supported by officer-level GLA-LLDC Governance meetings, with tracking of key LLDC decisions and Mayoral consents D) Major LLDC decisions (including Olympicopolis development agreements) subject to close GLA scrutiny through observer status on the LLDC Board and Committees; and where relevant provisions within the LLDC Governance Direction 2013, with specific reference to land transactions/receipts E) LLDC Sponsorship function to manage governance, communications with the LLDC and risks to the GLA F) LLDC directly owns its programme and project risks and maintains its own risk register, and has processes in place to actively review and reduce risks G) Heads of Terms of Agreements for the tripartite grouping of the Government, the GLA and the LLDC for the cultural and higher-education quarter, underpinned by 'Principles of Agreement' setting out the high level principles that will underpin delivery of the project H) Although a government decision on funding for Olympicopolis is not yet settled, the reliance on GLA funding, including the GLA being exposed to the risks of cost overrun and income shortfall, means that a shared GLA/LLDC approach to the oversight, assurance and risk management of the Olympicopolis project is essential. This is the subject of on-going discussions	In place In place In place In place In place In discussion (December 2014 target) In discussion (December 2014 target)	3	3	9	↑		

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P2	Regeneration Not spending regeneration funds and/or ineffective processes for allocating and assuring the use of regeneration funding (Growing Places Fund (GPF), Outer London Fund (OLF), Mayor's Regeneration Fund(MRF)), and a lack of partner buy-in, means the impact of the funding is not maximised.	<ul style="list-style-type: none"> - delayed decision making and activity, and in turn, underspends; - the benefits sought are not realised; - overspends and/or over-runs; - conditions are not met on the Government element of funding; and - reputational damage. 	Fiona Fletcher-Smith	3	4	12	A) Strong GLA representation on the London Enterprise Panel (LEP) and GLA retains ultimately accountability for GPF funding - with investments subject to GLA governance and project gateway processes as well as LEP input	In place	2	3	6	↔		
							B) Rigorous approval processes in place for MRF and OLF schemes/projects, and ultimately subject to IPB and GLA decision making processes. Substantial audit assurance rating secured	In place						
							C) Assessment process to select/prioritise GPF infrastructure spending, involving the LEP	In place						
							D) Dedicated staff resource and programme management processes at unit level, supported by high-level reporting and accountability to the Investment and Performance Board	In place						
							E) Boroughs in receipt of funding required to provide a minimum of 30 per cent of total project cost. OLF Round 2 partners required to provide 30 per cent match funding	In place						
							F) All MRF and OLF overspends met by boroughs. Systems have been set as such that expenditure over and above the approved budget for financial year will automatically be rejected	In place						
							H) In-house programme management expertise to provide advice to project managers and external delivery partners and ensure risk management and issue escalation procedures are rigorous	In place						
							I) Process to ensure rigorous governance and decision making arrangements where funding decisions are coordinated with TfL	In place						
J) Single Regeneration Unit ensuring appropriate focus, joined-up processes and single strategic overview of all regeneration funding	In place													
P4	Affordable homes Not spending affordable housing funds and/or delivery partners underperform and therefore do not achieve the volume of completions required to take up full allocations.	<ul style="list-style-type: none"> - an underspend against budgets; - shortfall against the Mayor's target to deliver 100k affordable homes; and - reputational damage. 	David Lunts	3	3	9	A) In addition to bid rounds launched to support the Mayor's Housing Covenant programmes, the directorate also operates continuous bidding for existing providers to offer additional completions within existing programmes	In place	2	3	6	↔		
							B) Strong programme management arrangements to monitor progress and issues at scheme, partner, sub-region and directorate level. This enables mitigating actions to be agreed and implemented swiftly to maintain programme delivery	In place						
							C) Comprehensive quarterly review meetings with each investment partner to track programme delivery and agree action plans to remediate any issues	In place						
							D) Re-allocations of funds linked to schemes that are at risk of non delivery to ensure that overall number of homes delivered is in line with the Mayor's target	In place						
							The Mayor will shortly launch continuous bidding for the 2015-18 programme to further maximise the pipeline of completions	November 2014						
