

Committee(s)	Dated:
Finance Committee	10 th November 2020
Subject: Chamberlain's Department Risk Management – Quarterly Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	7
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: Chamberlain	For Decision
Report author: Leah Woodlock	

Summary

This report has been produced to update Finance Committee on the risks and their management by the Chamberlain's department. The Senior Leadership Team regularly review the risks as a part of the management of the Chamberlain's department. The Chamberlain's department currently has two corporate risks and five departmental risks on its risk register. There are two risks with red statuses:

- CR35 Unsustainable Medium-Term Finances
- CR23 Police Funding

There are four Amber rated risks that relate to IT and one to Procurement. The Senior Leadership Team continues to closely monitor the progress being made to mitigate these risks.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

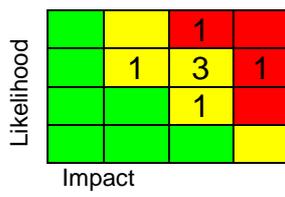
1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department. Finance Committee has determined that it will receive the Chamberlain's risk register on a quarterly basis with update reports on RED rated risks at the intervening Committee meetings.
2. Chamberlain's risk management is reviewed on a monthly basis at Departmental Senior Leadership Team (SLT) meeting. Consideration is also given as to whether

there are any emerging risks for inclusion in the risk register within Divisional updates on key issues from each of the Directors, ensuring that adequate consideration is given to operational risk.

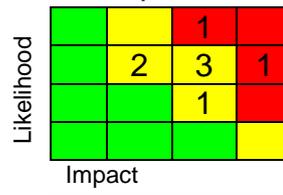
- Risk and control owners are regularly consulted regarding the risks for which they are responsible, with updates captured accordingly. Significant changes to existing risks are escalated to SLT when identified.

Summary of Risks

- The heatmap for all Chamberlain’s corporate and departmental risks is as below:
Current heatmap



Previous quarter heatmap



- The Chamberlain’s department currently has three corporate risks and four departmental risks on its risk register, attached as Appendix 1 to this report, assessed as 2 RED risks and 5 AMBER risks. These are:

CR35 Unsustainable Medium-Term Finances (Current Risk: Red – no change)

- The Financial Health risk was added to the Chamberlain’s risk register in July in response to the impact of the COVID-19 Pandemic. A number of mitigations have been put in place to protect the medium-term financial plan. A re-budgeting exercise for each department was undertaken over the summer, with a focus on a reduction of expenditure. At the end of month 6 expenditure savings of £22.6m identified partially offsetting income losses predicted at £39.4M.
- Business rates collection at the end of September was 6.8% lower than 2019. The Government has recognised the cashflow impacts of business rates and has deferred its share for April-June, which has been re-profiled over the remainder of the year. The Govt is also allowing authorities to spread the impact of business rate deficits over 3 years.
- The implementation of the Target Operating Model and Fundamental Review savings proposals are being presented to Members in both the Policy and Resources and Establishment Committees for sign off in October. Once the comprehensive TOM Business Case and associated timeline are signed off, these impacts will be applied to the MTFP.

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

- An in-depth budgeting exercise is being undertaken this autumn. The Commissioner has made the commitment to have a balanced budget over the medium-term. The Police MTFP is being prepared for the November Performance

and Resource Management Committee of the City of London Police Authority Board and the December Police Authority Board.

CHB IT 001 Resilience - Power and infrastructure (Current Risk: Amber – reduced)

10. There are two workstreams that have been undertaken to significantly reduce the risk of unavailability of applications and services. The first being the migration of COL servers and data from the Agilisys datacentres to Microsoft Azure (cloud) and the second, moving the critical spatial application suite from the Guildhall datacentre to Microsoft Azure (cloud). These two workstreams have now in the most part been completed. The remaining applications (including telephony) are now being scoped for removal with an anticipated completion date of January 2021. A reduced capital bid has also been submitted for funding to replace the Uninterruptible Power Supply protection in the Guildhall.

CHB IT 004 Business Continuity / Disaster Recovery Management (Current Risk: Amber – reducing)

11. Following the migration of the spatial suite to the Azure cloud, the Azure server and services will be reviewed and optimised for efficiency and criticality (where beneficial). The IT team anticipate that these new capabilities will exceed the current requirements, but these will be confirmed with the business owner for each critical application and adjustments will be made where required.

12. Due to the recent migration activities to the Azure public cloud, our business continuity and our disaster recovery response is significantly improved. A bi-product of the move of services to Azure and an increase in remote working has meant that COL relies on the Guildhall power supplier increasingly less. Therefore, it is proposed that these two risks (CHB IT 001 and CHB IT 004) are downgraded and replaced with a single risk (IT Business Continuity) which encompasses both causes, events and effects.

CHB IT 030 2020 - Managed Service Contract (Current Risk: Amber – no change)

13. The new Agilisys contract negotiations and transition of services are continuing and the contract is due to be signed prior to the 30th November. The team are working through delivery disputes with the supplier, these activities have been assigned to a senior sponsor level. The Go Live date for new Service Management and Service Delivery tools is also November 30th.

CR16 Information Security (formerly CHB IT 030) (Current Risk: Amber – no change)

14. The staff training and awareness of IT security continues during 20/21 under the oversight of the Information Management Board. There is a review being undertaken of the National Cyber Security Training with the view to provide training to all staff. Regular security updates have been provided throughout the COVID period.

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

15. The Commercial contract management team have prepared a report for the Brexit Planning Group. The report advises that there have been no significant risks raised via the supplier survey.

Appendices

- Appendix 1 Chamberlain's Department Detailed Risk Register

Background Papers

Monthly Reports to Finance Committee: Finance Committee Risk

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