

Committee(s)	Dated:
Finance Committee	16 th February 2021
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 Information
Report author: Leah Woodlock	

Summary

This report is the quarterly 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 three corporate risks and one departmental risk on its risk register. There are two risks with red statuses:

- CR35 Unsustainable Medium-Term Finances
- CR23 Police Funding

There are two Amber rated risks that relate to IT, 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 and that the two corporate red risks will be reviewed after the March Court.

Main Report

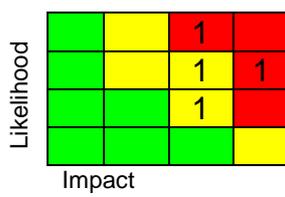
Background

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.

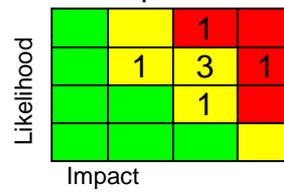
2. Chamberlain’s risk management is reviewed on a monthly basis at Departmental Senior Leadership Team (SLT) meeting. Consideration is also given as to whether there are any emerging risks for inclusion in the risk register within Divisional updates on key issues from each of the Directors, ensuring that adequate consideration is given to operational risk.
3. 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.
4. Since the last Quarterly Risk Register update in November 2020, the Chamberlain’s departments risks have reduced from seven (3 Corporate & 4 Departmental) to four (3 Corporate & 1 Departmental). The following risks have been successfully mitigated and removed from the departmental Risk Register:
 - **CHB CP001 Brexit risk to City Corporation procurement and supply chains**; No significant risks had been identified through the supplier survey conducted in 2020 and due to the Brexit Deal no further risks were highlighted.
 - **CHB IT 030 2020 - Managed Service Contract**; The new Agilisys contract was signed in December 2020 and all commercial issues resolved and implementation commenced 1st January 2021.
5. **CHB IT 001 Resilience - Power and infrastructure** was amalgamated into CHB IT 004 Business Continuity / Disaster Recovery Management due its similarity and identical mitigations.

Summary of Risks

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



Previous quarter heatmap



7. The Chamberlain’s department currently has three corporate risks and one departmental risk on its risk register, attached as Appendix 1 to this report, assessed as 2 RED risks and 2 AMBER risks. The two red corporate risks will be reviewed after the Court of Common meets on 4 March to agree the 2021/22 budget plans and Medium Term Financial Plan and Members will be updated at their subsequent meeting. These are:

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

8. The Financial Health risk has a number of mitigations in place to protect the medium-term financial plan. Income streams and spend is being monitored monthly throughout the 20/21 financial year, with actions being taken to reduce

spend where possible. In addition, it is estimated that up to £11.7m can be claimed in recovery from the government, £1.5m has been received, with £3.8m pending.

9. Business rates collection is now at 5.2% below the previous year, however it is an improvement from the 6% recorded in December 2020. The impact of the business rates appeal linked to COVID-19 is continuing to be monitored.
10. The savings from the implementation of the Target Operating Model and Fundamental Review proposals are expected to begin from the new financial year.

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

11. The Commissioner has made the commitment to have a balanced budget over the medium-term. The balanced Police budget is being prepared taking into account the identified savings, future action fraud costs and impacts of COVID-19.

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

12. Regular security updates have been throughout the COVID-19 impact, with staff training and awareness to continue through 2021. The Information Management Board oversee the security messages sent out to all staff to ensure best working practices in an effort to prevent adverse events. The Board are also planning a number of new security projects to be delivered across the organisation.

CHB IT 004 Business Continuity (Current Risk: Amber – no change)

1. On-premise computer equipment has been significantly reduced over the last 6 months and where still required migrated to the MS Azure Cloud which provides much higher levels of resilience and support than was previously possible. Business continuity plans will be reviewed with senior officers and application owners over the next few months to determine if the business continuity risk can be reduced.

Appendices

- Appendix 1 Chamberlain's Department Detailed Risk Register

Background Papers

Monthly Reports to Finance Committee: Finance Committee Risk

Leah Woodlock

Chamberlain's Department

T: 020 7332 1113

E: leah.woodlock@cityoflondon.gov.uk