

<b>Committee(s)</b>	<b>Dated:</b>
Finance Committee – For Information	21/05/2019
<b>Subject:</b> Chamberlain’s Department Risk Management – Monthly Report	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>
<b>Report author:</b> Matt Lock, Chamberlain’s Department	

### 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 is currently one RED risk on the Corporate Risk Register within the responsibility of Chamberlain’s Department and none on the departmental risk register:

- **CR23 – Police Funding**

The Chamberlain’s Senior Leadership Team continues to monitor closely the progress being made to mitigate this risk, working closely with the Town Clerk and City of London Police colleagues.

### 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 and any other Brexit 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 is currently one RED risk on the Corporate Risk Register for which the Chamberlain’s Department is responsible and none on the departmental Risk Register. There are two Amber rated Brexit Risks:

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

4. The 2018/19 outturn position is now confirmed as a £2.3m overspend after in-year mitigations, funded by application of £1.9m additional Business Rates Premium proceeds plus drawdown from the residual police general reserve and the Proceeds of Crime Act reserve.
5. The Force's 2019/20 growth bid against £4.2m Security PIP will be considered by RASC on 2 May. Looking to 2020/21 and beyond, proposals for a sustainable medium-term financial settlement will be brought forward to the Autumn Committee cycle, following scrutiny by the Police Authority and informed by the RASC informal away day in July.

### **CHB CP001 – Brexit risk to City Corporation procurement and supply chains (Current Risk: Amber – no change)**

6. With the extension of Article 50, regulations will stay as current until details of a revised transition period are announced. An approach to key suppliers to request their mitigation plans in relation to Brexit will be conducted at the appropriate time and as further information regarding exit arrangements becomes available.

### **CHB FS005 – Brexit impact on City Corporation income streams (Current Risk: Amber – no change)**

7. The primary element of this risk is a potential drop in investment property income, however, there is no current indication of a fall in occupation levels or demand for City office and retail space. A landmark ruling has been made in a case where a European business, citing Brexit, sought to terminate its lease contract early via the doctrine of frustration. Lawyers believe that this could stave off similar attempts from other tenants.

### **Conclusion**

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

### **Appendices**

- None

### **Background Papers**

Monthly Reports to Finance Committee: Finance Committee Risk  
Report to Finance Committee 10 April 2019: Finance Committee Risk – Quarterly Report

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