



Finance Committee Appendices Pack

Date: TUESDAY, 10 APRIL 2018

Time: 1.45 pm

Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members:

Jeremy Mayhew (Chairman)	Gregory Lawrence
Deputy Jamie Ingham Clark	Tim Levene
(Deputy Chairman)	Oliver Lodge
Randall Anderson	Paul Martinelli
Alderman Nick Anstee	Deputy Robert Merrett
Nicholas Bensted-Smith	Hugh Morris
Chris Boden	Deputy Henry Pollard
Mark Bostock	William Pimlott
Deputy Roger Chadwick	Alderman Matthew Richardson
Dominic Christian	Alderman William Russell
Karina Dostalova	James de Sausmarez
Simon Duckworth	Ian Seaton
Alderman Peter Estlin	Sir Michael Snyder
Sophie Anne Fernandes	Deputy James Thomson
Alderman & Sheriff Timothy Hailes	Deputy Philip Woodhouse
Caroline Haines	Sir Mark Boleat (Ex-Officio Member)
Christopher Hayward	Deputy Catherine McGuinness (Ex-Officio Member)
Deputy Tom Hoffman	Andrew McMurtrie (Ex-Officio Member)
Michael Hudson	Deputy Alastair Moss (Ex-Officio Member)
Deputy Wendy Hyde	
Deputy Clare James	

Enquiries: John Cater
tel. no.: 020 7332 1407
john.cater@cityoflondon.gov.uk

Lunch will be served for Members in Guildhall Club at 1pm
NB: Part of this meeting could be the subject of audio video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

7. **RISK MANAGEMENT - TOP RISKS**
Report of the Chamberlain.
For Information
(Pages 93 - 100)
8. **CENTRAL CONTINGENCIES**
Report of the Chamberlain.
For Information
(Pages 101 - 108)
9. **FINAL DEPARTMENTAL BUSINESS PLAN 2018/19 - CHAMBERLAIN'S DEPARTMENT**
Report of the Chamberlain.
For Decision
(Pages 109 - 110)
12. **MAJOR WORKS STRATEGIC SOLUTION (AWARD)**
Report of the Chamberlain.
For Decision
(Pages 111 - 118)
13. **UPDATE ON THE FAIR FUNDING REVIEW**
Report of the Chamberlain.
For Information
(Pages 119 - 120)
25. **NON-DOMESTIC RATES - DISCRETIONARY RATE RELIEF**
Report of the Chamberlain.
For Decision
(Pages 121 - 122)

CHB Detailed risk register by risk category

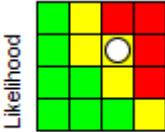
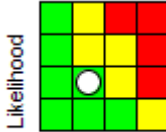

Report Author: Hayley Hajduczek

Generated on: 20 March 2018

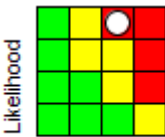
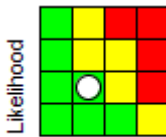



Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR16 Information Security Sep-2014 Peter Kane	Cause: Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information. Event: Cybersecurity attack - unauthorised access to COL IT systems. Loss or mishandling of personal or commercial information. Effect: Failure of all or part of the IT Infrastructure, with associated business systems failures. Harm to individuals, a breach of legislation such as the Data Protection Act 1988. Incur a monetary penalty of up to £500,000. Compliance enforcement action. Corruption of data. Reputational damage to Corporation as effective body.	 Likelihood Impact	16	Following key tasks have now been completed: <ul style="list-style-type: none"> • Patching Microsoft and non-Microsoft estate weekly with RAG reports provided; • Devices not patched for more than 30 days not allowed to connect to the network until patching completed; • Plan to remediate vulnerability actions completed with remediation actions now started. 	 Likelihood Impact	4	31-Jul-2018	

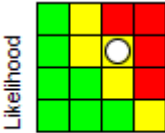
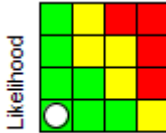

