

Appendix 1: Corporate risk register

Date of review
Date of next review

February/March 2013
September 2013

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 EU infraction processes	- legal proceedings; - significant fine and financial loss; and - reputational damage.	Fiona Fletcher-Smith	3	4	12	A) Prioritised within the Environment Unit's work plan	In place	2	4	8	→←
							B) Frequently raised at Mayor - Minister meetings	In place				
							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 84,000 homes, public buildings and schools	In place				
							D) £2m for boroughs this year, as part of £20m ten year 'Mayor's Air Quality Fund' to support boroughs to target local pollution hotspots	In place				
							E) Awareness raising programme, including supporting airTEXT, promoting air quality within public health system, and launching new "Breathe Better Together" (BBT) campaign	In place BBT March '13				
							Additional measures announced in February 2013: i) Ultra Low Emissions Zone and ii) enhanced measures at construction sites	i) 2020 ii) 2015				
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.	- 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	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				
							Single Regeneration Unit ensuring appropriate focus, joined-up processes and single strategic overview of all regeneration funding	April 2013				
P3	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.	- an underspend against budgets; - shortfall against the Mayor's target to deliver 55k affordable homes; and - reputational damage.	David Lunts	3	3	9	A) Invited existing investment partners to submit bids via continuous market engagement with the aim of delivering additional completions before March 2015	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) Home ownership 'boost bids' round inviting bids from across the sector for schemes offering affordable homes across London	In place				

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P4	Land assets The GLA fails to exploit its significant land assets by 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.	- unexpected liabilities and/or higher than necessary costs; - loss of revenue; and - an inability to maximise housing, regeneration and other outcomes.	David Lunts	3	3	9	A) Analysis of potential costs, risks, mitigations and future options for each of the 11 high impact sites	In place	2	3	6	→←
							B) Use of the HCA's Developer Panel to speed up the disposal process and reduce risks associated with contracting with private sector contractors	In place				
							C) Retaining the existing estate and facility management arrangements for the portfolio, for the initial period	In place				
							D) Regular, high level land strategy meetings	In place				
							E) 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	April 2013				
							F) A GLA Developers panel tailored to the GLA's specific requirements and further reducing risk and facilitating the disposal process	April 2013				
P5	London 2012 Legacy The GLA does not have robust mechanisms to exert influence on and support the London Legacy Development Corporation (LLDC), impeding delivery of Mayoral priorities. And more specifically in respect of the Olympic Stadium: The LLDC fails to secure a viable stadium concessions deal that allows it to re-open within a reasonable timeframe and provides value for money for the taxpayer.	- LLDC is not sufficiently focussed on Mayoral London 2012 legacy priorities; - the Mayor not seen to deliver an Olympic and Paralympic legacy, including 'convergence', economic and community ambitions; - GLA unable to influence approach to realising receipts from Olympic Park land required to service GLA debt, hold down call on GLA Group resources and meet Mayor's obligations under the London Settlement and legal agreement with DCMS; - financial consequences affecting the GLA as major funder and funder of last resort; - GLA unable to deliver legal commitments under the Event Organisation Agreement for the 2017 IAAF World Athletics Championships and the 2017 IPC Athletics World Championships (to be held in the Stadium); and - reputational damage.	Neale Coleman / David Lunts	3	4	12	A) Mayor chair of LLDC	In place	2	3	6	→←
							B) Major LLDC decisions (including Stadium concession(s) and development agreements) subject to close GLA scrutiny through observer status on the LLDC Board and Committees, and regular informal briefings at officer level	In place				
							C) New legacy governance structure to manage delivery of the joint Government / GLA Olympic & Paralympic Games legacy programme, including a Legacy Cabinet Committee chaired by the Prime Minister and involving the Mayor as a key member, a joint Legacy Unit in the Cabinet Office staffed by Gov and GLA officers, and a Mayor's Legacy Advisory Group and GLA Legacy Coordination Group	In place				
							D) Mayor's Olympic & Paralympic Legacy Adviser appointed to oversee and coordinate the legacy programme of work across the GLA Group and London and Partners, and is directly involved in strategic and operational decision making. Mayor's Chief of Staff appointed Observer on LLDC Board	In place				
							E) LLDC budget and business plans have to be developed in line with Mayoral guidance as part of the GLA's consolidated budget	In place				
							F) LLDC directly owns the risk relating to the Stadium, and other legacy risks, and maintains its own risk register and has processes in place to actively review and reduce risks'					
P6	Mayoral prioritisation Planning processes fail to incorporate adequately Mayoral priorities into GLA strategies and plans and to translate them into programmes.	- delays in launching/meeting Mayoral commitments; - ineffective use of resources; and - reputational damage.	Jeff Jacobs / CMT	2	3	6	A) Annual project prioritisation process, informed by Mayoral priorities and commitments	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	April 2013				
							E) GLA business plan, meeting DCLG expectations and helping to translate Mayoral priorities into operational plans	April 2013				
							F) GLA suite of KPIs to track progress against Mayoral priorities	April 2013				

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CROSS-CUTTING PROCESS AND GOVERNANCE RISKS												
C1	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).	<ul style="list-style-type: none"> - 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	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 and regular testing programme	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				
C2	Health & Safety - City Hall and Squares Breach in processes/procedures leading to a health and safety or security incident (including an act of terrorism).	<ul style="list-style-type: none"> - actual or potential injury or loss of life; - break down in public order - financial loss / impact on value of assets; and - reputational damage. 	Martin Clarke	2	4	8	A) Health and safety procedures which are updated on a regular basis	In place	1	3	3	↔
							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) Full risk assessment undertaken for each event and implemented in collaboration with emergency services and others. Safety plans and protection measures	In place				
							F) Appropriate levels of insurance	In place				
							G) GLA Member of Southwark Community Security Zone; scalable security measures in place	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).	<ul style="list-style-type: none"> - 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.	<ul style="list-style-type: none"> - 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				
							Grant funding awareness and training sessions for all key staff	March 2014				
							Internal Audit fraud testing work, focussed on relatively high-risk areas	December '13				
C5	Staffing capacity Lack of staff numbers and skills, constraining capacity.	<ul style="list-style-type: none"> - Mayoral and Assembly priorities and statutory duties not delivered on time or to quality standards; and - increased probability of legal challenge and financial loss. 	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) Changes to the organisational structure following devolution and to reflect priorities	Complete by May 2013				
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.	<ul style="list-style-type: none"> - 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				
							Design any new 2014-20 programme so as to maximise efficiency and minimise risks of financial loss.	By next review				

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EXTERNALLY ARISING THREATS & OPPORTUNITIES												
E1	Funding constraints Government grant and other external funding 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	In place	3	3	9	↑
							B) Savings targets set as part of a well-established budget setting process, including from shared services	In place				
							C) Adequate reserves and a contingency fund	In place				
							D) Treasury Management Strategy, complemented by twice yearly reporting	In place				
							E) Seeking an annual credit rating to promote and underline the GLA's commitment to sound fiscal management	In place				
							F) Budget and project spend monitoring, complemented by financial modelling, with regular reporting to the Investment and Performance Board	In place				
							G) Formal decision making process and financial regulations providing a control over spending	In place				
							H) Centralised programme budget with approval process	In place				
E2a	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	Spending Review 2015/16 submission, together with lobbying via various channels, to press the GLA's case and influence Government funding decisions	May 2013	2	3	6	↔
							A) Dedicated workstream on the new financial regime as part of the preparation of the GLA's 2013/14 budget	In place				
							B) Increased Precept Resilience Reserve to cover potential shortfall in business rates	In place				
							C) Informal and formal representations, including at a high-level, to Government in order to influence the form of the regimes	In place				
E2b	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	3	9	D) Established the Mayor's Finance Commission, with the aim of favourably influencing funding and financing mechanisms over the medium to long-term	In place	2	3	6	↔
							A) Clear deadlines and well-established processes with FBs, which align to their internal approval processes and the Assembly scrutiny process	In place				
							B) Effective working relationships with third parties to obtain a better understanding of likely impacts of funding settlements	In place				
							C) Monitoring of the exercising of the Mayor's statutory functions and use of Assembly's powers under the GLA Act	In place				
							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	In place				
							E) Clear rationale set out for proposals arising from need for savings	In place				