P5	Land assets The GLA fails to exploit its significant land assets by: a) not bringing surplus land to the market in a timely manner, or in ways which maximise the contribution to delivery of Mayoral jobs, homes and economic regeneration ambitions; and b) not managing its assets effectively.	<ul style="list-style-type: none"> - unexpected liabilities and/or higher than necessary costs; - loss of revenue; - an inability to maximise housing, regeneration and other outcomes; and - increase in statutory and reputational damage. 	David Lunts	3	3	9	A) Analysis of potential costs, risks, mitigations and future options for each of the major strategic sites plus any other high cost sites not covered	In place	2	3	6	↔		
							B) Use of the LDP to speed up the disposal process and reduce risks associated with contracting with private sector contractors	In place						
							C) Retaining and enhancing the existing estate and facility management arrangements for the portfolio pending reprourement of new supplier from 1/4/15	In place						
							D) Regular, high level land strategy meetings	In place						
							E) Close working with Finance on maintaining financial control, assisting in maintaining the asset register and delivering annual revaluation programme	In place						
							F) Capacity to undertake core activities in-house (supplemented by TfL and framework suppliers) in the unlikely event of the failure of a service provider	In place						
							G) Maintaining close contact with the market to minimise the risk of targets being missed due to a downturn in the property market	In place						
							H) An asset strategy setting out the principles underpinning the development and management of the land and property portfolio, including an action plan for bringing land forward for development	In place						

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P7	Housing financial transactions As a result of poor programme management and/or financial controls, and/or by taking on excessive counterparty risk and/or unexpected changes in the housing market, the GLA receives insufficient income to meet in full the repayment responsibilities to DCLG relating to the £400m of Financial Transactions of Housing Zones and the London Housing Bank.	- financial, in that if there is a shortfall in funding recovered by the GLA compared to that due to DCLG the difference will need to be found; and - reputational as poor quality programme management could reduce GLA influence on future housing programmes.	David Lunts /Martin Clarke	4	2	8	A) Related funding only advanced to credit-worthy organisations who are financially strong enough to repay the GLA	December 2014	2	2	4	↑		
							B) Charge interest on funding. This will provide a buffer to the repayment obligations as DCLG will not be entitled to any interest.	April 2015						
							C) The GLA will take appropriate security (including step-in rights) to ensure that if problems occur with a provider/project then it is able to recover the funds due.	April 2015						
							D) The GLA will agree an appropriate level of repayment to DCLG based on the inherent risks of recovery. For the London Housing Bank (straightforward projects to financially stronger organisations) this has been agreed at 100%. It is likely to be a lower level for Housing Zones.	December 2014						
							E) In the event of a shortfall in the funding recovered by GLA and the repayment obligations to DCLG then Housing and Land budgets will be used in the first instance to insulate the rest of the GLA from any risk.	2020 onwards						
							F) The end of year flexibility the GLA has with budgets will allow repayment obligations to managed flexibly within budgets.	2021 onwards						
							G) The other cash-flow flexibility the GLA has will provide additional protection from repayment obligations.	2022 onwards						
P6	Prioritisation and delivery of Mayoral / business plan priorities Business planning processes fail to incorporate adequately Mayoral priorities into GLA strategies and plans and to translate them into programmes that deliver Mayoral and Business Plan objectives and targets.	- delays in launching/meeting Mayoral commitments; - failure to achieve Mayoral and business plan targets; - ineffective use of resources; and - reputational damage.	Jeff Jacobs / CMT	2	3	6	A) Annual project prioritisation process, informed by Mayoral priorities and commitments and corporate resources	In place	1	2	2	↔		
							B) Project gateway process ensures all major projects are reviewed by IPB and assessed for alignment with Mayoral priorities	In place						
							C) London Dashboard to track progress against priorities, bring focus and allow the public to hold the Mayor and GLA to account	In place						
							D) Medium-term vision (Vision 2020) document identifying drivers, articulating Mayoral vision and setting out policy priorities, with process to track delivery	In place						
							E) GLA business plan in place, helping to translate Mayoral priorities into operational plans. CMT tracking progress against milestones	In place						
							F) GLA suite of KPIs to monitor delivery against Mayoral priorities, with associated reporting process	In place						
							G) Monthly updates to IPB on project delivery and quarterly finance and performance reports	In place						