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR16b	For all major systems establish data owner and retention policy for information therein.	This is now being picked up with the GDPR ready project being led from the Comptroller team and IT team in the Corporation and the Information Management and Security team in the Police. Update reports on progress provided to Summit and IT Sub-Committee on a regular basis.	Sean Green	14-Mar-2018	30-Apr-2018
CR16h	Online training to be made available to Members following workshop in February 2016.	Induction training provided - Gary Brailsford Hart is supporting this risk to execute mitigating actions from plan in place. Training for Officers and Members in 2018 now being developed. Dates for training to be agreed with Member Services and the IT Security Director.	Gary Brailsford-Hart	14-Mar-2018	30-Apr-2018
CR16i	The Development and implementation of more technical security infrastructure	Using a recognised Cyber security maturity model there is a dashboard being reported that shows via a RAG status 10 areas of focus to mitigate this risk with training, processes and tools being delivered that in combination will bring the risk to Amber by April 2018 and Green by July 2018. Dedicated project manager will support the delivery of new Cyber protection solutions for the CoL and CoLP estates.	Sean Green	14-Mar-2018	30-Apr-2018

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR19 IT Service Provision 14-Jul-2015 Sean Green	Cause: The whole Police IT Estate and parts of the Corporation are in need of further investment. Event: For the Corporation, poor performance of IT Service and for the Police critical failure of the Police IT Service. Effect: Loss of communications or operational effectiveness (may also lead to low staff morale). Possible failure of critical Corporation and Policing activities. Reputational damage.	 Likelihood Impact	12	Following the recent improvements to the corporate IT network and systems the Chamberlain agreed to reduce the risk score to an amber 12. It is likely that over the coming months the risk will be further mitigated to a green rating. 14 Mar 2018	 Likelihood Impact	4	30-Jun-2018	

Action no, Action owner	Description	Latest Note			Managed By	Latest Note Date	Due Date
CR19c	Investment in any retained IT infrastructure to ensure that this meets the same standards of resilience and continuity as delivered by the IaaS infrastructure.	Remediation to communication rooms completed and work to replace Wide Area Network 50% completed. Local area network equipment now being installed.			Sean Green	14-Mar-2018	31-May-2018
CR19e	This is the first phase of the revised project to fully replace ageing unsupportable networking hardware from the City and City Police's infrastructure.	Implementation is in progress and will be completed by April/May 2018.			Sean Green	14-Mar-2018	31-May-2018
CR19f	The full delivery of a new network for the Corporation and city Police.	The WAN work has started. Remediation of IT communications rooms complete. LAN design completed. LAN implementation now started for CoL and CoLP.			Sean Green	14-Mar-2018	30-Jun-2018

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR23 DRAFT Police Funding Gap 21-Nov-2016 Caroline Al-Beyerty; Ian Dyson	Cause: Reduction in government funding and growing demand in Policing services leading to pressures for the City Fund -Police. Event: Reduction in government funding. Failure to deliver VfM savings. Budget deficit forecast for next 5 years requiring action to balance the budget Effect: Potential impact on security and safety in the City as need to make savings, prioritise activity, review funding City of London Police will be unable to maintain a balanced budget and current service levels as reflected in their Medium Term Financial Plan.	 Likelihood Impact	16	Despite savings target of £1.2m in 2018/19, the current medium term financial plan shows an ongoing gap of £4-5m per annum. This has not yet been resolved and the risk has become an issue. The recently launched Transformation Programme is expected to close the financial gap. 28 Mar 2018	 Likelihood Impact	4	31-Mar-2019	

Action no, Action owner	Description	Latest Note		Managed By	Latest Note Date	Due Date
CR23a	Deliver the savings programme for currently identified savings in 2018/19.	COLP has a plan in place to deliver on £1.2m savings for 2018/19 and continues to explore opportunities for continual improvement, both internally and through wider collaboration with the City Corporation. The details of the planned savings were reported to Efficiency and Performance Sub Committee in March.		Alistair Sutherland	28-Mar-2018	31-Mar-2019
CR23b	Medium Term Financial Plan - remodelling	Medium Term Financial Plan - remodelling		Philip Gregory; Michelle King	28-Mar-2018	31-Mar-2018
CR23c	A Transformation Programme is underway to develop a revised Target Operating Model for CoLP to deliver greater effectiveness and financial stability. The Programme comprises eight work strands.	The Deloitte short term recommendations or 'quick wins' are progressing. Initial savings from the 'quick wins' are being reinvested to create a core team. The next Transformation Board meets at the end of April to review progress on the transformation work streams.		Jane Gyford	28-Mar-2018	31-Mar-2019
CR23d	Consider increase in the business rates premium in future periods	Will be considered as part of the medium term financial planning for 2019/20.		Caroline Al-Beyerty	28-Mar-2018	31-Mar-2019

