

<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	6 November 2018
<b>Subject:</b> New Corporate Risk - Brexit	<b>Public</b>
<b>Report of:</b> Dr Peter Kane, Chamberlain	<b>For decision</b>
<b>Report author:</b> Paul Dudley, Chamberlain's department	

### Summary

This report seeks the Committee's endorsement of a new corporate risk focused on minimising the impact of disruption to key City Corporation services following the departure of the UK from the European Union on 29 March 2019 (Brexit). It also highlights eight subsidiary risks to be maintained at departmental level and owned by respective Chief Officers. These eight risks will be maintained on departmental risk registers.

### Recommendation

The Committee is asked to:

- Endorse the decision of the Summit Group to approve the inclusion of a new corporate risk (CR26) in relation to Brexit.
- Note the eight subsidiary Brexit related risks to be maintained by Chief Officers on departmental risk registers.

### Main Report

#### Background

- 1 On 23 June 2016, the UK voted to leave the European Union (EU) and subsequently the date of exiting the EU was determined to be 29 March 2019.
- 2 Currently the UK is negotiating with the EU on the Withdrawal Agreement which will need to be finalised within the next month or so to allow enough time for the UK and EU Member Parliaments to ratify the agreement.
- 3 Brexit has long been recognised as a risk (as well as an opportunity) to the finance and other sectors of the City of London economy. One of the key aims in the Corporate Plan 2018-23 is Supporting a Thriving Economy and the its associated corporate outcomes. In particular corporate risk (CR02) Loss of Support for the Business City, focusses on the City's position as the world leader in international financial services being adversely affected by events

such as Brexit. The Committee received a deep dive report on this risk at their meeting on 25 September 2018.

4. There remains uncertainty on the terms that the UK will leave the EU on the 29<sup>th</sup> March 2019. The Town Clerk has identified a new corporate risk (see appendix 1) that is focussed on the potential impact on the City Corporation as a whole and scored as an amber 6. This risk was approved, by Summit Group, for inclusion on the corporate risk register on 19 October 2018.

Subsidiary risks have been identified on key service areas at departmental level:

Impact on:

- a) the recruitment and retention of City Corporation staff (Owner: Director of Human Resources)
- b) City Corporation procurement and supply chains (Chamberlain/Commercial Director)
- c) the movement of goods through the Port Health Authority functions (Director of Markets & Consumer Protection)
- d) City Corporation income streams (Chamberlain)
- e) the attractiveness of London for workers, businesses and visitors (Director of Economic Development)
- f) the regulatory landscape covering City Corporation services (Remembrancer)
- g) local communities (Director of Community & Children's Services)
- h) the loss of access by EU students affecting GSMD courses (GSMD)

Chief Officers have been requested to address these risks by identifying work that is already underway and what more they are planning to do. The expectation is that these risks will be featured in their respective departmental risk registers.

5. The Town Clerk has asked that Brexit risk becomes a standing item on the Summit Group agenda and that a task and finish group will take an overview of the City Corporation's preparations to ensure that the impacts on key service areas are minimised following the departure of the UK from the EU on 29 March 2019.

### **Conclusion**

6. A new corporate Brexit risk was approved by the Summit Group on 19 October 2018. Eight new subsidiary risks have also been identified at departmental level. These risks are all aimed at minimising the impact on key services of the UK leaving the EU on 29 March 2019.

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