

Committee(s)	Dated:
Finance Committee – For information	23 January 2024
Subject: Chamberlain’s Departmental Risk Management Update	Public
Does this proposal require extra revenue and/or capital spending?	No
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: The Chamberlain	For Information
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Summary

This report has been produced to provide the Finance Committee with an update on the risks the Chamberlain’s department faces.

There are currently two RED risks on the Corporate Risk Register within the responsibility of the Chamberlain and two RED risks on the Chamberlain’s departmental risk register.

Following a deep dive conducted by Internal Audit, the Corporate Financial Risks have been reviewed and updated, as detailed in this report.

The key changes are to extend the target dates to align with the medium-term related actions/mitigations in place. The mitigating actions have been updated to reflect the budget pressures highlighted during the 2024/25 budget-setting process; including the financial pressures of the ageing operational property estate, monitoring changes in commercial property demand, the impact of the major projects and inflationary pressures. The updated risks also highlight the mitigating opportunities through income generation schemes and the Charity Review.

Recommendation

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. The Finance Committee has determined that it will receive the Chamberlain’s Risk Register at each meeting.

Current Position

2. This report provides an update on the current risks that exist in relation to the operations of the Chamberlain's Department. The risk register has been reviewed and the details are reflected in the appendix of this report.
3. The Audit and Risk Committee in conjunction with the Chief Officers Risk Management Group commissioned an Internal Audit Deep Dive into Corporate Risks, in November 2023 **CR38 Unsustainable Medium-Term Finances - City's Estate** and **CR35 Unsustainable Medium-Term Finances** were reviewed. The full report will be presented to the Audit and Risk Committee in February 2024.
4. The Deep Dive findings demonstrated that both CR35 and CR38 have adequate monitoring arrangements in place. It is suggested that the actions and correlating updates require clarification to indicate the actions and activities being undertaken to mitigate the overall risk. The report indicated that the current risk Target Dates should be amended to reflect the medium-term nature of the risks.
5. Both of the financial risks have been reviewed following the deep dive and aligning with the budget-setting process. Several mitigating actions have been identified throughout this process and added to the risk register. The documented changes are included within Appendix 1 of this report.
6. For the City's Estate, the added mitigating actions include: forecasting the financial pressures of the ageing estate's cyclical works programme; monitoring reductions in demand for grade B office accommodation due to post-pandemic office attendance arrangements; ensuring income generation schemes are sustainable, including developing new opportunities; undertaking the Charities review (Natural Environment) and implementing recommendations; capturing and embedding permanent savings across departments and sourcing funding for projects via third-party capital schemes.
7. For City Fund, the added mitigating actions are; forecasting the financial pressures of the ageing estate's cyclical works programme; monitoring the eligibility and availability of government funding; and ensuring income generation schemes are sustainable, including developing income generation opportunities.
8. The risks have been reframed, and updated and the documented changes are included within Appendix 1 of this report. The **CR38 Unsustainable Medium Term Finances - City's Estate** risk score remains at RED 16.
9. Details of **CR16 Information Security** are available in appendix 3.
10. **CHB002 – Housing Revenue Account (HRA) Finances** risk score remains at RED 16.
11. **COO DITS 045 PSTN Switch Off 2025** is currently a RED risk with a score of 16. The departmental risk is currently being updated to become a Corporate Risk. A data maturity assessment has been completed to determine priority

areas and will inform the transition plan that is due in March 2024. Details of the risk and the associated mitigations are outlined in Appendix 2.

Conclusion

12. Members are asked to note the actions taken by Chamberlain's Department to manage all risks. Actions aim to continue monitoring and reducing the risk level and will be reported on at future Finance Committees.

Appendices

- Appendix 1 – Tracked changes to Corporate Risks CR35 and CR38
- Appendix 2 – Departmental Risk Register
- Appendix 3 – Non-Public Risk Register

Background Papers

Chamberlain's Departmental Risk Management Update Reports to Finance Committee.

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