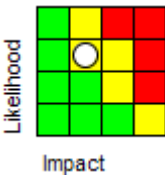
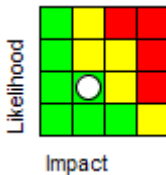

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB IT 022 Transformation - Benefits Realisation 25-Jan-2018 Kevin Mulcahy	Cause : The principles and new ways of working including the internal Target Operating Model, 3rd party Service Operating Model and new Policies, as defined by the Transformation Programme, are not embedded into BAU processes within the internal and outsourced operating models. Event : CoL will not realise the benefits including savings from contracts and storage and a more effective service to the business with a focus on service management Effect <ul style="list-style-type: none"> • Increased Revenue costs • Degradation of service • End user frustration • Unmanageable application estate • Failure to meet the business expectations from the £12m investment • Significant cost to bring the redesigned Technology Stack back to “as built” 	 Likelihood Impact	12	Phase 1 Transformation almost complete for Desktop transformation with new processes, policies and working practices implemented. Working through implementing new Operating Models for the IT in the Corporation and Agilisys. 14 Mar 2018	 Likelihood Impact	1	31-Dec-2018	

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CHB IT 022a	2600 Officers working for the City of London Corporation now have Office 365, Windows 10, Skype for Business and One Drive a completely new way of collaborative and way of working that will start to help the organisation on benefits realisation.	2600 Officers working for the City of London Corporation now have Office 365, Windows 10, Skype for Business and One Drive a completely new way of collaborative and way of working that will start to help the organisation on benefits realisation.	Kevin Mulcahy	14-Mar-2018	30-Apr-2018
CHB IT 022b	Over 20 servers decommissioned that were part of the Email and Fileserver structure. Legacy email accounts being archived onto lower cost storage.	Over 20 servers decommissioned that were part of the Email and Fileserver structure. Legacy email accounts being archived onto lower cost storage.	Kevin Mulcahy	14-Mar-2018	30-Apr-2018

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB FS001 Value for Money (VFM) <div>Page 97</div> 21-Nov-2016 Caroline Al-Beyerty; Peter Kane	Cause: The City Corporation needs to be able to demonstrate it is achieving value for money in all its areas of expenditure. Event: Reduced funding available to the City Corporation emphasises the need to use funds in a way that achieves value for money. Effect: City Corporation will be unable to demonstrably achieve progress on obtaining value for money, significantly impacting on both service delivery levels and reputation.	 Likelihood Impact	12	VFM challenge is now embedded in the business planning process with an annual self assessment of performance on VFM from service departments. Feedback from the pilot in DCCS will be used to provide guidance to support the process. The Peer Review process is now underway and is expected to complete by 31 March with outputs included in the business plans for department showing better alignment of activities to outcomes. In response to areas identified during the service based review two VFM probes have been commissioned. 1. A thematic review of the findings from the facilities management review, reported to the November Efficiency and Performance Sub Cttee; and 2. An efficiency review of library services has recently commenced, following the policy decision not to reduce the number of libraries. 19 Mar 2018	 Likelihood Impact	4	31-Mar-2018	

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CHB FS001c	Detailed post-SBR Efficiency Plan to be drafted and implemented, including a framework that would incorporate continuous improvement savings and a rolling review programme to secure more radical changes in efficiency and effectiveness.	The pilot for the Chief Officer Peer Review was completed in July 2017 and the methodology was refined for the wider roll out made up of 3 additional groups. Sessions began in October 2017, with the intention of completing the Peer Review by March 2018. The focus of these sessions is to discuss how each Chief Officer can make their departments more innovative, collaborative and agile. These sessions aim to help Chief Officers develop their business plans to make efficiency savings or generate income to help meet the annual 2% continuous	Geoff Parnell	19-Mar-2018	31-Mar-2018

