

# City of London Corporation Committee Report

<b>Committee(s):</b> Finance Committee – For information	<b>Dated:</b> 12 November 2024
<b>Subject:</b> Chamberlain’s Departmental Risk Management Update	<b>Public report:</b> For Information
<b>This proposal:</b> <ul style="list-style-type: none"><li>• <b>delivers Corporate Plan 2024-29 outcomes</b></li><li>• <b>provides statutory duties</b></li></ul>	Providing Excellent Services Flourishing Public Spaces
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	£0
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	n/a
<b>Report of:</b>	Caroline Al-Beyerty, Chamberlain
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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 is currently one RED risk on the Corporate Risk Register within the responsibility of the Chamberlain and one RED risk on the Chamberlain’s departmental risk register. The Chamberlain’s Senior Leadership Team and divisional management teams within the department regularly review and update the risk register, potential risks and opportunities.

## Recommendation(s)

Recommendations should be clear and not open to interpretation, should always  
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 the 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.

2. The Digital Information Technology Service (DITS) as a part of the Chamberlain's Department risks are reported to the Digital Services Committee for oversight.

### **Current Position**

#### Corporate Risk – RED

3. Department currently has one financial RED Corporate Risk, all risks are regularly reviewed and several mitigating measures are in place to prevent the realisation of these risks or future risks.
4. **CR38 Unsustainable Medium-Term Finances – City's Estate** has a risk score of RED 16. The risk relates to the medium-term finances of the City's Estate, primarily driven by the increased impact of inflation, aging estate requiring high levels of expenditure, and a reduction in rental income from the property investment portfolio due to post-pandemic demand of workplace utilisation. These factors result in financial pressures that may necessitate additional reliance on reserves, posing challenges in achieving anticipated savings and generating expected income.
5. Key mitigations include quarterly monitoring of inflation rates, maintaining an inflation contingency, and implementing a cyclical works program to cover outstanding works. Additionally, the Investment Property Strategy aims to generate more income from the property investment portfolio, and a renewed approach was approved by Investment Committee in July.

#### Departmental Risks – RED

6. **CHB002 Housing Revenue Account (HRA) Finances** has a risk score of RED 16. A draft five year financial projection was prepared in September and will be refined for committee approval in January 2025. The draft projections indicate a finally balanced position but notable vulnerability to revenue overspends and the impacts of the further delays to new build projects. The repairs and maintenance contract is being reprocured for 2025/26 following the recommendations from the Pennington Review.

### **Conclusion**

7. 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 – Departmental Risk Register

**Background Papers**

Chamberlain's Departmental Risk Management Update Reports

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