

Committee(s)	Dated:
Finance Committee – For Information	11/12/2018
Subject: Chamberlain's Department Risk Management – Monthly Report	Public
Report of: Chamberlain	For Information
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Summary

This report has been produced to provide Finance Committee with an update on the most significant risks faced by the Chamberlain's department.

There are currently two RED risks on the Corporate Risk Register within the responsibility of Chamberlain's Department and one RED risk on the departmental risk register:

- **CR16 – Information Security**
- **CR23 – Police Funding**
- **CHB CP001 – Brexit risk to City Corporation procurement and supply chains**

The Senior Leadership Team continues to monitor closely the progress being made to mitigate these risks and other possible Brexit related risks, including income streams.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department. Finance Committee has determined that it will receive the Chamberlain's risk register on a quarterly basis with update reports on RED rated risks at the intervening Committee meetings.

Current Position

2. This report provides an update on the current RED risks that exist in relation to the operations of the Chamberlain's department and, therefore, Finance Committee.
3. There are currently two RED risks on the Corporate Risk Register for which the Chamberlain's Department is responsible and one RED risk on the departmental Risk Register:

CR16 – Information Security (Current Risk: Red – no change)

4. A number of key security projects continue to progress and will be finalised in January when the risk score will be reassessed, with an expectation that it will move to an amber rating.

CR23 – Police Funding (Current Risk: Red – no change)

5. The police Medium Term Financial Plan has recently been updated and this work has revealed a significant increase in financial deficits, both in-year and across the medium term. City of London Police has embarked on developing mitigation strategies, including current year tactical savings plans along with the indicative assessment of medium-term efficiency savings arising from the Transform programme, although these are likely to only partially bridge the gap. This matter will be considered by the Police Committee on 5 December and then the informal RASC meeting with Service Cttee Chairmen as part of budget setting and agreeing the medium-term financial plan.

CHB CP001 – Brexit risk to City Corporation procurement and supply chains (Current Risk: Red)

6. This is a new risk emerging from the current Brexit negotiations which could have a negative impact on the Corporation's supply chain both with direct suppliers and sub-contractor network. City Procurement are liaising with key partners across the London Procurement Network and Home Office to create a consistent approach to assessing risk of key service categories, as well as key suppliers. They have also had market engagement with a consultancy organisation which will undertake a deep dive assessment of our key suppliers.

CHB FS005 – Brexit impact on City Corporation income streams (Current Risk: Amber)

7. A new risk has been introduced that the outcome of the Brexit negotiations disrupts the Corporation's funding streams in terms of:
 - access to EU funding for UK-based organisations;
 - a potential downturn in investment returns from property and non-property portfolio; and
 - fall in office space occupation and consequent reduction in trained business rates
8. An exercise is currently being carried out to identify the EU grant funding in the organisation, to assess where these are at risk of ceasing and the consequential impact on services. For the impact on investment returns and retained business rates income, the overall risk is assessed to be amber rated, but will be closely monitored in light of market conditions.

Conclusion

9. Members are asked to note the actions taken by Chamberlain's Department to manage the Information Security, Police Funding and Brexit risks.

Appendices

- None

Background Papers

Monthly Reports to Finance Committee: Finance Committee Risk
Report to Finance Committee 13 November 2018: Finance Committee Risk –
Quarterly Report.

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