		<p>improvement requirements of the Efficiency and Sustainability Plan and achieve better alignment of activities to the outcomes in the corporate business plan.</p> <p>As part of the Chief Officer Peer Review Chief Officers have been presenting their plans to address the 2% budget reductions to Summit Group and then Efficiency and Performance Sub-Committee. The outcomes of the Chief Officer Peer Review will be reported to Efficiency and Performance Sub-Committee in quarter 1 of the 2018/19 financial year.</p> <p>An Efficiency and Sustainability Plan update paper was reported to Efficiency and Performance Sub-Committee in November 2017. The paper provided Members with an update on the Chief Officer Peer Review and how they support departments preparation for the annual 2% continuous improvement budget reductions from 2018/19.</p> <p>A SBR monitoring paper was presented to Policy and Resources Allocation Sub-Committee in January 2018 which provided an update on all Departments with outstanding SBR savings. The key recommendation of the paper to reduce the City Surveyors SBR target by £300k to cover the unfunded Assistant Property Facility Managers posts was approved by Members. Future SBR reporting will now be reported in Efficiency and Sustainability Plan update papers.</p>			
--	--	---	--	--	--

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB FS004 Management Information Provision 13-Jun-2017 Philip Gregory	Cause: Lack of relevant management information to Members, Chief Officers and budget holders results in delays to decision making or poor decision making. Knock on impact results in resources not being correctly prioritised. Event: Systems are not in place to support effective financial forecasting of revenue budgets and capital projects. Effect: processes for financial management fail to direct resources appropriately to priorities.		6	A project manager has been appointed to lead the development of management information in conjunction with the implementation of forecasting within Oracle. Good progress has been made in defining the scope of management information and delivering the requirement. The initial project is now largely complete and transitioning to BAU. Work in this area is currently on hold during the final accounts process. 19 Mar 2018		4	30-Sep-2018	

Action no, action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CHB FS004b	Phased roll-out of PA (Projects) forecasting with finance teams taking the lead in providing training and support for project managers.	A baseline forecast has been established in Oracle for all projects as at 31st March 2017 and a corporate wide revised forecast entered in Oracle is being used for the medium term financial plan reporting to Members. A review of the procedures took place with finance teams in February and it was agreed that we need to revise the templates for uploading forecasts to reduce the complexity for both finance and projects staff. We will have in the year period forecasts for large complex projects that need continual monitoring and yearly forecasts for less complex projects that are updated regularly. The Oracle team will be working on the changes required but due to resource constraints we are unable to have both annual and periodic forecasting ready for the next corporate forecast at the end of April. Both solutions should be ready by September 2018. Chamberlains have provided training slides for the Project Manager revised training course and met with the Trainer and Town Clerks to agree the key messages. Training sessions will begin in May 2018. The Oracle team have also provided training sessions on Oracle to new project managers. As there will be changes to the forecasting templates reports will need to be reviewed and worked upon to align the management information to the new processes.	Julie Smith	13-Mar-2018	30-Sep-2018
CHB FS004e	Establish mechanisms to ensure that departmental management information practises are up to date and in line with current best practice.	Research on current best practice and the art of the possible is underway with an aim of ensuring that departmental management information practices and techniques are up to date. and fit for purpose. Work in this area is currently on hold during the final accounts process.	Simon Whelan	19-Mar-2018	30-Sep-2018

This page is intentionally left blank

2017/18 General Contingency – City's Cash

Date	Description	Responsible Officer	Allocation £	Balance £
	2017/18 Provision			950,000
	2016/17 Provision brought forward to fund allocations agreed in previous years			85,000
	Total Provision			1,035,000
21 Oct 2014	Up to £98,000 in phased match funding (in partnership with the Mercers' Company) for a biography of Sir Thomas Gresham	TC	60,000	
17 Feb 2015	Grant funding for The Honourable The Irish Society (£25,000 p.a. for 2014/15 and 2015/16) with payment of the grant conditional upon the purchase of the land for development which was delayed until 2016/17	TC	25,000	
2 May 2017	Funding of £375,000 towards the CoL and CoL Police IT project (£70,000 City's Cash, £290,000 City Fund and £15,000 Bridge House Estates)	CHB	70,000	
6 June 2017	Funding of £140,000 for three additional posts in the Public Law Division of the Comptroller and City Solicitor's Department (£97,000 City Fund, £36,000 City's Cash and £7,000 Bridge House Estates)	C&CS	36,000	
25 June 2017 (Urgency)	Funding of up to £50,000 towards the Beech Street project to explore its potential uses	CS/CLSG	50,000	
1 Aug 2017 (Urgency)	Funding of £56,000 for additional posts in Town Clerks	TC	56,000	

