

<b>Committee(s)</b>	<b>Dated:</b>
Finance Committee – For Information	19/02/2019
<b>Subject:</b> Chamberlain’s Department Risk Management – Monthly Report	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>
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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**

While there is no change formally, the Digital Services Sub Committee recommend that Information Security risk should move to Amber.

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 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 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; there is also one Amber rated Brexit Risk:

**CR16 – Information Security (Current Risk: Red – no change formally but recommendation to move to Amber)**

4. A number of key security projects closed in January. The Digital Sub Committee on 4 February agreed that it should now be moved to Amber.

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

5. A plan is now in place to balance the budget for 2019/20, although this is subject to funding decisions by Court of Common Council. Further work will be required in the coming months in order to balance the medium-term finances beyond 2019/20.

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

6. The City Corporation received a Cabinet Office update on 13 January 2019 advising what the impact will be on the Procurement Regulations in the following scenarios:
  - a. No Deal Brexit - in this instance from midnight on 29 March 2019 the existing UK Public Contract Regulations will remain as is but references to EU will revert to UK with current thresholds retained. The main change will be that contract notices will be advertised on a UK only equivalent to EU's TED (Tenders Electronic Daily) service (eTending platform). The Cabinet Office confirmed that there is a fully tested and functioning portal ready to be launched and the key eTendering providers have already been accredited to interface with this new portal including the City Corporation's eTendering provider Jaegger.
  - b. Deal Secured - The regulations will stay as current and be phased to UK only legislation by 31 December 2020.
  - c. Extension of Article 50 - The regulations will stay as current until details of a revised transition period are announced.
7. The EU Exit risk assessment by category report developed in conjunction with Efficio Consulting is in final draft stage awaiting final review before it can be shared with our Member governance. The latest draft of the report was presented to the Brexit Planning Group on 22 January 2019.

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

8. A new action has been added to this risk regarding the use of Brexit to terminate lease contracts via the doctrine of frustration. This presents a risk to income as some European businesses look to terminate leases early. The Corporation is monitoring current court cases as they progress, enabling us to be better placed to advise going forward.

## **Conclusion**

1. 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 22 January 2019: Finance Committee Risk – Quarterly Report.

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