

2023 – 2026 Service Plans and Budgets

Strategic Risk Analysis to Inform the 2023-2026 Service
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This attachment sets out the key risks to Calgary and to The City that were identified as an input to the planning process and highlights some key residual risk areas to service delivery throughout 2023-2026 that will receive ongoing attention. The service plans and budgets incorporate our strategic responses to these risks.

The risks to Calgary and to The City are influenced by global challenges which can have local impacts. The potential impacts of risks on service delivery have been broken down into short (within the next one to two years) and medium to longer terms (within two to four years and beyond) to better understand the impacts.

The City of Calgary will continue proactively managing residual risks with our enterprise risk management approach, which includes regular monitoring and managing of the risks to the organization. The City will be nimble and responsive as needed. In addition, The City will prioritize efforts to best position itself to avoid undesirable impacts and be ready to embrace opportunities as they arise.

Risks to Calgary and The City: 2023-2026

<i>Risks</i>	Potential short-term impacts	Potential medium to longer term impacts
<p><i>Financial sustainability risk</i> <i>The City's ability to maintain financial sustainability and concerns over volatility related to funding from other orders of government</i></p>	<ul style="list-style-type: none"> • Funding may not be adequate to meet the expectations of all interested groups and people • The City may be less able to support economic growth in Calgary • Barriers to business success may be created or not improved 	<ul style="list-style-type: none"> • Businesses in Calgary and the region may not be started, or experience growth • Individuals and families may not be attracted to Calgary and the region. • Individuals and families may leave Calgary and the region • Investments would not be made in Calgary and the region



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<p><i>Inflation and supply chain risk</i> <i>The City and Calgarians may continue to experience unexpected costs, or higher than anticipated costs, related to pressure from supply chain challenges and inflation</i></p>	<ul style="list-style-type: none"> • Service reliability if parts and equipment are delayed • Volatility creates challenges in planning and using our warehousing to stock required materials • Inability to procure materials or contracts needed in a timely fashion • Market risk of higher-than-expected costs 	<ul style="list-style-type: none"> • If impacts continue, they could be compounded over time • The City may become unaffordable for people and businesses • The City may have to reduce services or investments over time
<p><i>Capital infrastructure risk</i> <i>A funding gap related to new infrastructure to address growth as well as aging infrastructure and the costs associated with aligning assets to service needs</i></p>	<ul style="list-style-type: none"> • Limited funds for new infrastructure including funds from other orders of government • Higher operating cost to deal with failure of in-service assets and inconvenience to the public 	<ul style="list-style-type: none"> • Certain initiatives to align City assets to meet the needs of Calgarians that face additional challenges
<p><i>Social disruption risk</i> <i>Calgary may experience social disturbances. These could be the result of pressures from the increased cost of living, challenges of the pandemic, the opioid crisis, or division amongst people</i></p>	<ul style="list-style-type: none"> • Potential for increase in vandalism and crimes against people • Calgarians may feel unsafe or not secure when accessing services 	<ul style="list-style-type: none"> • Social and economic hardships facing under-represented and marginalized groups may be exacerbated • Increased cost for community-based approaches to crime prevention • Calgary may become a place where people feel they do not belong
<p><i>Community and partner relations risk</i> <i>City services may experience pressures due to changes in service level expectations. This may be connected to changes in the demographics of people who receive our services</i></p>	<ul style="list-style-type: none"> • Inability to meet customer expectations related to service delivery • The City may not be able to provide adequate communication to the people of Calgary related to changes in service delivery 	<ul style="list-style-type: none"> • Changing demographics and population growth can put pressure on The City to meet the service need • Challenges to provide services to Calgarians in need on an equitable basis



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<p>Sustainable workforce risk <i>There will continue to be pressure to retain and acquire talent in the organization, or contracted positions, necessary to deliver services. The workforce may be impacted by long COVID, or new and emerging strains of COVID-19</i></p>	<ul style="list-style-type: none"> • Inability to hire and retain skilled personnel for necessary positions by The City, consultants, contractors, and Civic Partners • Capacity to deliver services could be affected 	<ul style="list-style-type: none"> • Changing expectations of City employees could impact workforce motivation, engagement, and retention • The City may not have access to a contracted local skilled trade talent pool
<p>Information risk <i>Information security, privacy, and accessibility, with an increase in cyber-security threats globally</i></p>	<ul style="list-style-type: none"> • Inaccessibility of information for Calgarians • Maintaining the privacy of information of people when they access the services. • Potential for legal, financial, and reputational impacts 	<ul style="list-style-type: none"> • Calgarians may lose trust in the ability of The City to provide a safe and secure delivery of online services or retention of private information • Interruptions to service delivery



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<p><i>Climate change risk</i> <i>Climate change will continue to affect the organization and community through the need to adapt and respond to more frequent and severe weather events</i></p>	<ul style="list-style-type: none"> • Inability of the city to adapt and support Calgarians when experiencing severe weather events, and other climate related stressors • Sufficient resourcing and funding may not be available for both mitigation and adaptation 	<ul style="list-style-type: none"> • If impacts continue, they could be compounded over time • Sufficient resourcing and funding may not be available for both mitigation and adaptation • In the long term, costs may increase for services that respond to severe weather events (e.g., more snowplows for severe winter weather, more flood protection as rain intensifies, different building standards for wind and hail) • The City's insurable risk profile is increasing due to severe weather events, which may lead to short- and long-term increases in insurance costs and possible limited or unavailable insurance market to cover assets. This puts The City at risk of needing to self-insure