2017/18 General Contingency – City's Cash Continued

Date	Description	Responsible Officer	Allocation £	Balance £
17 Oct 2017 (Urgency)	Funding of £275,000 towards a feasibility study in relation to a proposed new combined court feasibility study	TC/CS	275,000	
18 Oct 2017 (Urgency)	Funding of £50,000 towards a feasibility study for a possible investment scheme in subsidised accommodation for teachers	TC	50,000	
23 Jan 2018	Funding of £13,500 towards a new post of Head of Security at the Guildhall Complex	CS	14,000	
20 Feb 2018	Funding of £102,000 to reimburse the total cost of the hostile vehicle mitigation measures employed across all sites for the Lord Mayor's Show 2017 and evening fireworks	TC	102,000	
12 Mar 2018 (Urgency)	Funding of £50,000 towards the replacement of the servery counter for the third floor Guildhall Club servery kitchen	CS	50,000	
	Total allocations agreed to date			788,000
	Balance remaining prior to any requests that may be made to this meeting			247,000

2017/18 National & International Disasters Contingency – City's Cash

Date	Description	Responsible Officer	Allocation £	Balance £
	2017/18 Provision			100,000
24 May 2017	Red Cross and Manchester City Councils 'We love Manchester Appeal'	TC	25,000	
1 Sept 2017	Red Cross South Asia Floods Emergency Appeal	TC	25,000	
12 Sept 2017	Red Cross Hurricane Irma Emergency Appeal	TC	25,000	
19 Sept 2017	Red Cross Myanmar Appeal	TC	25,000	
	Total allocations agreed to date			100,000
	Balance remaining prior to any requests that may be made to this meeting			0

2017/18 General Contingency – City Fund

Date	Description	Responsible Officer	Allocation £	Balance £
	2017/18 Provision			800,000
	2016/17 Provision brought forward to fund allocations agreed in previous years			0
	Total Provision			800,000
17 Feb 2015	Funding of £142,000 towards an ongoing appeal regarding Greater London Authority Roads	C&CS/CS	15,000	
19 Jan 2016	Additional funding of £80,000 towards an ongoing appeal regarding Greater London Authority Roads	C&CS/CS	80,000	
12 Apr 2017 (Urgency)	Funding for the CoL and CoL Police IT project towards Security Assurance Testing	CHB	90,000	
2 May 2017	Funding of £375,000 towards the CoL and CoL Police IT project (£70,000 City's Cash, £290,000 City Fund and £15,000 Bridge House Estates)	CHB	290,000	
6 June 2017	Funding of £140,000 for additional posts in the Public Law Division of the Comptroller and City Solicitor's Department (£97,000 City Fund, £36,000 City's Cash and £7,000 Bridge House Estates)	C&CS	97,000	
25 June 2017 (Urgency)	Funding of up to £50,000 towards the Beech Street project to explore its potential uses	CS/CLSG	50,000	
12 Sept 2017	Funding of £75,000 to Central London Forward to mitigate the loss of ESF grant award	CHB	75,000	
	Total allocations agreed to date			697,000
	Balance remaining prior to any requests that may be made to this meeting			103,000

2017/18 General Contingency – Bridge House Estates

Date	Description	Responsible Officer	Allocation £	Balance £
	2017/18 Provision			50,000
	2016/17 Provision brought forward to fund allocations agreed in previous years			0
	Total Provision			50,000
2 May 2017	Funding of £375,000 towards the CoL and CoL Police IT project (£70,000 City's Cash, £290,000 City Fund and £15,000 Bridge House Estates).	CHB	15,000	
6 June 2017	Funding of £140,000 for three additional posts in the Public Law Division of the Comptroller and City Solicitor's Department. Split £97,000 City Fund, £36,000 City's Cash and £7,000 Bridge House Estates.	C&CS	7,000	
	Total allocations agreed to date			22,000
	Balance remaining prior to any requests that may be made to this meeting			28,000