CROSS-CUTTING PROCESS AND GOVERNANCE RISKS

C1	Health & Safety - City Hall and Squares Breach in processes/ procedures (or procedures not rigorous enough) leading to a health and safety or security incident (including an act of terrorism).	- potential or actual injury or loss of life; - financial loss / impact on value of asset; - break down in public order; and - reputational damage.	Martin Clarke	3	4	12	A) Health and safety procedures which are updated on a regular basis, and health and safety checks	In place	3	3	9	↑
							B) Health and safety training for all new starters	In place				
							C) Health and safety assessments conducted quarterly within City Hall	In place				
							D) Health and safety plan, and advice, for each directorate	In place				
							E) Event specific Risk Assessment and Method Statements in place for all major events and implemented in collaboration with other agencies. Safety plans and protection measures; including appropriate stewarding/staffing plans, food risk assessment and monitoring of alcohol consumption	In place				
							F) Appropriate levels of insurance, including public liability insurance for all events	In place				
							G) Scalable security measures and building access policy in place at City Hall. Security Officers trained in conflict management and physical intervention. GLA is a member of the Southwark Community Security Zone. First Aid arrangements in place	In place				
							H) Heritage Wardens - trained in conflict management, physical intervention and first aid - deployed on the Squares 24/7. Wardens and GLA Officers appointed and trained as Authorised Enforcement Officers to uphold legislation specific to the Squares, backed up by the police. Close liaison with the police	In place				
							I) Heritage Wardens patrol the Squares 24/7; trained in conflict management, first aid and liaise closely with the police	In place				
							J) Staff communications plans regarding City Hall security arrangements	2014				

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C7	Running the GLA elections - The GLA does not prepare properly for or effectively manage the 2016 elections and therefore fails to meet legislative requirements, stakeholder expectations and internal standards. - Circumstances (as per GLA Act) trigger a by-election for which proper planning has not been undertaken, undermining the GLA's ability to respond accordingly.	- legal challenge - and associated penalties; - financial from cost over-runs; and - reputational damage with politicians, and government, partners and regulators;	Jeff Jacobs / Mark Roberts	3	4	12	A) Elections Working Group established to coordinate preparations for GLA elections, led by GLRO (Head of Paid Service) and including key representatives	In place	1	4	4	↔		
							B) Leads identified and workstreams formed to take forward each of key themes: rules and legislation; venues; e-counting; communications; marketing and web; training and HR; and finance	In place						
							C) Programme management approach adopted with central resource to provide coordination and oversight. Project plans and risk registers at programme and workstream levels	In place						
							D) Workstream leads required to build adequate staffing resource into their planning	In place						
							E) Pool of nine elections advisors available to provide expertise as/when required	In place						
							F) E-counting contract let and built in user-acceptance and independent testing. Builds on 2012 contract so tried and tested approach	In place						
							G) Close working relationship established with boroughs through the Association of Electoral Administrators and by having borough representatives on the ecounting management board	In place						
							H) By election preparations being given high priority	In place						
							I) Plans for all workstreams setting out course of action in the event of a by-election being called agreed	November 2014						
							J) Elections Board comprising key GLA, borough, government and Electoral Commission representatives	November 2014						
C2	Business continuity Inadequate business continuity plans / preventative arrangements contributing to a failure of or damage to physical infrastructure and potentially also core systems (including finance systems).	- denial of access to City Hall (for example, as a result of fire, flood, malicious incident; or of failure of control systems, services or infrastructure); - failure of equipment or services at Trafalgar Square or Parliament Square Garden; - service/project delivery delayed or impeded; - loss or unauthorised access to data; - inability to account for use of resources - financial loss and legal challenge; and - reputational damage.	Martin Clarke	2	4	8	A) Quarterly GLA resilience meetings chaired by the Executive Director of Resources	In place	1	3	3	↔		
							B) Business continuity arrangements for all teams. Arrangements to provide back-up recovery site and remote working capacity enhanced	In place						
							C) Planned preventative maintenance of infrastructure; response procedures in place to deal with emergency incidents such as fire and bomb threats	In place						
							D) Fire and emergency precautions: fire detection/suppression throughout City Hall; fire wardens trained and appointed; evacuation plans; regular fire evacuation drills	In place						
							E) IT Disaster Recovery arrangements strengthened with regular back-up to TfL data centre and regular testing programme. Remote access capacity enhanced	In place						
							F) Service Level Agreement with Transport for London's Financial Services Centre, monitoring of KPIs under the procurement shared service arrangement, and formal shared services arrangements with LFEPA for payroll	In place						
							G) Internal Audit focus on core financial systems in Annual Audit Plan (and shared service arrangement with MOPAC to provide robust Internal Audit Function)	In place						
C3	Health & Safety - Land & Property Procedures/processes are not sufficiently rigorous causing a Health, Safety and Environmental (HS&E) incident on the GLA's Land & Property Portfolio (excluding City Hall and Trafalgar /Parliament Squares).	- environmental degradation; - actual or potential injury or loss of life; - financial loss / impact on value of assets; and - reputational damage.	David Lunts	3	3	9	A) In-house expertise to provide advice to Managers and GLA staff and ensure Health and Safety procedures are rigorous	In place	2	2	4	↔		
							B) Health and safety due diligence assessment on developers and contractors	In place						
							C) Public liability and property insurance	In place						
							D) Risk management system in place to manage construction and design, property and equipment, environmental and health and safety risks	In place						
							E) Health and safety performance monitoring of Managing Agents and Delivery Partners to ensure HS&E compliance	In place						
							F) Risk assessing, and then managing accordingly, every property and asset	In place						
							G) Statutory checks to ensure regulatory HS&E Compliance	In place						
							H) Event Safety Plan for all events	In place						

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C4	Governance Processes and procedures are insufficiently developed to ensure compliance with legal and regulatory requirements, prevent fraudulent use of GLA resources and maximise effective use of funds.	- legal challenge; - inefficient use of officer time; - financial loss; and - reputational damage	Jeff Jacobs / Martin Clarke (officers); Ed Williams (Members)	3	4	12	A) Officer-level Governance Steering Group to oversee approach to corporate and information governance and ensure procedures are robust	In place	2	2	4	↔		
							B) Policies and procedures in place to maintain high standards of behaviour and integrity, including: Members' Code of Conduct, Code of Ethics and Conduct for Staff; Use of Resources Policy and Gifts & Hospitality Policy	In place						
							C) Policies and procedures to promote sound use of financial resources, including: Financial Regulations (and robust approvals, systems and monitoring processes), Expenses and Benefits Framework, Procurement Guidelines and Funding Agreement Toolkit	In place						
							D) Anti-Fraud Policy, Strategy and Response Plan, Whistleblowing Policy and Confidential Reporting Line	In place						
							E) High profile commitment to transparency and regular reporting of payments over £250, expenses, gifts & hospitality and maintenance of a register of interests for the Mayor, Mayoral Team, Assembly Members and Senior Staff	In place						
							F) Risk Management Framework and six-monthly reporting to Audit Panel and the Investment and Performance Board	In place						
							G) Strong Governance focus in induction arrangements, including a compulsory e-learning module	In place						
							H) Specialist Teams provide guidance on specific requirements such as contracts, procurement (via Transport for London) and the Freedom of Information Act	In place						
							I) Annual internal and external audits	In place						
							J) Insurance procured, with an annual review of insurance cover with broker	In place						
							K) Fidelity guarantee Treasury Management Strategy	In place						
C5	Staffing capacity Lack of staff numbers and skills and/or a deterioration in employee relations - constraining capacity.	- Mayoral and Assembly priorities and statutory duties not delivered on time or to quality standards; and - legal challenges arising from employee relations issues.	Jeff Jacobs / CMT	2	3	6	A) Timely recruitment to fill vacancies	In place	1	2	2	↔		
							B) Sickness and absence monitoring at team and corporate level	In place						
							C) Establishment kept under review, particularly during organisational change	In place						
							D) Use of secondments, apprentices and temps if necessary (subject to formal approval)	In place						
							E) Formal change management policies and procedures	In place						
							F) People Performance Management Framework and requirement to carry out performance reviews	In place						
							G) Induction programme for new members of staff	In place						
							H) Retention plans, including career development and unit development plans	In place						
							I) Organisational structure reflects remit and responsibilities of GLA and Mayoral priorities	In place						
							J) People processes/procedures - including Capability Procedure, Disciplinary and Grievance Policy and Managing Change Policy - in place and regularly reviewed. Also training for managers and support from HR&OD	In place						
							K) Assessment of training needs and training delivery on an ongoing basis	In place						
L) Periodic staff surveys with structured approach to taking action as a result of findings	In place													
M) Regular consultative committee to ensure effective relationship with unions	In place													
C6	ERDF and ESF oversight Inadequate oversight of projects in GLA's regional management role for London 2007-13 and 2014-20 European Regional Development Fund (ERDF) and European Social Fund (ESF) programmes, leading to misuse of funding.	- legal challenge; - financial loss; and - reputational damage.	Martin Clarke	2	2	4	A) Processes for appraising and monitoring co-financing organisations and projects, and making payments, in accordance with national and European Commission rules	In place	1	2	2	↔		
							B) Issues arising from any systems audits by Government and European Commission auditors addressed via action plans	In place						

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EXTERNALLY ARISING THREATS & OPPORTUNITIES													
E1	Funding constraints Government grant and other external funding - including the New Homes Bonus topslice allocated to the London Enterprise Panel - falls, placing significant constraints on the GLA's budget that cannot be managed without impacting on services and Mayoral priorities.	- financial commitments cannot be met; - existing plans and programmes cannot be delivered in full; - Mayoral priorities cannot be pursued; and - business as usual suffers.	Jeff Jacobs & Martin Clarke	4	4	16	A) Funding settlement with DCLG, providing certainty over the Spending Review period and setting out a debt repayment schedule B) Savings targets set as part of a well-established budget setting process, including from shared services C) Adequate reserves and a contingency fund D) Treasury Management Strategy, complemented by twice yearly reporting E) Obtaining a biannual credit rating to promote and underline the GLA's commitment to sound fiscal management F) Budget and project spend monitoring, complemented by financial modelling, with regular reporting to the Investment and Performance Board G) Formal decision making process and financial regulations providing a control over spending H) Centralised programme budget with approval process I) Letter being prepared to make London's case for funding ahead of Autumn Statement J) Growth Deal, setting out proposals for spending New Homes Bonus topslice, based on consultation with government and agreed with key stakeholder, London Council's, beforehand.	In place In place In place In place In place In place In place In place	3	3	9	↔	
E2a	GLA budget setting The unique process for setting the GLA Group /GLA budgets - involving the Mayor, Assembly and functional bodies - creates complexity that means statutory requirements are not fulfilled, scrutiny is inadequate and budgetary priorities are not adequately reflected.	- legal challenge; - inability to deliver savings and prioritise resources; - delay to schemes or projects; - services negatively impacted; and - reputational damage.	Martin Clarke / Mark Roberts	3	4	12	A) Clear deadlines and well-established processes with FBs, which align to their internal approval processes and the Assembly scrutiny process B) Effective working relationships with third parties to obtain a better understanding of likely impacts of funding settlements C) Monitoring of the exercising of the Mayor's statutory functions and use of Assembly's powers under the GLA Act D) Well-established process for Assembly questioning, investigation and scrutiny, including Mayor's Question Time, plenary meetings, Budget and Performance Committee, Audit Panel and agreed scrutiny work programme E) Clear rationale set out for proposals arising from need for savings F) Budget training provided to key staff to ensure fully conversant with legislative changes arising from 2011 Localism act and Local Government Finance Act 2012, which affect Mayor's budget process and statutory calculations	In place In place In place In place In place	2	4	8	↔	
E2b	Funding regime The changes to the local government finance regime from April 2013 (Council Tax benefits localisation; Business Rates Retention) have an adverse impact on the GLA's financial standing and flexibility.	- reduced funding and/or reduced funding stability impairing forward planning.	Martin Clarke	3	4	12	A) Dedicated workstream on the new financial regime as part of the preparation of the GLA's 2015/16 budget B) Increased the Mayor's Resilience Reserve to cover potential shortfall in business rates C) Ongoing Informal and formal representations, including at a high-level, to Government in order to influence the form of the regimes D) Progressing recommendations from the Mayor's Finance Commission which reported in May 2013. Ongoing influencing taking place with key stakeholders. Draft Infrastructure Plan published July 2014.	In place In place In place In place	2	3	6	↔	