Key to Responsible Officers:

CS – City Surveyor

TC – Town Clerk

C&CS – Comptroller and City Solicitor

CHB – Chamberlain

CLSG – Headmistress of the City of London School for Girls

This page is intentionally left blank

2018/19 General Contingency – City's Cash

Date	Description	Responsible Officer	Allocation £	Balance £
21 Oct 2014	2018/19 Provision	TC	59,000	950,000
	2017/18 Provision brought forward to fund allocations agreed in previous years			109,000
	Total Provision			1,009,000
	Up to £98,000 in phased match funding (in partnership with the Mercers' Company) for a biography of Sir Thomas Gresham (transferred £29,000 in 2014/15, £9,000 in 2015/16 and £1,000 in 2017/18)			
12 Mar 2018 (Urgency)	Funding of £50,000 towards the replacement of a servery counter for the third floor Guildhall Club servery kitchen which will now take place in 2018/19	CS	50,000	
	Total allocations agreed to date			109,000
	Balance remaining prior to any requests that may be made to this meeting			950,000

2018/19 National & International Disasters Contingency – City's Cash

Date	Description	Responsible Officer	Allocation £	Balance £
	2018/19 Provision			100,000
	Total allocations agreed to date			0
	Balance remaining prior to any requests that may be made to this meeting			100,000

2018/19 General Contingency – City Fund

Date	Description	Responsible Officer	Allocation £	Balance £
19 Jan 2016	2018/19 Provision	C&CS/CS	60,000	800,000
	2017/18 Provision brought forward to fund allocations agreed in previous years			60,000
	Total Provision			863,000
	Additional funding of £80,000 towards an ongoing appeal regarding Greater London Authority Roads (transferred £20,000 in 2017/18)			
	Total allocations agreed to date			60,000
	Balance remaining prior to any requests that may be made to this meeting			800,000

2018/19 General Contingency – Bridge House Estates

Date	Description	Responsible Officer	Allocation £	Balance £
	2018/19 Provision			50,000
	2017/18 Provision brought forward to fund allocations agreed in previous years			0
	Total Provision			50,000
	Total allocations agreed to date			0
	Balance remaining prior to any requests that may be made to this meeting			50,000

We will support and enable the City of London Corporation and its partner organisations to achieve their aims and aspirations, driving transformation to ensure that the City thrives.

The corporate outcomes we aim to impact on are:

- Businesses are trusted and socially and environmentally responsible.
- We are a global hub for innovation in finance and professional services, commerce and culture.
- We are digitally and physically well-connected and responsive.

What we do is:

Financial Services

Working to sustain and enhance the City's Financial Resources so as to ensure that they are sufficient to meet its strategic objectives and future service requirements.

Information Technology

Working in partnership with Agilisys to implement appropriate and innovative technology and business processes to support our customers across the Corporation and Police in the delivery of more efficient and more effective services.

Procurement/Commercial

Providing a comprehensive procurement/commercial service to the City of London Corporation, providing effective and sustainable solutions to client departments.

Internal Audit

Providing independent assurance, maintaining the City Corporation's risk management framework and providing counter fraud services.

Our budget is:

Our budget is:

£'000

Expenditure

FSD and Chamberlain's General	9,909
Internal Audit	802
City Procurement	3,212
IT	10,333
	<hr/> 24,256

Less: Income

FSD and Chamberlain's General	258
City Procurement	128
IT	167
	<hr/> 553

Net Local Risk

Expenditure	<hr/> 23,703
-------------	---------------------

Our top line objectives are to:

- Drive efficiency and value for money across all service areas
- Invest in front line services through the Priorities Investment Pot (PIP)
- Deliver increased commercial benefits through smarter contract management and income generation
- Develop a Financing and Budget strategy for our major projects
- Secure benefits from IT transformation
- Promote Responsible Business and Investment, Diversity and Inclusion.
- Provide assurance to the City and its Partners on their control environments, supporting the risk management framework and promoting an anti-fraud culture.
- Develop our "One Team" focus to strengthen the links between teams and the provision of a joined-up service.

What we'll measure:

- Customer Satisfaction across all services provided.
- Achievement of on-going departmental efficiencies of 2% in year (including income generation).
- IT application availability and customer advocacy.
- Delivery of IT Transformation Projects on time and within budget.
- Procurement savings achieved

Deliverables in relation to departmental / service programmes and projects

- Help Departments to achieve their efficiency savings through finance and commercial support.
- Deliver our own 2% savings as per our departmental efficiency plan.
- Continue to improve processes to enable earlier closure of accounts and better financial management information.

Deliverables within corporate programmes and projects

- Provide focussed financial support to major projects (dedicated project accounting)
- Ensure effective use of corporate resources through the work of Strategic Resources Group.
- Support and enable Strategic Asset Management through project management.
- Provide expert IT, Procurement and Financial direction to corporate programmes and projects.

How we plan to develop our capabilities this year

- Implement our Equalities and Inclusion plan with a view to diversifying our workforce and raising awareness within the department.
- Delivery of an in-house programme of training, secondment and apprenticeship opportunities to build future capability
- Engage with our customers to better understand their business requirements.

against a target of £tbc.

- The performance of Category A (high risk, business critical) contracts against expectations.
- Audit Plan 95% delivered by 31/03/2019.
- Delivery of Priorities Investment Pot benefits.
- Our departmental learning and development activity has had positive impact (measured by an evaluation of learning against our skills development plan).

What we're planning to do in the future:

- Continuously improve financial reporting capability through improved management information and Faster Closing of Accounts.
- Deliver enhanced IT network and desktop capabilities to ensure that we have a stable and sustainable IT platform that will allow us to meet current and future requirements.
- Develop and embed a stronger commercial focus through the work of the new Commercial team.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Committee:	Date:	Appendix 3
Projects Sub-Committee Finance Committee	14 March 2018 01 April 2018	
Subject: City of London Major Works Strategy Stage 1		Public
Report of: Chamberlain Report Author: Mona Lewis, Assistant Director		For Decision
<p>Background</p> <p>Internal challenges identified (Major Works only)</p> <ol style="list-style-type: none"> 1. Feedback from internal project managers, and officers and historic tenders concluded that some key challenges we face are: <ol style="list-style-type: none"> a. Lack of suppliers bidding for our work leading to poor competition b. Overpricing of bids due to lack of interest/competition c. Our speed to market is prohibitive to securing best value d. Cost Vs time – driving cost down to achieve value for money is not always achievable with project timescales for delivery; e. Wrong size and type of contractors bidding for our work; that don't perceive our work as a key account. f. The current external frameworks we use have either reached their maximum financial limit. Every framework has a maximum value of work that can be put through. As these frameworks are open to all authorities; we find ourselves trying to access frameworks that have reached their financial limits on works to be awarded. g. We are typically going to the market too late in the project lifecycle; not giving suppliers enough of a forward view, market is typically working on one-year advanced pipeline <p>The working group reviewed the property portfolio and grouped these by associated nature of works and historic volumes and value; with a view to a future strategy that could result in procurement solutions based on our intelligence of where the market would sit and what would look attractive. The working group initially compiled 7 groups and sought market consultation</p> <p>Value for Money (Major works only)</p> <ol style="list-style-type: none"> 2. The working group and category board agree that the above recommendations will demonstrate value for money and drive efficiencies; with justification below: <ol style="list-style-type: none"> a. Time and resource efficiency - Running full OJEU procurements takes approximately 172 days Vs a mini competition on a framework which would be approximately 41 days. b. Mini competitions on a specifically procured framework for City of London will continue to drive competition c. Avoid costs charged to use using external frameworks (typically 1-3%) d. Create an opportunity for batching of multiple projects to drive contractor and City savings e. Deliver savings in contractor's price arising from avoidance of bidding and mobilisation costs. f. Attract SME's on framework 1 and 3 due to lower value bandings; which fulfils local government and City's objectives. g. Allow contract management to be further development at a strategic relationship level, therefore allowing us to leverage relationships built. h. Attract contractors with appropriate capacity, capability and interest in our works i. Gives us provision for stepping in with a different contractor to mitigate failure of delivery or financial health issues with contractors 		

Contact

Report Author	Mona Lewis
Email Address	Mona.lewis@cityoflondon.gov.uk
Telephone Number	020 7332 1752

Fair Funding Review: a Review of Relative Needs and Resources

Technical Consultation on Relative Need

Response by the City of London Corporation

Submitted by the City Remembrancer's Office

1. The City Corporation welcomes the opportunity to respond to the “Technical Consultation on Relative Need” as part of the Fair Funding Review.
2. It is acknowledged that this consultation is only about relative needs. We look forward to learning further about relative resources and transitional arrangements later in the year and will comment on those proposals in due course.
3. Of greatest importance in any new system are the accuracy and fairness of the approach to assessing relative need. Subject to these overriding criteria, the City Corporation supports developing an up to date assessment of the relative needs of local authorities on the basis of the principles set out in the consultation at section 1.4. The preference for needs assessment that is as simple as is practicable, as expressed in paragraph 1.4.3 (i), is welcomed but it is important to recognise that local government finance can be a complex matter; where the issue is complex, it may be that intricate formulae are required to capture all aspects necessary in order to secure a fair outcome.
4. It may be possible to use a simple “foundation” funding formula as described in paragraph 2.6.2 (iii), although this is unlikely to be adequate on its own and further factors would need to be taken into account, for example daytime population and types of population (children and adults with learning difficulties). Formulae must be sufficiently sophisticated to cater for small authorities with particular spending needs. The City’s area, for example, has the greatest density of commercial premises in the UK which produces significant demands on services and infrastructure and must be included in a needs assessment. Subject to these observations, the overall approach outlined in paragraph 2.6.3 should be followed.
5. Resident population numbers are not a sufficient indicator of need. Elements within a population must be taken into account when assessing need, for example daytime population. An effect experienced very strongly in the Square Mile is the arrival of a significant number of people in the morning and their departure in the evening. This daytime population of about 430,000 people makes substantial demands on local services out of proportion with the geographic size of the area and the resident population (7,000 dwellings).
6. The Government recognises that the City’s public health funding should reflect the daytime population. The City is conscious, however, that business rates retention pilots have included public health funding within their scope. It is, therefore, crucial for any future changes that may affect public health funding to reflect current City arrangements.

7. It is agreed that needs assessment should include services such as adult and children's social care, as well as waste collection and disposal, highways maintenance, public realm protection and enhancement, housing, cultural facilities, and other functions such as environmental measures. The overall conclusion in Chapter 4, that service areas may require a more specific approach to needs assessment, is correct. More specific factors that are relevant to a needs assessment related to the City Corporation include -
- The City's daytime population, as described above.
 - Trading standards and consumer protection. The City contains shops, restaurants and bars that cater for the daytime population. This clearly causes expenditure substantially beyond that which would be expected if assessed on the basis of resident population.
 - Waste collection and disposal, and construction management. The City has the highest density of office space in the UK which produces very substantial volumes of waste far in excess of that produced by the resident population and beyond what would be expected based on the geographical measurement of the City's area.
 - Highway maintenance. The intensity of traffic flow; significant proportion of heavy vehicles, including buses; and the concentration of use by the daytime population, are all factors that must be taken into account in the assessment of the City Corporation's needs.
 - Density of daytime population and built environment should be taken into account in any needs assessment.
8. Subject to the points made above, the City Corporation broadly agrees with the three main cost drivers of population, rurality and deprivation as set out in the consultation at section 3.3.
9. In conclusion, the City Corporation would expect that any needs assessment includes similar measures to those which are currently enshrined in the national system in order to ensure that the Corporation is able to provide local government services to the standard necessary to sustain a world-leading financial and commercial district, and that the City's council-tax-payers are protected from unreasonably high bills. The unique disparity between the City's 430,000 workforce and its residential population entails spending pressures for which a formulaic approach (whether national or regional) cannot adequately cater.

City Remembrancer's Office, March 2018

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank