



## Finance Committee

**Date:** TUESDAY, 19 JANUARY 2016

**Time:** 1.45 pm

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

**Members:**

Deputy Roger Chadwick (Chairman)	Deputy Jamie Ingham Clark
Jeremy Mayhew (Deputy Chairman)	Clare James
Randall Anderson	Alderman Vincent Keaveny
Deputy John Barker	Deputy Alastair King
Nicholas Bensted-Smith	Gregory Lawrence
Chris Boden	Oliver Lodge
Sheriff & Alderman Charles Bowman	Alderman Professor Michael Mainelli
Nigel Challis	Deputy Robert Merrett
Simon Duckworth	Deputy Henry Pollard
Deputy Anthony Eskenzi	Adam Richardson
John Fletcher	James de Sausmarez
Stuart Fraser	Ian Seaton
Lucy Frew	Sir Michael Snyder
Deputy Brian Harris	David Thompson
Christopher Hayward	Deputy John Tomlinson
Alderman Peter Hewitt	Philip Woodhouse
Tom Hoffman	Mark Boleat (Ex-Officio Member)
Wendy Hyde	Deputy Alastair Moss (Ex-Officio Member)

**Enquiries:** Chris Braithwaite  
tel. no.: 020 7332 1427  
[christopher.braithwaite@cityoflondon.gov.uk](mailto:christopher.braithwaite@cityoflondon.gov.uk)

Lunch will be served in Guildhall Club at 1PM  
**NB: Part of this meeting could be the subject of audio or video recording**

John Barradell  
Town Clerk and Chief Executive

# AGENDA

## Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**  
To agree the public minutes and non-public summary of the meeting held on 15 December 2015.  

**For Decision**  
(Pages 1 - 8)
4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**  
Report of the Town Clerk.  

**For Information**  
(Pages 9 - 10)
5. **DRAFT PUBLIC MINUTES OF THE INFORMATION TECHNOLOGY SUB-COMMITTEE HELD ON 15 DECEMBER 2015**  
To note the public minutes and non-public summary of the meeting held on 15 December 2015.  

**For Information**  
(Pages 11 - 14)
6. **PROVISIONAL SETTLEMENTS FOR LOCAL GOVERNMENT AND POLICE 2016/17 AND MAYORAL PRECEPT 2016/17**  
Report of the Chamberlain.  

**For Information**  
(Pages 15 - 18)
7. **REVENUE AND CAPITAL BUDGETS FOR FINANCE COMMITTEE OPERATIONAL SERVICES**  
Report of the Chamberlain. This report will also be considered by the Policy and Resources Committee on 21 January 2015.  

**For Decision**  
(To follow)
8. **CHAMBERLAIN'S BUSINESS PLAN - THIRD QUARTER UPDATE**  
Report of the Chamberlain.  

**For Information**  
(Pages 19 - 22)
9. **CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT - QUARTERLY REPORT**  
Report of the Chamberlain.  

**For Information**  
(Pages 23 - 42)

10. **CITY PROCUREMENT - QUARTERLY UPDATE**  
Report of the Chamberlain.  
**For Information**  
(Pages 43 - 50)
11. **FINANCE GRANTS SUB-COMMITTEE - REVISION TO TERMS OF REFERENCE**  
Joint report of the Town Clerk and Chief Grants Officer.  
**For Decision**  
(Pages 51 - 56)
12. **CENTRAL CONTINGENCIES**  
Report of the Chamberlain.  
**For Information**  
(Pages 57 - 62)
13. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**  
Report of the Town Clerk.  
**For Information**  
(Pages 63 - 64)
14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
16. **EXCLUSION OF THE PUBLIC**  
**MOTION** - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.  
**For Decision**

**Part 2 - Non-Public Agenda**

17. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**  
To agree the non-public minutes of the meeting held on 15 December 2015.  
**For Decision**  
(Pages 65 - 68)
18. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**  
Report of the Town Clerk.  
**For Information**  
(Pages 69 - 70)
19. **DRAFT NON-PUBLIC MINUTES OF THE INFORMATION TECHNOLOGY SUB-COMMITTEE HELD ON 15 DECEMBER 2015**  
To note the non-public minutes of the meeting held on 15 December 2015.  
**For Information**  
(Pages 71 - 74)

20. **BRIDGE HOUSE ESTATES STRATEGIC REVIEW ANNUAL UPDATE**  
Report of the City Surveyor. This report will also be considered by the Property Investment Board on 13 January 2016, Investment Committee on 20 January 2016 and Policy and Resources Committee on 21 January 2016.  
**For Information**  
(Pages 75 - 76)
21. **CITY FUND STRATEGIC REVIEW - ANNUAL UPDATE**  
Report of the City Surveyor. This report will also be considered by the Property Investment Board on 13 January 2016, Investment Committee on 20 January 2016 and Policy and Resources Committee on 21 January 2016.  
**For Information**  
(Pages 77 - 78)
22. **JOINT NETWORK REFRESH PROGRAMME WIDE AREA NETWORK - PROCUREMENT EVALUATION CRITERIA**  
Report of the Chamberlain.  
**For Decision**  
(Pages 79 - 88)
23. **GLA ROADS - LAND DISPUTE WITH TRANSPORT FOR LONDON**  
Joint report of the Comptroller and City Solicitor and the City Surveyor.  
**For Decision**  
(Pages 89 - 98)
24. **GUILDHALL WEST WING STAIRCASE REPAIRS - FINANCE COMMITTEE CONTINGENCY FUNDING - REQUEST FOR DELEGATED AUTHORITY**  
Report of the City Surveyor.  
**For Decision**  
(Pages 99 - 100)
25. **NON-DOMESTIC RATES - DISCRETIONARY RATE RELIEF**  
Report of the Chamberlain.  
**For Decision**  
(Pages 101 - 114)
26. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**  
Report of the Town Clerk.  
**For Information**  
(Pages 115 - 116)
27. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
28. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

## FINANCE COMMITTEE

Tuesday, 15 December 2015

Minutes of the meeting of the Finance Committee held at the Guildhall EC2 at 1.45 pm

### Present

#### Members:

Roger Chadwick (Chairman)	Alderman Vincent Keaveny
Jeremy Mayhew (Deputy Chairman)	Deputy Alastair King
Randall Anderson	Oliver Lodge
Deputy John Barker	Alderman Professor Michael Mainelli
Nigel Challis	Deputy Henry Pollard
Deputy Brian Harris	Adam Richardson
Alderman Peter Hewitt	James de Sausmarez
Wendy Hyde	Ian Seaton
Deputy Jamie Ingham Clark	David Thompson
Clare James	

#### Officers:

Peter Lisley	- Assistant Town Clerk
Christopher Braithwaite	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
Graham Bell	- Chamberlain's Department
Carla-Maria Heath	- Chamberlain's Department
Kate Limna	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Peter Bennett	- City Surveyor

#### 1. **APOLOGIES**

Apologies for absence were received from Nick Bensted-Smith, Mark Boleat, Alderman Charles Bowman, John Fletcher, Stuart Fraser, Christopher Hayward, Sir Michael Snyder, Deputy John Tomlinson and Philip Woodhouse.

#### 2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

Ian Seaton declared a non-pecuniary interest in respect of item 26 due to having a business relationship with the company involved.

#### 3. **MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** – That the public minutes and summary of the meeting held on 17 November 2015 be approved as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

The Committee considered a report of the Town Clerk which set out actions outstanding from previous meetings of the Committee.

**RESOLVED** – That the Committee notes the report.

5. **DRAFT PUBLIC MINUTES OF SUB-COMMITTEES**

a) **Draft public minutes of the Efficiency and Performance Sub-Committee held on 4 November 2015**

**RESOLVED** – That the public minutes and non-public summary of the Efficiency & Performance Sub-Committee meeting held on 4 November 2015 be noted.

b) **Draft public minutes of the Finance Grants Sub-Committee held on 17 November 2015**

**RESOLVED** – That the public minutes and non-public summary of the Finance Grants Sub-Committee meeting held on 17 November 2015 be noted.

c) **Draft public minutes of the Corporate Asset Sub-Committee held on 24 November 2015**

**RESOLVED** – That the public minutes and non-public summary of the Corporate Assets Sub-Committee meeting held on 24 November 2015 be noted.

6. **ANNUAL REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE AND 2016 AGENDA PLAN**

The Committee considered a report of the Town Clerk which requested the Committee to conduct their annual review of the Committee's Terms of Reference. The report also provided the Committee with an agenda plan for 2016.

A Member asked whether responsibility for Risk Management should be included in the Terms of Reference of the Committee. The Town Clerk explained that this question had also been asked at a recent meeting of the Culture, Heritage and Libraries Committee, and advised that the Town Clerk's Department had discussed this issue and would consider that Risk Management was already implicitly enshrined within the Terms of Reference of all Service Committees by virtue of their duties in monitoring the Department.

A Member suggested that this should be an issue for the Audit and Risk Management Committee to consider and make a recommendation to Service Committees. Members agreed that this would be appropriate.

**RESOLVED** – That the Committee approves the changes to the Terms of Reference as set out within the report.

7. **AUTUMN STATEMENT AND SPENDING REVIEW**

The Committee considered a report of the Chamberlain which provided the Committee with information of the implications of the Government's Autumn Statement and Spending Review.

The Chamberlain advised the Committee that announcements were expected from the Government on the details of the Local Government and Police Settlements in the next couple of days. The Chairman advised that a further Members' Breakfast regarding Police Funding had been arranged for 12 January 2016 at 8.30am.

**RESOLVED** – That the Committee notes the report.

8. **INFORMATION TECHNOLOGY DEPARTMENT - QUARTERLY UPDATE**

The Sub-Committee considered a report of the Chamberlain which provided an update on the performance of the Information Technology Division over the previous quarter.

The Chamberlain provided Members with further information regarding the power outage which had affected IT service provision on the 23 November and the interruption to internet connectivity, caused by a fibre break, which had occurred on the 11 December. The Chamberlain advised that following on from the power outage, further planned maintenance had been required to rectify faults with both Fire Control System and the Uninterruptable Power Supply. This maintenance had successfully completed overnight on the 11/12 December. The Chamberlain noted that this highlighted the need for greater resiliency within the IT infrastructure of the Corporation.

Members expressed concern that the outages had led to significant periods of staff being unable to operate, and also expressed dissatisfaction about how Members were notified of the outages. The Assistant Town Clerk suggested that it may be beneficial for Members, in their roles on Service Committees, to ask Directors for clarification about their business continuity plans in the event of similar outages in future.

The Chamberlain advised that the number of defects within the Oracle Programme had been reduced from 15 to five, and the remaining defects were expected to be resolved by the end of December.

A Member asked whether the Superfast City work was expected to improve Broadband access for all residential properties within the City, or whether the benefit would be focused in the more concentrated residential areas. The Chamberlain explained that the increase in the number of BT Cabinets was expected to improve access to Broadband across the City, although it was anticipated that access may remain challenging for some residents. However, he explained that it was difficult to estimate the exact areas which might still have access difficulties due to the nature of the works.

**RESOLVED** – That the Sub-Committee notes the report.

9. **THE PENSION FUND DEFICIT**

The Committee considered a report of the Chamberlain which provided Members with information in relation to the deficit of the City of London Pension Fund, following questions being asked on this subject at the Court of Common Council in October 2015.

The Town Clerk also highlighted that a Member Development Session on the Pension Fund had been scheduled for 11 January 2015 at 4.00pm.

**RESOLVED** – That the Committee notes the report.

10. **THE WORK OF THE CITY'S SOCIAL VALUE PANEL**

The Committee considered a report of the Chamberlain which provided information regarding City Procurement's Social Value Panel.

Members thanked the Chamberlain for the report and stated that this was a good news story for the Corporation.

**RESOLVED** – That the Committee notes the report.

11. **INVEST NORTHERN IRELAND'S BUILDING LONDON CONFERENCE**

The Committee considered a report of the Chamberlain which advised Members of a presentation made by the City of London Corporation at the Invest Northern Ireland Building London Conference, which had been warmly received.

**RESOLVED** – That the Committee notes the report.

12. **COUNCIL TAX REDUCTION SCHEME**

The Committee considered a report of the Chamberlain which recommended to Members changes to the Council Tax Reduction Scheme, in light of changes to national benefits in the July 2015 budget.

**RESOLVED** – That the Committee endorses the adoption of a revised Council Tax Reduction Scheme, following national benefit upratings (increases) and applying option 1 (set out within the report) for onward approval by the Court of Common Council, which would introduce revised applicable amounts, personal allowances, backdating and non-dependant deductions in line with Housing Benefit.

13. **MEMBERS' FINANCIAL ALLOWANCE LOSS SCHEME**

The Committee considered a report of the Town Clerk which provided the Committee with information regarding the operation of the Members' Financial Allowance Loss Scheme over the last year.

A Member asked whether information could be provided regarding the number of Members who had made claims. The Town Clerk advised that claims made under the Scheme were handled confidentially, so it was not possible to advise the Committee of this.



**RESOLVED** – That the Committee notes the report.

14. **RISK MANAGEMENT - TOP RISKS**

The Committee considered a report of the Chamberlain which provided updates regarding the top risks within the Departmental Risk Register.

**RESOLVED** – That the Committee notes the report.

15. **POLICE ARBORETUM MEMORIAL TRUST - NEW NATIONAL MEMORIAL PROJECT**

The Committee considered a report of the Town Clerk which advised Members of a request for £50,000 funding from the Finance Committee City's Cash Contingency for the first year of the Corporation's contribution to the Police Arboretum Memorial Trust's project to create a new national memorial to pay tribute to the UK's Police Service and honour those Officers who have died in service.

The Town Clerk advised the Committee that the Policy and Resources Committee agreed to support a total contribution of £250,000 to the project over five years, with years two to five being funded through a base budget uplift of the Policy and Resources Committee budget.

**RESOLVED** – That the Committee agrees that funding for Year 1 of the Corporation's contribution to the Police Arboretum Memorial Trust's arboretum memorial project of £50,000 be met from the Finance Committee's City's Cash Contingency.

16. **CENTRAL CONTINGENCIES**

Consideration was given to a report of the Chamberlain which provided the Committee with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

The report also informed the Committee of a request from the City Surveyor for £80,000 funding from the City's Cash Contingency to meet the cost of the Assistant Property Facilities Manager posts for the period January to March 2016, pending completion of the Facilities Management Review. The Committee was advised that the Property Investment Board had been consulted on this request and had supported it.

A Member commented that the request for funding from the Committee's Contingency should be supported, but only on the basis that the outcomes of the Facilities Management Review would be completed by the end of March 2015.

**RESOLVED** – That the Committee:

- a) notes the report; and

- b) agrees to allocate £80,000 to the City Surveyor's budget from the Finance Committee's City's Cash contingency to meet the cost of the Assistant Property Facilities Manager posts for the period January to March 2016 pending completion of the Facilities Management review.

**17. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

**18. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

**19. EXCLUSION OF THE PUBLIC**

**RESOLVED** - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

**Item No.**

**Paragraphs in Schedule 12A**

20-28

3

**20. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

The non-public minutes of the meeting held on 17 November 2015 were approved as an accurate record.

**21. OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**

The Committee considered and noted a report of the Town Clerk which set out actions outstanding from previous non-public minutes of the Committee.

**22. DRAFT NON-PUBLIC MINUTES OF SUB-COMMITTEES**

**a) Draft non-public minutes of the Efficiency and Performance Sub-Committee held on 4 November 2015**

The non-public minutes of the Efficiency & Performance Sub-Committee meeting held on 4 November 2015 were noted.

**b) Draft non-public minutes of the Finance Grants Sub-Committee held on 17 November 2015**

The non-public minutes of the Finance Grants Sub-Committee meeting held on 17 November 2015 were noted.

**c) Draft non-public minutes of the Corporate Asset Sub-Committee held on 24 November 2015**

The non-public minutes of the Corporate Asset Sub-Committee meeting held on 24 November 2015 were noted.

23. **CITY'S ESTATE STRATEGIC REVIEW - ANNUAL UPDATE**  
The Committee noted a report of the City Surveyor which provided an annual update of the progress made over the previous year in respect of the City's Estate.
24. **STRATEGIC PROPERTY ESTATE - ANNUAL UPDATE**  
The Committee noted a report of the City Surveyor which provided an annual update of the progress made over the previous year in respect of the Strategic Property Estate.
25. **WAIVER APPROVAL REQUEST - TELEPHONE LINES CONTRACT**  
The Committee considered and approved a report of the Chamberlain which requested approval of a waiver for the contract for the provision of telephone lines and telephone call services.
26. **WAIVER APPROVAL REQUEST - INTERNAL AUDIT SUPPORT SERVICES**  
The Committee considered and approved a report of the Chamberlain which requested approval for the variation and extension of an existing contract necessary for continuity in the leadership and effective performance of the internal audit function over the remainder of the 2015/16 financial year.
27. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**  
There were no non-public questions relating to the work of the Committee.
28. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
There was no other non-public business.

**The meeting closed at 3.10 pm**

-----  
Chairman

**Contact Officer: Chris Braithwaite**  
**tel. no.: 020 7332 1427**  
**christopher.braithwaite@cityoflondon.gov.uk**

This page is intentionally left blank

## Finance Committee – Outstanding Actions

Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
1.	22 September 2015, Item 6	<p><u>Resolution from Markets Committee – Revenue Outturn Reports</u></p> <p>That the Finance Committee requests that the Markets Committee reconsiders its request that Revenue Outturn Reports to that Committee are presented in a commercial format.</p> <p>The decision of the Finance Committee was received by the Markets Committee at their meeting on 30 September 2015. The Markets Committee referred this matter to Policy and Resources Committee as a dispute between Committees. This issue was subsequently raised by the Board of Governors of the City of London School.</p> <p>The Chairmen of the Committees met on 22 October to discuss the issue and it was agreed that that the Financial Services Director would attend the next meeting of the Markets Committee and Board of Governors to present potential options for the presentation of revenue outturn reports, while keeping the reports within a common format to those presented to other Committees.</p>	Chamberlain.	December 2015.	<p>The Financial Services Director attended the meetings of the Markets Committee and City of London School in November and December 2015.</p> <p>The Chamberlain agreed develop an appropriate report format in consultation with the Chairman, Deputy Chairman of the Committees. It was noted that a balance would need to be struck regarding the amount of staff time and resources it would take to develop the final separate format.</p> <p>The Chamberlain confirmed that changes would not be possible to the overall Accounts or Budgets, as the format of these was defined by CIPFA.</p>

Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
2.	22 September 2015, Item 7	<u>City Procurement – Quarterly Update</u> The Committee requested that future reports provide information on trends to allow analysis of the direction of future performance.	Head of City Procurement	January 2016	Trend information is included in City Procurement quarterly update on this agenda.
3.	22 September 2015, Item 9	<u>Purchasing Card Policy</u> The Purchasing Card Policy to be reviewed on an annual basis.	Head of City Procurement	September 2016	Purchasing Card Policy to be reviewed in September 2016.

## INFORMATION TECHNOLOGY SUB (FINANCE) COMMITTEE

Tuesday, 15 December 2015

**Minutes of the meeting of the Information Technology Sub (Finance) Committee held at the Guildhall EC2 at 11.30 am**

### **Present**

#### **Members:**

Roger Chadwick (Chairman)	Deputy Jamie Ingham Clark
Jeremy Mayhew (Deputy Chairman)	Sylvia Moys
Nigel Challis	James Tumbridge

#### **Officers:**

Susan Attard	- Deputy Town Clerk
Christopher Braithwaite	- Town Clerk's Department
Peter Kane	- Chamberlain
Graham Bell	- Chamberlain's Department
Kevin Mulcahy	- Chamberlain's Department
Simon Woods	- Chamberlain's Department

#### **1. APOLOGIES**

Apologies were received from Randall Anderson, Graham Packham, Chris Punter, Alderman Matthew Richardson and Deputy John Tomlinson.

#### **2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations.

#### **3. MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** – That the public minutes and non-public summary of the meeting held on 20 October 2015 be approved as an accurate record.

#### **4. REVIEW OF OUTSTANDING ACTIONS**

The Sub-Committee considered a joint report of the Town Clerk and Chamberlain which provided an update on outstanding actions from previous meetings of the Sub-Committee.

The Chamberlain provided Members with an update regarding the potential to use Microsoft Outlook on iPads, which was subject to PSN compliance. The Chamberlain advised that it may also be necessary to move to a two factor authentication process for web-based emails in order to tighten security and maintain PSN Compliance.

Members discussed this, the current security of the Good App for Corporation emails and the information security issues of using personal email addresses to

access non-public Corporation information. Members noted that this was a risk, but noted that guidance from the Information Commissioner identified this risk as only applying to how the data received at a Member's personal email address was used. Members also noted that while there was a Government standard to avoid the use of personal email addresses for Government business, this was rarely enforced.

Members also noted that they had not received the IT Newsletter. The Chamberlain agreed to ensure that this was provided to Members.

**RESOLVED** – That the Sub-Committee notes the report.

5. **IT DIVISION QUARTERLY REPORT**

The Sub-Committee considered a report of the Chamberlain which provided an update on the performance of the Information Technology Division over the previous quarter.

The Chamberlain provided Members with further information regarding the power outage which had affected IT service provision on the 23 November and the interruption to internet connectivity, caused by a fibre break, which had occurred on the 11 December. The Chamberlain advised that following on from the power outage, further planned maintenance had been required to rectify faults with both Fire Control System and the Uninterruptable Power Supply. This maintenance had successfully completed overnight on the 11/12 December.

The Sub-Committee discussed the service outages noted that the outages implied that there was not sufficient resilience within the IT systems to ensure that they could continue to operate in adverse situations, and had also demonstrated exactly how vulnerable the Corporation's operations were to loss of IT services. The Chamberlain agreed that there was not sufficient resilience, with a number of areas reliant on single points of failure, with some of these being aging components. The Chamberlain highlighted that the Sub-Committee was asked to consider three reports within the non-public part of the agenda to progress projects which would seek to improve the IT infrastructure and build in more resilience.

The Sub-Committee agreed that due to IT being integral to the organisation, the Sub-Committee should be provided with updates on the improvements to the resilience of IT services at every meeting.

The Sub-Committee also requested that the Outstanding Actions report be updated to include details of agenda items for future meetings

**RESOLVED** – That the Sub-Committee:

- a) notes the report.
- b) requests that an update on improvements to the resilience of IT services be provided to every Sub-Committee meeting.



- c) requests that the Outstanding Actions report be updated to include details of agenda items for future meetings.

**6. AGILISYS SERVICE PERFORMANCE - UPDATE**

The Sub-Committee received a presentation from Agilisys providing an update on service performance. The presentation provided information about the Service Improvement Plan, which had arisen from the Joint Operational Review. The Service Improvement Plan incorporated initiatives in Governance and Engagement, People and Processes, and Technology Improvement.

Members asked questions about the relocation of the Service Desk function to Rochdale, and particularly queried whether the staff at that site were familiar with the specific requirements of the City of London Corporation. The Agilisys representatives advised the Sub-Committee that Service Desk staff were given specific training regarding the Corporation so that they were aware of the particular operational and reputational requirements of resolving issues.

Members asked for a definition of the abandoned call rate, which was cited within the presentation. Members were advised that this referred to calls which were terminated by the caller, without being answered after more than 30 seconds. It was explained that this level, which was lower than with the previous Service Desk arrangements, could be further reduced by employing more Service Desk staff, although this would clearly have a cost implication.

**RESOLVED** – That the Sub-Committee notes the presentation.

**7. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

There were no questions.

**8. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no items of urgent business.

**9. EXCLUSION OF THE PUBLIC**

**RESOLVED** - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

**Item No**  
10-14

**Paragraph(s) in Schedule 12A**  
3

**10. JOINT NETWORK REFRESH PROGRAMME FOR THE CORPORATION AND CITY OF LONDON POLICE - PROGRAMME UPDATE AND AUTHORITY TO PROGRESS JOINT LAN AND POLICE WAN PROPOSALS - GATEWAY 4/5 REPORT**

The Sub-Committee considered and approved a Gateway 4/5 report of the Chamberlain which provided a programme update for the Joint Network Refresh Programme (JNRP) for the Corporation and the City of London Police,

and sought authority to progress the joint Local Area Network (LAN) and Wide Area Network (WAN) proposals to the next Gateway for the LAN project.

11. **END USER DEVICE REFRESH PROGRAMME - GATEWAY 4/5 REPORT**  
The Sub-Committee considered and approved a Gateway 4/5 report of the Chamberlain which provided a detailed options appraisal of the End User Device Refresh Programme.
12. **UNIFIED COMMUNICATIONS - GATEWAY 2 PROJECT PROPOSAL**  
The Sub-Committee considered and approved a Gateway 1/2 report of the Chamberlain which set out proposals for a Unified Communications Project.
13. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**  
There were no non-public questions.
14. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
There were no items of urgent business.

**The meeting closed at 1.00 pm**

-----  
Chairman

**Contact Officer: Christopher Braithwaite**  
**tel.no.: 020 7332 1427**  
**christopher.braithwaite@cityoflondon.gov.uk**

<b>Committee:</b> Finance Committee	<b>Date:</b> 19 January 2016
<b>Subject:</b> Provisional Settlements for Local Government and Police 2016/17 and Mayoral Precept 2016/17	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>

## Summary

The provisional settlement is better than expected for local government. We are currently working through the impact of these changes on the medium term financial forecast, but it looks positive and will allow us, for example, to start tackling some of the key cost pressure areas, such as improved security and the 'bow wave' of maintenance costs on the operational property estate.

For Police, the provisional settlement confirmed the surprise announcement of 'no cuts' to Police funding from the Autumn Statement. The settlement indicates a reduction of only £300k, £2.3m better than forecast for 2016/17.

Overall there are no issues that are so unique and/or disadvantageous relative to other councils/ forces which would require representations to be made.

Medium term financial forecasts for all four funds will be reported to Finance Committee in February.

## Recommendation

Members are asked to note the report.

## Main Report

### Background

1. On 17 December, the Secretary of State for Communities and Local Government (DCLG) announced the provisional 2016/17 Local Government Finance Settlement. The Settlement outlines provisional core funding allocations for local authorities for the four year period 2016/17 to 2019/20. On the same day the Home Secretary issued the settlement for Police.

### Provisional Local Government Finance Settlement 2016-17

2. For our non-Police services, the settlement is better than expected. Our June forecast, based on the Treasury request to non-protected government departments to identify real terms savings of 25-40% by 2019/20, assumed a £3m (11%) cash reduction in revenue support grant (RSG) and rates retention funding between 2015/16 and 2016/17. However, the cash reduction in funding is £1.3m (5%).

3. Unlike previous years the provisional settlement includes figures for four years (2016-17 to 2019-20). The Government presented this as an 'offer' to local government with the proviso in the consultation being that any council accepting the offer will have to publish an efficiency plan. This is a very helpful move and one local government has been campaigning for, as it provides more certainty and ability to plan changes over the medium-term. The four year horizon suggests a far less steep rate of reduction in RSG. Our earlier forecast had assumed that RSG would be reduced from £12m in 2015/16 to zero by 2019/20 whereas the provisional settlement indicates that we should still receive £6m in 2019/20. There are no details about what an efficiency plan will need to include or when we would have to submit these.
4. We are currently working through the impact of these changes on the medium term financial forecast, but it looks positive and will allow us, for example, to start tackling some of the key cost pressure areas, such as improved security and the 'bow wave' of maintenance costs on the operational property estate.
5. The council tax referendum threshold will remain at 2%, and as announced in the Spending Review, upper tier authorities will be allowed to raise a further 2% to spend on social care (the effective threshold is therefore 4% for the City). Local authorities are invited to offer their views on its operation and requested to indicate whether their authority is minded to take up the 2% flexibility by 5pm on 15 January 2016. For the City, an additional 2% on council tax would only generate £100,000 and given the improved financial position for 2016/17, it is proposed that the City will not take up the additional flexibility- this is however subject to discussion and decision at the joint meeting of the Resource Allocation Sub and Efficiency and Performance Sub Committees with Committee Chairmen on the 14 January 2016.
6. Other key highlights of the provisional local government settlement are as expected from the Autumn Statement:
  - There will be no Council Tax Freeze Grant in 2016-17. Funding for previous years' grants will continue – but rolled in to core grant.
  - There is little change to the overall architecture of the business rates retention scheme. Although the Government will consult on business rate devolution in 2016, taking into account the wider resources available to councils including council tax, and consider the transfer of funding for the administration for housing benefits for pensioners, TfL capital funding and public health.
  - In 2016-17, £1.5bn of New Homes Bonus will be awarded nationally. London's share is £308m (21%).
  - Introduction of an apprenticeship levy of 0.5% on salary bill from April 2017; this will equate to £750,000 for the City Corporation but there will potentially be scope to count the cost of apprenticeship training against the levy.

7. A detailed analysis on the impact of the provisional settlement on London is contained in the London Council's briefing, circulated to members of this Committee on the 18 December 2015.

### **Police settlement**

8. Overall police funding, including funding for Counter Terrorism, has been cut by 1.3% in real terms over four years. In a letter to PCCs and Chief Constables the Home Secretary and Policing Minister say that "taking into account the scope that you have to raise local council tax, this means a flat real settlement for policing as a whole."
9. For Police, the settlement accords with the figures in the Autumn Statement. In our September forecast we had assumed the cash reduction to Core grant would be £2.6m (5%), but the settlement indicates a reduction of only £0.3m (0.5%) - £2.3m better than forecast for 2016/17. In addition, Capital City funding has increased from £2.8m in 2015/16 to £4.5m in 2016/17. Details of a number of ring-fenced grants are not expected until January- March 2016 but there is a risk that some might be reduced.

### **Mayoral precept**

10. The Mayor of London has published his draft 2016/17 revenue budget and capital spending plan for consultation. For the current financial year, 2015/16, the City's Council tax is £857.31, expressed at band D and excluding the GLA precept of £86.31. The budget proposes a reduction in the Mayor's Band D council tax of £17.10. As in previous years, the GLA have indicated that this figure is likely to change.

### **Next steps**

11. Overall there are no issues that are so unique and/or disadvantageous relative to other councils/ forces which would require representations to be made.
12. The medium term financial forecasts for all four funds will be reported to Finance Committee in February. Your Chairman and the Chairman of Police are also holding a Member breakfast session on 12 January to discuss the implications of the settlements on the City Fund Police and non-Police services.

**Caroline Al-Beyerty**  
Financial Services Director

T: 0207 332 1113  
E: caroline.al-beyerty@cityoflondon.gov.uk

This page is intentionally left blank

<b>Committee:</b>	<b>Dated:</b>
Finance Committee	19 January 2016
<b>Subject:</b> Chamberlain's Business Plan - Third Quarter Update	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>

## Summary

This report provides Members with a brief update of assurance that the Chamberlain's department is making good progress in the delivery of the 2015/16 Departmental Business Plan.

## Recommendation

Members are asked to note the report.

## Main Report

### Background

1. The Chamberlain's Department Business Plan for 2015-2016 was approved by Finance Committee on 14<sup>th</sup> April 2015. This report has been produced to provide Members with a summary of progress against key deliverables and performance in quarter three of the current financial year.

### Current Position

2. It is a requirement of the Corporate Business Planning Framework that business plan delivery update reports be provided to Committee on a quarterly basis. This report builds upon the good progress reported in November.

### Delivery against Key Improvement Objectives

3. Progress in the delivery of our Key Improvement Objectives (provide strategic financial management across the City Corporation, deliver effective service operations and enable change and transformation) is good. Two points are of note:
  - Plans to progress IT programmes in relation to the Joint Network Refresh and End User Device Refresh were approved by IT Sub-Committee in December and will be submitted to Projects Sub-Committee in January.
  - Chamberlain's Accommodation – a number of office moves within the department will complete on 11<sup>th</sup> January, concluding with the relocation of the City Revenues team to Guildhall North Wing, vacating the entire 2<sup>nd</sup> floor of Walbrook Wharf for future corporate use.

The remaining milestones are on track for delivery in accordance with agreed timescales and will be reported against as they become due or where timescales are amended.

## **Delivery against Key Performance Indicators**

4. The Chamberlain's Performance Scorecard is shown as Appendix 1 to this report. Items of note are:
  - Accounts Payable Invoice Turnaround – very good progress is being made towards achieving the stretched target of 97%, performance continues to improve incrementally month by month and for the year to date is at 96%.
  - Council Tax Collection – slightly behind anticipated collection levels at Q2, although performance has increased in Q3 and is now exceeding the profiled target.
  - Internal Audit Plan Delivery – this continues to be behind expected performance. A significant volume of work is currently at the fieldwork stage which, when completed, will close the gap between performance and target. This is the subject of a full report to the January Audit and Risk Management Committee, including measures taken to increase plan delivery.
  - Customer Service – we undertook our annual departmental customer satisfaction survey in December, extended to close on 08/01/2016. Initial review of the response data indicates an improvement across the range of service operations since last year, although this is below the target that we had set. Further analysis in January will inform the 2016/17 business plan.
  - Staff Engagement – measured through our annual staff survey, we recorded an improvement on the previous year's score, although again, this is below the target that we set. It is worth noting, however, that 70% of staff responded to the survey (up from 63% last year) which, in itself, is a positive indication of improved engagement.

## **Conclusion**

5. Members are asked to note that good progress is being made in the delivery of the Chamberlain's business plan. Performance for the year to date is in line with expectations although just below some of the more ambitious stretched targets set.

## **Appendices**

- Appendix 1 – Chamberlain's Department Performance Scorecard

## **Background Papers**

Report to Finance Committee 14/04/2015: Chamberlain's Business Plan 2015/16

Report to Finance Committee 21/07/2015: Chamberlain's Business Plan – First Quarter Update

Report to Finance Committee 17/11/2015: Chamberlain's Business Plan – Second Quarter Update

## **Matt Lock**

Head of Payments and Support Services

T: 020 7332 1276 | E: [matt.lock@cityoflondon.gov.uk](mailto:matt.lock@cityoflondon.gov.uk)



Chamberlain's Department Performance Scorecard							
				Quarterly update			
	Measure	2014/15 performance	2015/16 target	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Accounts Payable invoice turnaround (30 day)	% paid	90%	97%	95%	96%	96%	
Accounts Payable invoice turnaround for SME <sup>1</sup> (10 day)	% paid	77%	80%	86%	86%	87%	
Business Rates collection	% collected (cumulative)	profile		28%	58%	89.25%	99.75%
		99.09%	99.75%	31.62%	58.10%	87.16%	
Council Tax Collection	% collected (cumulative)	profile		27%	56.5%	79%	97.5%
		99.13%	97.5%	28.19%	53.17%	81.73%	
Annual Procurement Savings	Savings achieved	£7m	£8.25m	£1.95m	£3.92m	£6.21m	
IT Application availability	Percentage	99.8%	99%	99.9%	99.9%	99.9%	
Internal Audit Effectiveness	Audit Plan delivery (%)	profile			32%	73%	100%
		90%	95%	5%	21%	45% <sup>2</sup>	
Publication of City Fund Accounts within Statutory Deadline				<b>Status:</b>			✓
Delivery of a balanced budget and Medium Term Financial Plan for City Fund, approved by Court of Common Council by 31 March				<b>Status:</b>			On track
PO Compliant Invoices	Percentage	-	>88%	93%	94%	95%	
Provide a high quality service to our customers (measured annually)	Annual customer survey	Average lowest score 7.0	Average lowest score 7.5	n/a	n/a	7.15 (provisional figure)	
Increased staff engagement (measured annually)	Percentage of positive responses to Staff Survey Q5: "I understand how my work helps the Chamberlain's Department to achieve its objectives"	88%	92%	n/a	n/a	89%	

<sup>1</sup> SME = Small and Medium Sized Enterprise

<sup>2</sup> Although there is a shortfall in delivery of audit plan to staff report stage, a significant amount of fieldwork is in progress which will see return to expected progress before the end of the year.

This page is intentionally left blank

# Agenda Item 9

<b>Committee:</b> Finance Committee	<b>Date:</b> 19 January 2016
<b>Subject:</b> Chamberlain's Department Risk Management – Quarterly Report	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>

## Summary

This report has been produced to provide Finance Committee with an update on the management of risks faced by the Chamberlain's department.

Risk is reviewed regularly by the departmental Senior Leadership Team as part of the ongoing management of the operations of the Chamberlain's department. In addition to the flexibility for emerging risks to be raised as they are identified, a process exists for in-depth periodic review of the risk register.

The Chamberlain's department currently has three corporate risks and six risks on the departmental risk register. The most significant risks are:

- **CR19 - IT Service Provision (Current Status RED)**
- **CR16 – Information Security (Current Status: AMBER)**
- **CHB006 – IT Service Outage (Current Status: AMBER)**

## Recommendation

Members are asked to note the report and the actions taken in the Chamberlain's department to monitor and effectively manage risks arising from our operations.

## 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 a standing agenda item at the monthly Departmental Senior Leadership Team (SLT) meeting, over and above the suggested quarterly review. SLT receives the risk register for review, together with a briefing note highlighting any changes since the previous review. Consideration is also given as to whether any emerging risks exist for inclusion in the risk register as part of Divisional updates on key issues from each of the Directors, ensuring that adequate consideration is given to operational risk.

3. Between each SLT meeting, risk and control owners are consulted regarding the risks for which they are responsible, with updates captured accordingly.

### **Current Position**

4. This report provides an update on the current risks that exist in relation to the operations of the Chamberlain's department and, therefore, Finance Committee.

### **Identification of new /emerging risks**

5. New and emerging risks are identified through a number of channels, the main being:
  - directly by the Senior Leadership Team as part of the monthly review process
  - following monthly review of progress against actions/milestones identified in the departmental Business Plan
  - annual, fundamental review of the risk register, undertaken by the extended Senior Leadership team
6. The new proposed corporate RED risk relating to the corporate approach to contract management is due to be resubmitted for consideration to Chief Officers Risk Management Group in January 2016.

### **Summary of Key Risks**

7. The Chamberlain's department currently has three corporate risks and six risks on the departmental risk register, attached as Appendix 1 to this report, assessed as 1 RED risk, 7 AMBER risks and 1 GREEN risk. These are:

- **CR19 - IT Service Provision (Current Risk: Red – no change)**

The IT Sub (Finance) Committee recently approved three key IT projects – desktop renewal, the network refresh and communications/telephony to progress to the Projects Sub (Policy and Resources) Committee then on into implementation. These projects should play a key role in providing a modern, resilient and flexible IT system to support wider transformation across the City Corporation. Progress against the transition plan is measured regularly to ensure the risk continues to reduce towards the target status of Green by 31 December 2016.

- **CR16 – Information Security (Current Risk: Amber – increased risk score)**

Loss of personal or commercial information may result in major reputational damage to the City Corporation and possible sanction from the Information Commissioner. This risk includes the threat of a Cyber security attack, resulting in unauthorised access to City Corporation IT systems. While the Chief Information Officer is the risk owner, some mitigating controls are owned by Town Clerk's department. Chamberlain's department is responsible for managing the cyber security and technology aspects of this risk.

This risk is mitigated through regular organisation wide communications and the provision of mandatory training to all staff including new starters. Data Protection

compliance checks are carried out locally by Access to Information (AIN) representatives on an annual basis. The IT and Cyber security policy is now published in draft and available to staff, subject to final sign off at IT Steering Group in January. In addition, a Cyber Security and Risk Management development workshop for Members is planned for February 2016. However, further work is required to strengthen data retention and ownership procedures in line with Data Protection requirements. The risk score is therefore increased to Amber pending completion of these mitigating actions.

- **CR14 – Funding Reduction (Current Risk: Amber – no change)**

The settlement for our non-Police services is better than expected under the Spending Review. The cash reduction in revenue support grant (RSG) appears to be 5%, the assumed reduction had been 11% based on the Treasury request to identify real terms savings of 25-40%. There is also a far less steep rate of reduction over the next four years to 2019/20: a 50% reduction from £12m in 2015/16 to £6m instead of the forecast 100% reduction.

For Police services, the cash reduction to core grant is £2.3m better than forecast for 2016/17. However, details of a number of ring-fenced grants are not expected until later this month.

The implications for the Medium Term Financial Forecast will be worked through and the forward outlook presented to senior Members and Resource Allocation Sub-Committee early in January 2016. Although the outcome is better than feared, the Service Based Review measures will need to be implemented as planned to ensure we are as efficient and effective as possible and are in a position to prioritise and maximise the benefits of future budget allocations.

As savings proposals are implemented, it is anticipated that this risk will reduce to Green.

- **CHB001 – Oracle ERP delivery (Current Risk: Amber – no change)**

The Oracle Steering Group agreed the closure of the Oracle ERP Programme on 30 September 2015. Whilst the majority of work-streams are now complete, some remaining pieces of work were handed over to the operational support functions at the end of September to be managed under business as usual activities, which is to be expected with this level of change. The number of defects/issues continues to reduce, with the Project Board closely monitoring progress towards reaching full functionality.

- **CHB002 – Oracle ERP Business Benefits (Current Risk: Amber – no change)**

This risk describes the failure to deliver required efficiencies and future revenue savings enabled through the Oracle ERP programme, consolidating other key systems and processes as appropriate. Business benefits realisation work is expected to commence in February 2016, following closure of remaining

programme defects, with a report produced by end of April 2016. The focus of this will be the extent to which the programme has delivered what it set out to.

- **CHB006 – IT Service Outage (Current Risk: Amber – increased risk score)**

This risk relates to the disruption to service delivery as a result of major information systems outage (e.g. network/technology infrastructure failure). The risk score has increased following the two recent outages, triggered by a power loss and an external fibre break. Further steps will now be taken in the short term to minimise the single points of failure and increase resilience of the IT system, ahead of the transformation programmes being completed. Work on the renewal of the network infrastructure and update of the telephony system is in progress with a target completion date of December 2016.

- **CHB008 – Resourcing (Current Risk: Amber – no change)**

Recruitment to key posts in IT Division is now complete and a resourcing plan for projects finalised with our Partner Agilisys. This means that use of agency and individual contractors will now be on an exceptional basis, thereby reducing costs. The Department's workforce plan for 2016/17 will also focus on improving succession planning and development of existing staff.

- **CHB009 – COL Payment Card procedures (Current Risk: Amber – no change)**

Officers holding City of London Corporation payment cards (credit cards) do not consistently provide adequate explanations to support expenditure. With increased transparency around public sector spending there is a concern that public scrutiny may be directed towards value for money principles and the appropriateness of transactions. This could result in reputational damage and adverse publicity for the City Corporation.

To mitigate this risk, a Training Plan is in place with work continuing with users of the system including City Police staff. An online course has been developed and is in final testing, once complete all Payment Card users will have to complete it as mandatory. The training programme is expected to be complete by 31 January 2016. The new Purchasing card policy will ensure that officers apply best practice principles across the City Corporation when using purchasing cards. There are monthly reports to Chief Officers on progress, a draft sample report is to be produced based on Chamberlain's Department spend and shared at the next Procurement Steering Group in January 2016 for consultation.

- **CHB010 - Procurement waivers (Current Risk: Green – decreased risk score)**

This risk relates to a lack of compliance with procurement regulations - City Procurement Code 2015. Officers may purchase works, goods and services below £50,000 (without going through a competitive exercise) by use of contract waivers. Excessive use can result in poor value for money, possible breach of UK Public Contract Regulations 2015, legal challenge and possible disciplinary action for staff that breach the code.

Data on waivers in October 2015 showed a sharp drop to 10 in total from 180 in October 2014, therefore the new Regulations have impacted the reliance on waivers as anticipated. The risk score has therefore decreased from Amber to Green. This position will continue to be monitored to ensure the trend continues towards the risk target date of 31 March 2016.

## **Conclusion**

8. Members are asked to note the actions taken to manage these departmental and corporate risks in relation to the operations of the Chamberlain's Department and the overall reducing level of current risk.

## **Appendices**

- Appendix 1 Chamberlain's Department detailed Risk Register
- Appendix 2 COL Risk Matrix – Committee version

## **Joy Ahwieh**

Support Services Team Leader | Chamberlain's Department  
T: 020 7332 1033 | E: [joy.ahwieh@cityoflondon.gov.uk](mailto:joy.ahwieh@cityoflondon.gov.uk)

This page is intentionally left blank



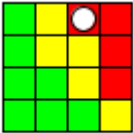
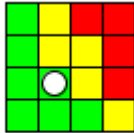

# CHB Detailed risk register

Report Author: Joy Ahwieh  
 Generated on: 05 January 2016



Rows are sorted by Risk Score

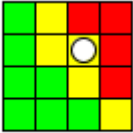
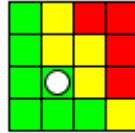
Code & Title: CHB Chamberlain's Department Risk Register 6 CR Corporate Risk Register 3

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	<p><b>Cause:</b> The whole Police IT Estate and parts of the Corporation are in need of further investment.</p> <p><b>Event:</b> For the Corporation, poor performance of IT Service and for the Police critical failure of the Police IT Service.</p> <p><b>Effect:</b> Loss of communications or operational effectiveness (including service performance, reliability and weakening DR capabilities). reputational damage. Possible failure of critical Corporation and Policing activities.</p>	<p>Likelihood</p>  <p>Impact</p>	<p>16</p>	<p>A key milestone has been passed as the IT Sub (Finance) Committee approved that three key IT projects on desktop renewal, the network refresh and communications/telephony should progress to the Projects Sub (Policy and Resources) Committee and then on into implementation. These projects should play a key role in providing a modern, resilient and flexible IT system to support wider transformation across the Corporation. Following the two recent outages, triggered by a power loss and external fibre break, further steps that will now be taken to minimise the single points of failure and increase resilience, ahead of the transformation programmes being completed. City Surveyors Department has confirmed</p>	<p>Likelihood</p>  <p>Impact</p>	<p>4</p>	<p>31-Dec-2016</p>	

14-Jul-2015 Graham Bell				that the risk of power failure at Guildhall and Walbrook Wharf sites is listed on their Corporate Property Group risk register, with mitigating actions in place to protect City Corporation assets including the IT system. <b>29 Dec 2015</b>				No change
----------------------------	--	--	--	--	--	--	--	-----------

Action no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR19b JOINT Network refresh programme.	Joint network refresh programme to resolve issues around network resilience and ensure we have diverse routes for network traffic, avoiding single points of failure.	Gateway 4/5 report approved.	Graham Bell	29-Dec-2015	31-Dec-2016
CR19c JOINT End User Device Renewal	Investment in any retained IT infrastructure to ensure that this meets the same standards of resilience and continuity as delivered by the IaaS infrastructure.	Gateway 4/5 report approved.	Graham Bell	29-Dec-2015	31-Dec-2016
CR19d CoLP Investment in any retained IT infrastructure	Investment in any retained IT infrastructure to ensure that this meets the same standards of resilience and continuity as delivered by the IaaS infrastructure	Gateway 4/5 report approved.	Graham Bell	29-Dec-2015	31-Dec-2016
CR19k Unified Communications Programme	Replacement of desktop phones with soft phones and improved teleconferencing facilities.	Gateway 2 report approved.	Graham Bell	29-Dec-2015	31-Dec-2016
CR19l CoLP: Infrastructure as a Service	IaaS Project to move Police IT Infrastructure into a new resilient platform.	Underway and as at the end of Nov the 1st migration have been accomplished.	Graham Bell	29-Dec-2015	31-Jan-2016



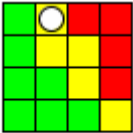
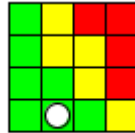

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB008 Resourcing  13-May-2015 Peter Kane	<p><b>Cause:</b> The department has a number of highly specialist roles for which there is a higher demand, in both the public and private sector, than those with the necessary skills.</p> <p><b>Event:</b> Difficult to recruit and retain specialist staff in IT and other areas such as Procurement as availability is dictated by the demands of the market.</p> <p><b>Effect:</b> Recruitment and retention of these staff can take longer and causes gaps in capacity. Capability gaps impact on service delivery and ability to improve future performance.</p>	 <p>Likelihood</p> <p>Impact</p>	12	<p>Recruitment to key posts in IT Division is now complete and resourcing plan for projects finalised with Partner Agilisys. This means that use of agency and individual contractors will now be on an exceptional basis, thereby reducing costs. The Department's workforce plan will also focus on improving succession planning and development of existing staff.</p> <p><b>16 Dec 2015</b></p>	 <p>Likelihood</p> <p>Impact</p>	4	31-Mar-2016	↔  No change

Action no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CHB 008a Resourcing Plan	Chamberlain's Workforce plan to include an effective resourcing plan, covering recruitment, retention and staff development.	In progress.	Matt Lock	16-Dec-2015	31-Mar-2016
CHB008b IT Resourcing	A resourcing plan to be developed for the IT Division.	ACTION COMPLETED. Recruitment to key posts and resourcing plan now complete.	Graham Bell	16-Dec-2015	31-Dec-2015

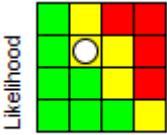
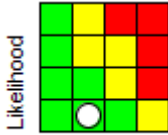
Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB001 Oracle ERP Delivery  09-Mar-2015 Peter Kane	<p><b>Cause:</b> System functionality not delivered, tested and deployed. Oracle Bugs and Service Requests (SRs) not resolved.</p> <p><b>Event:</b> The Oracle Programme fails to deliver full functionality within planned timetable.</p> <p><b>Effect:</b> Service Charge recovery fails. Closing of accounts and year end activity compromised. Adverse Audit Opinion.</p>	<p>Likelihood</p> <p>Impact</p>	8	<p>The Oracle Steering Group agreed the closure of the Oracle ERP Programme on 30 September 2015. The remaining pieces of work relating to this project are currently being dealt with under business as usual activities. The number of defects/issues continue to reduce with the Project Board closely monitoring progress towards reaching full functionality.</p> <p><b>05 Jan 2016</b></p>	<p>Likelihood</p> <p>Impact</p>	4	31-Jan-2016	↔  No change

Page 33

Action no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date

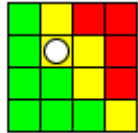
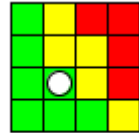
Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>CHB006 IT Service Outage</b>  09-Mar-2015 Graham Bell	<b>Cause:</b> Major information systems outage, eg network/technology infrastructure failure. Interruption to Power supply. <b>Event:</b> Disruption to IT service delivery. <b>Effect:</b> Provision of service operations compromised.	 Likelihood	8	The risk score has increased following the two recent outages, triggered by a power loss and an external fibre break. Further steps will now be taken to minimise the single points of failure and increase resilience of the IT system, ahead of the transformation programmes being completed. In addition, City Surveyors Department has confirmed that the risk of power failure at Guildhall and Walbrook Wharf sites is listed on their Corporate Property Group risk register, with mitigating actions in place to protect City Corporation assets including the IT system.  <b>29 Dec 2015</b>	 Likelihood	2	31-Dec-2016	  Increased Risk Score
		Impact			Impact			

Action no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CHB006a	Update of telephony system.	In progress.	Graham Bell	16-Dec-2015	31-Dec-2016
CHB006b	Renewal of network infrastructure.	In progress.	Graham Bell	16-Dec-2015	31-Dec-2016

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
CHB009 COL Payment Card procedures  28-Sep-2015 Christopher Bell	<p><b>Cause:</b> Officers holding City of London Corporation payment cards (credit cards) do not consistently submit adequate explanations on spend that would stand up to public scrutiny and display behaviours that reflect value for money principles.</p> <p><b>Event:</b> Information on all expenditure through government payment cards online is shared as required under the Local Government Transparency Code 2014.</p> <p><b>Effect:</b> Expenditure of public monies, perceived to be inappropriate, will be published. Poor evidence of value for money. Reputational damage and adverse publicity for the City Corporation.</p>	 <p>Likelihood</p> <p>Impact</p>	6	<p>Training Plan is in place, work is continuing with users of the system. There are monthly reports to Chief Officers on progress - draft sample report to be produced based on Chamberlains spend and shared at the next PSG in January for consultation.</p> <p><b>16 Dec 2015</b></p>	 <p>Likelihood</p> <p>Impact</p>	2	31-Jan-2016	↔  No change

Part 3

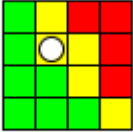
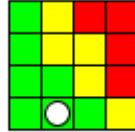

Question no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CHB009e Training Plan	Training of Payment card holders 01/10 – 31/12/2015	Online course has been developed and is in final testing, once complete all pcard users will have to complete it as mandatory. The training module will be part of the standard City learning online suite.	Christopher Bell	16-Dec-2015	31-Jan-2016
CHB009f New PCard Management System	New Payment Card Management System to be launched.	The new system is at user testing stage and should be ready for launch on the 18th January.	Christopher Bell	16-Dec-2015	31-Jan-2016
CHB009g VAT recovery	Ongoing work with Finance on recovery of VAT.		Christopher Bell		31-Dec-2016
CHB009h Compliance Audits	Compliance audits to be conducted by Internal Audit team.	-- enter new status update --	Christopher Bell	16-Dec-2015	31-Dec-2016
CHB009i Work with Police	-- enter action details here --		Christopher Bell		31-Dec-2016

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
CR14 Funding Reduction	<p><b>Cause:</b> Reduced funding from Central Government.</p> <p><b>Event:</b> Reduced funding available to the City Corporation and City of London Police.</p> <p><b>Effect:</b> City Corporation will be unable to maintain a balanced budget and healthy reserves in City Fund, significantly impacting on service delivery levels.</p>	 <p>Likelihood</p> <p>Impact</p>	6	<p>For our non-Police services, the settlement is better than expected. Our June forecast, based on the Treasury request to non-protected government departments to identify real terms savings of 25-40%, assumed a £3m (11%) cash reduction in revenue support grant (RSG) and rates retention funding between 2015/16 and 2016/17. However, the cash reduction in funding appears to be £1.3m (5%). The four year horizon appears to be suggesting a far less steep rate of reduction in RSG. Our earlier forecast had assumed that RSG would be reduced from £12m in 2015/16 to zero by 2019/20 whereas the provisional settlement indicates that we should still receive £6m in 2019/20.</p> <p>For Police, the settlement accords with the figures in the Autumn Statement. In our September forecast we had assumed the cash reduction to Core grant would be £2.6m (5%), but it is £0.3m (0.5%) - £2.3m better than forecast for 2016/17. In addition, Capital City funding has increased from £2.8m in 2015/16 to £4.5m in 2016/17. Details of a number of ring-fenced grants are not expected until January.</p> <p>We will be working through the implications for the Medium Term Financial Forecast and presenting the</p>	 <p>Likelihood</p> <p>Impact</p>	4	31-Mar-2018	↔

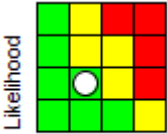
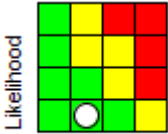



22-Jun-2015 Peter Kane			forward outlook to senior Members and Resource Allocation Sub-Committee early in January. Although the outcome is better than feared, it still means we need to see through the Service Based Review measures to make sure we are as efficient and effective as possible and are in a position to prioritise and maximise the benefits of future budget allocations. <b>29 Dec 2015</b>				No change
---------------------------	--	--	--	--	--	--	-----------

Action no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR14a Scrutiny of the Officer SBR Steering Group and Efficiency and Performance Sub-Committee.	Scrutiny of the achievement of savings by the Officer SBR Steering Group and Efficiency and Performance Sub-Committee.	Second SBR Monitoring report to be provided to 4th November ESPC. Quarterly cycle of reporting agreed for remainder of 2015/16.	Caroline Al-Beyerty	04-Dec-2015	31-Mar-2016
CR14b SBR implementation.	SBR implementation continues with cross departmental workstreams to identify further efficiencies in strategic asset management, income generation, and reviews of grants and hospitality.	Progress is monitored by EPSC in full. Grants review is complete, recommendations agreed with implementation underway. Corporate Finance is liaising closely with Police finance team.	Caroline Al-Beyerty	04-Dec-2015	31-Mar-2016
CR14f Monitoring of delivery of savings.	Robust monitoring of delivery of savings proposals - undertaken by Head of Finance, Projects.	3rd round of monitoring complete, 4th round to commence January 2016.	Paul Nagle	04-Dec-2015	31-Mar-2016

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
<b>CR16 Information Security</b>  Page 38 08 Sep-2014 Graham Bell	<b>Cause:</b> Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information. <b>Event:</b> Cyber security attack - unauthorised access to COL IT systems. Loss or mishandling of personal or commercial information. <b>Effect:</b> 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. Significant reputational damage.	Likelihood  Impact	6	IT and Cyber security policy now published in draft and available to staff, subject to final signoff from Chief Officers at IT Steering Group in January. In addition, a Cyber Security and Risk Management development workshop for Members is planned for February 2016. However, further work is required to strengthen data retention and ownership procedures in line with Data Protection requirements. There is now a specific recommendation for Chief Officers to identify Information Asset Owners, subject to agreement at IT Steering Group in January. The risk score is therefore increased to Amber pending implementation of these mitigating actions.  <b>05 Jan 2016</b>	Likelihood  Impact	2	28-Feb-2016	  Increased Risk Score

Action no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR16a	Review and refresh existing policy around cyber security and technology infrastructure risk in partnership with Agilisys.	IT and Cyber security policy now published in draft and available to staff, subject to final signoff from Chief Officers at IT Steering Group in January.	Christine Brown	05-Jan-2016	31-Jan-2016
CR16b	Review and strengthen Data Retention, Management and Ownership. For all major systems establish data owner and retention policy for information therein.	Specific Recommendations for Chief Officers to identify Information Asset Owners, subject to agreement at IT Steering Group in January.	Christine Brown	05-Jan-2016	31-Dec-2016

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
CHB010 Procurement waivers  29-Sep-2015 Christopher Bell	<p><b>Cause:</b> Lack of compliance with City Procurement Code.</p> <p><b>Event:</b> Officers may purchase works, goods and services below £50,000 (without going through a competitive exercise), by use of contract waivers.</p> <p><b>Effect:</b> Excessive use can result in poor value for money, possible breach of UK Public Contract Regulations 2015, legal challenge and possible disciplinary action for staff that breach the code.</p>	 <p>Likelihood</p> <p>Impact</p>	4	<p>Waivers in October 2015 dropped to 10 in total from 180 in October 2014, therefore the new Regulations have impacted the reliance on waivers as anticipated. We have agreed to monitor this position to the end of the financial year to ensure the trend is consistent.</p> <p><b>29 Dec 2015</b></p>	 <p>Likelihood</p> <p>Impact</p>	2	31-Mar-2016	  Decreased Risk Score

Action no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CHB010g	Reduce over reliance	Planned approach to be developed to reduce over reliance on waivers.	Christopher Bell	16-Dec-2015	31-Mar-2016
CHB010h	Work with Police	-- enter action details here --			31-Dec-2016

This page is intentionally left blank

## City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom left (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

### (A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

Page 41

### (B) Impact criteria

Impact title	Definitions
Minor (1)	<b>Service delivery/performance:</b> Minor impact on service, typically up to one day. <b>Financial:</b> financial loss up to 5% of budget. <b>Reputation:</b> Isolated service user/stakeholder complaints contained within business unit/division. <b>Legal/statutory:</b> Litigation claim or find less than £5000. <b>Safety/health:</b> Minor incident including injury to one or more individuals. <b>Objectives:</b> Failure to achieve team plan objectives.
Serious (2)	<b>Service delivery/performance:</b> Service disruption 2 to 5 days. <b>Financial:</b> Financial loss up to 10% of budget. <b>Reputation:</b> Adverse local media coverage/multiple service user/stakeholder complaints. <b>Legal/statutory:</b> Litigation claimable fine between £5000 and £50,000. <b>Safety/health:</b> Significant injury or illness causing short-term disability to one or more persons. <b>Objectives:</b> Failure to achieve one or more service plan objectives.
Major (4)	<b>Service delivery/performance:</b> Service disruption > 1 - 4 weeks. <b>Financial:</b> Financial loss up to 20% of budget. <b>Reputation:</b> Adverse national media coverage 1 to 3 days. <b>Legal/statutory:</b> Litigation claimable fine between £50,000 and £500,000. <b>Safety/health:</b> Major injury or illness/disease causing long-term disability to one or more people <b>objectives:</b> Failure to achieve a strategic plan objective.
Extreme (8)	<b>Service delivery/performance:</b> Service disruption > 4 weeks. <b>Financial:</b> Financial loss up to 35% of budget. <b>Reputation:</b> National publicity more than three days. Possible resignation leading member or chief officer. <b>Legal/statutory:</b> Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. <b>Safety/health:</b> Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. <b>Objectives:</b> Failure to achieve a major corporate objective.

### (C) Risk scoring grid

	X	Impact			
		Minor (1)	Serious (2)	Major (4)	Extreme (8)
Likelihood	Likely (4)	4 Green	8 Amber	16 Red	32 Red
	Possible (3)	3 Green	6 Amber	12 Amber	24 Red
	Unlikely (2)	2 Green	4 Green	8 Amber	16 Red
	Rare (1)	1 Green	2 Green	4 Green	8 Amber

### (D) Risk score definitions

<b>RED</b>	Urgent action required to reduce rating
<b>AMBER</b>	Action required to maintain or reduce rating
<b>GREEN</b>	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297

Version date: December 2015

This page is intentionally left blank

<b>Committee:</b> Finance Committee	<b>Date:</b> 19 January 2016
<b>Subject:</b> City Procurement Quarterly Update	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>

## Summary

The report updates Members on the work of City Procurement and key areas of progress between October and December 2015.

Members are asked to note the progress report on key strategic improvement projects and performance:

- a. Current 2015/16 cumulative savings of £6.95M achieved against cumulative target of £6.99M
- b. Projecting 2015/16 end of year savings of £8.65M against target of £8.27M
- c. PO Compliance averaging at 95% in 2015/16
- d. 97% of all supplier payments happening within 30 days
- e. 87% of SME supplier payments happening within 10 days
- f. 45% of current spend with SME suppliers (Value of £125M)

## Main Report

### Background

1. City Procurement has three main functions, Category Management/Sourcing, Accounts Payable and Policy and Compliance. The service has a number of key improvement projects that support the objectives of the Procurement Strategy 2015-2018 presented to Finance Committee in June 2015. This report updates on progress of the key projects and current performance of delivery against the service KPIs set in April 2015.

### City Procurement Strategy and Key Improvement Projects

2. The City Procurement 3 year strategy has 4 themes and in year 1 the focus is on achieving Operational Excellence. The key improvement projects supporting this strategy current are:
  - a) **Contract Management Review** – A service based review group sponsored by the Comptroller and City Solicitor was established to review the City's existing contract management regime and capabilities. The

review led by the Head of City Procurement has now concluded its findings. A final report and recommendations will be submitted to Summit Group in January 16 followed by a report to Efficiency and Performance Sub-Committee in February.

- b) **City Procurement Code 2015** – The City’s new Procurement Code (formerly known as Regulations) were approved by Summit Group, Finance Committee and Court of Common Council and came into effect on 1 November 2015. *Project complete.*
- c) **Implementation of eSourcing** – The City has now fully transitioned to full eSourcing capability with the launch of the CapitalE sourcing platform at 1<sup>st</sup> May 2015. All existing suppliers have now transitioned to the new portal. *Project Complete.*
- d) **Payment Card Policy** – The City’s new Payment Card Policy was approved by Finance Committee in September 15 and came into effect from 1 October 2015. *Project Complete.*
- e) **Payment Card Management System** – The City will launch a new self-service portal for spend management of all payment card activities effective from 18<sup>th</sup> January 2016. User testing is complete as is the mandatory training module to be completed by all card users and managers.
- f) **Responsible Procurement Strategy** – This strategy is being drafted as a sub-set of the City Procurement Strategy with a focus on the City’s key objectives in social, sustainability, small business, living wage and equality deliverables that could be achieved through supplier contracts. This Strategy is being developed in conjunction with Economic Development, Town Clerks and other key service departments and will be brought to Finance Committee in March 2016.
- g) **Efficiency and Savings Process Manual** - A corporate efficiency and savings process manual has been developed and approved by Procurement Steering Group and members of all category boards. This now means that there is a transparent and documented way of calculating project baselines and savings on all future projects. *Project Complete.*

### **Efficiency and Savings**

3. City Procurement is set an annual savings target at the start of each year, this target is based on the contracts to be let during the financial year that have the potential to make efficiency or cost savings and contracts let in previous years that are generating guaranteed savings in the current year. Each contract is reviewed by the relevant Category Board to set the targets, each contract target considers historic spend, scope changes, complexity, risk and industry benchmarks before setting a target. The 2015/2016 City Procurement target is £8.27M.



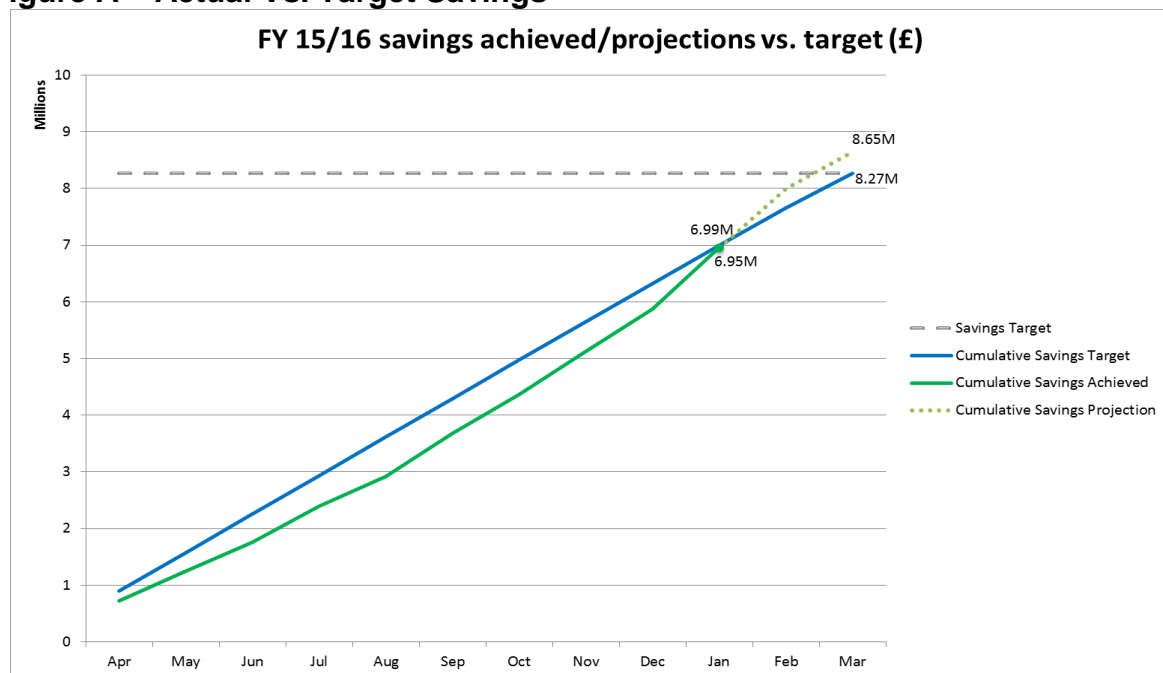
## The Annual Savings Target elements

4. The 2015/2016 annual savings target is set using two types of in-year savings. Those are:
  - a. **Previously let contracts generating savings (known as run-rate)** – Savings already guaranteed for the current financial year from contracts let in previous years. This is for contracts that span different financial years and is typically for service contracts that are let for a 2-7 year period when the savings are spread across the contract life.
  - b. **New contracts let generating savings** – Savings targeted to be generated from new contracts let during the current financial year.
5. The savings targets are for competitive price savings and are not inclusive of scope changes/service downgrades or other operation decisions which are treated as local department savings.

## 2015/2016 Efficiencies and Savings progress as at January 16

6. City Procurement has achieved £6.95M in January 16 compared to the target of £6.99M for this period. In terms of the annual position City Procurement is projecting a positive end of year position of realised savings totally £8.65M against the 2015/2016 target of £8.27M as illustrated in the Figure A below. Of the projected £8.65M total savings, it is projected that £6.88M will be budget impact savings resulting in budget adjustments for any newly realised savings achieved within 2015/2016. This projected position is reconciled on a monthly basis.

**Figure A – Actual Vs. Target Savings**



## Category Management and Sourcing Project Performance

7. The Category Management and Sourcing team has been managing 320 procurement projects during this year with 58% of them now completed. There are 134 projects still currently live and progressing towards conclusion in the remainder of 2015/2016 or early in 2016/2017. The workload has almost doubled this year from the initial planned sourcing activity and highlights the need for greater planning across the City with all potential procurement activity being flagged as early as possible. City Procurement is working proactively with Category Boards and Chief Officers to gather all planned procurement projects for 2016/2017.

**Figure B – Procurement Project volumes by category 2015/2016**

Spend Category	Completed Projects	Live Projects
IT	26	26
Facilities	22	12
Land Management	4	3
Social Care	2	5
Corporate	34	41
Construction	91	45
Marketing	7	2
<b>Total (320 Projects)</b>	<b>186 (58%)</b>	<b>134 (42%)</b>

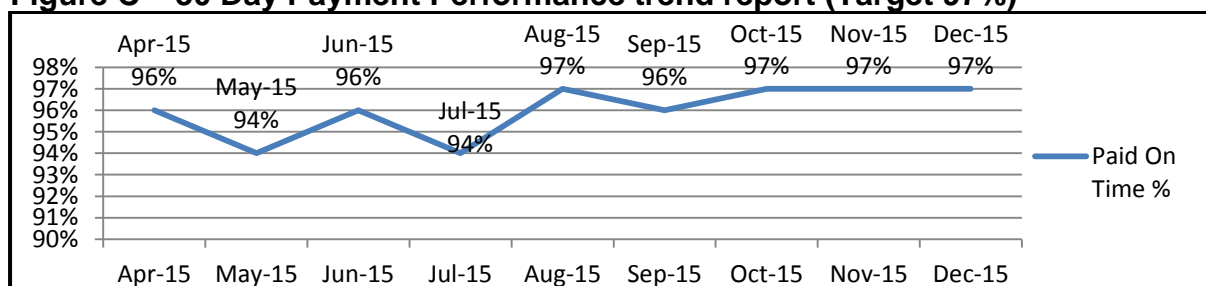
## Accounts Payable Performance - PO Compliance/No PO No Pay

8. Extensive communication was undertaken with City Corporation departments and suppliers in the final months of 2014/15 in preparation of the launch of the City's No PO No Pay policy. Results in the first 9 months of 2015/16 indicate that Our PO Compliance is currently averaging at 95%, improving vastly from 70% prior to implementation of the policy in late 2014. A summary of PO Compliance by Department is at Appendix 1.

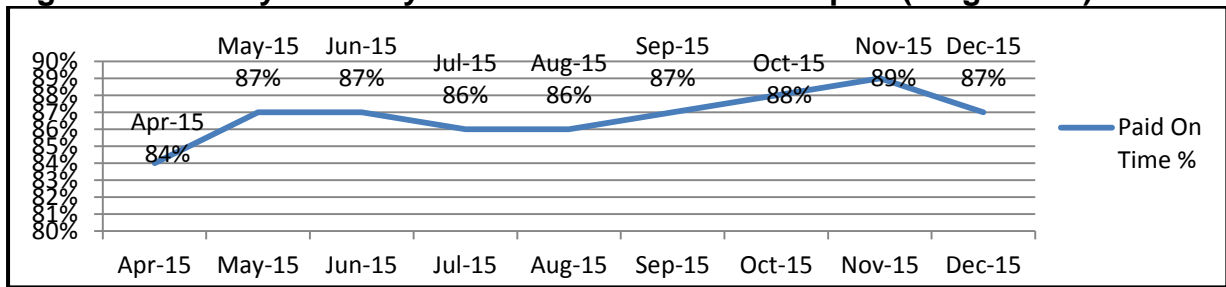
## Payment Performance

9. As at the end of Dec 15, The City's 30 days invoice paid on time performance is 97% (Target 97%) with our mean average payment days being 13 days and our 10 day SME invoice paid on time is 87% (Target 80%) with our mean average payment days being 8 days. The following figures show performance trends for both metrics during 2015/2016 to date.

**Figure C – 30 Day Payment Performance trend report (Target 97%)**



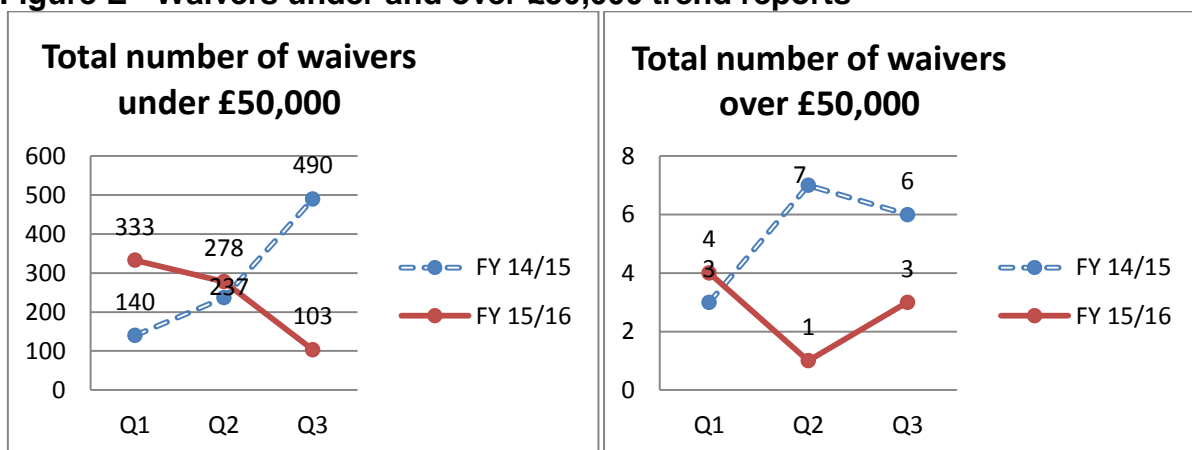
**Figure D – 10 Day SME Payment Performance trend report (Target 80%)**



**Current Waiver performance**

10. This part of the report sets out the quarterly trend update on the approval of waivers. The following graphs show the trend of number of waivers from Q1 to Q3 2014/15 and 2015/16. The tables in Appendix 2 – “Summary of waivers performance” set out a summary of the total number and value for waivers for the same period and the reasons for the waivers. Waivers under £50,000 require Chief Officer approval, with those above requiring the approval of the Chamberlain (under urgency) or the appropriate spend Committee.

**Figure E - Waivers under and over £50,000 trend reports**



11. The number of waivers drastically decreased during quarter 3 of 2015/16. This coincides with the launch of the Procurement Code 2015 on 1 November 2015 and was an expected positive impact with only 23 waivers being processed after the new Code became effective. The increase of the procurement minimum threshold to £10k removed the vast majority of waivers thus reducing burdensome administration for City Procurement and City officers allowing City Procurement resource to be deployed to more value add activities.

**Spend with SME's**

12. For the period January 15 to Dec 15, 45% of the City's invoiced spend was with SMEs (inclusive of 8% Social Enterprises) to value of £125M. This figure remains positive and well in advance of the UK Government's public sector target of 25%.

## **Conclusion**

13. City Procurement continues to enhance its service levels whilst achieving improving performance, attaining consistently its KPIs. The strategy of developing to operational excellence levels during 2015/2016 has progressed significantly with a series of improvement programmes now completed whilst being managed at an implementation pace that has not impacted service delivery levels.

### **Christopher Bell**

Head of City Procurement

T: 0207 332 3961

E: [Christopher.bell@cityoflondon.gov.uk](mailto:Christopher.bell@cityoflondon.gov.uk)

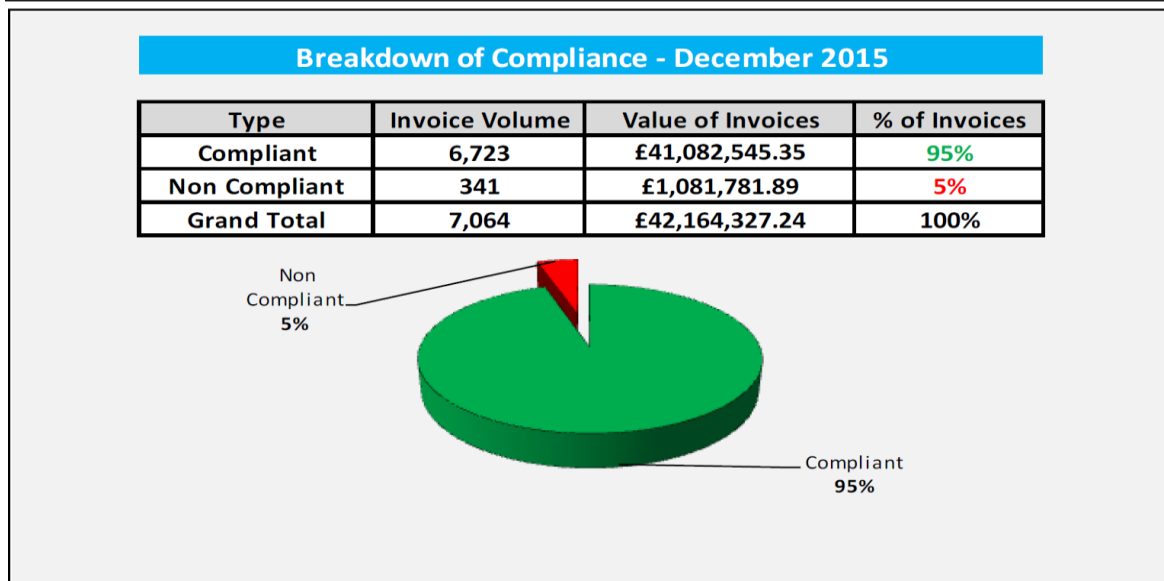
## Appendix 1 - Summary of PO Compliance by Department

# City of London Compliance Report Overview December 2015

Compliance Ranking by Department - December 2015					
Department	Invoices* Received	Invoices Returned to Supplier	Value of Invoices Returned to Supplier	% of Invoices Returned to Supplier	Ranking
Central Criminal Court - (CCC)	38	0	£0.00	0%	1
Chamberlain's - (CHA)	762	8	£47,719.03	1%	2
Sir John Cass School - (CSJ)	85	1	£26.36	1%	2
Mansion House - (MAN)	67	1	£23.70	1%	2
Built Environment - (ENV)	378	8	£66,958.88	2%	3
Town Clerk's - (TCK)	376	8	£31,320.95	2%	3
Comptrollers & City Solicitor's - (SOL)	37	1	£2,310.00	3%	4
Guildhall School - (GSM)	477	15	£7,525.77	3%	4
Markets & Consumer Protection - (MKT)	296	13	£5,982.19	4%	5
Culture, Heritage & Libraries - (CHL)	325	15	£28,505.73	5%	6
Open Spaces - (OSD)	461	23	£42,954.79	5%	6
CoL School for Boys - (CLS)	177	10	£16,197.30	6%	7
Barbican Centre - (BBC)	1,026	58	£215,654.18	6%	7
Remembrancer's - (REM)	51	3	£549.10	6%	7
City Surveyor's - (SVY)	678	40	£359,400.93	6%	7
Community and Children's Services - (DCCS)	920	59	£142,559.67	6%	7
City of London Police - (POL)	512	42	£94,505.82	8%	8
CoL Freeman's School - (CLF)	254	22	£14,082.48	9%	9
CoL School for Girls - (CLG)	144	14	£5,505.01	10%	10
<b>Grand Total</b>	<b>7,064</b>	<b>341</b>	<b>£1,081,781.89</b>		

\* Invoices above includes Payment Request Forms and RCG Refunds

Invoices Returned to Supplier with No PO		
<b>341</b>	<b>5%</b>	<b>£1,081,781.89</b>



## Appendix 2 - Summary of overall waivers performance

Table 1- Waivers under £50,000 number and value comparator report

2015/16	Number	Value (£)	Average Value(£)
Q1 (April – June)	333	2,603,990	7,843
Q2 (July – September)	278	2,338,979	8,474
Q3 (October – December)	103	1,237,424	12,014
2014/15	Number	Value (£)	Average Value(£)
Q1 (April – June)	140	851,029	6,079
Q2 (July – September)	237	2,150,418	9,073
Q3 (October – December)	490	4,381,753	8,961

Table 2 - Waivers over £50,000 number and value comparator report

2015/16	Number	Value (£)	Average Value(£)
Q1 (April – June)	4	626,985	156,746
Q2 (July – September)	1	154,000	154,000
Q3 (October – December)	3	350,980	116,993
2014/15	Number	Value (£)	Average Value(£)
Q1 (April – June)	3	334,000	111,333
Q2 (July – September)	7	995,229	142,176
Q3 (October – December)	6	593,944	98,991

Table 3 – Analysis of reasons provided for need for waivers

	15/16 Q1	14/15 Q1		15/16 Q2	14/15 Q2
Officer's Chosen Supplier	196	68	Officer's Chosen Supplier	164	117
Single Source Supplier	94	44	Single Source Supplier	94	76
Not Stated / Other	29	23	Not Stated / Other	9	35
Outside Corporate Contract	7	5	Outside Corporate Contract	7	5
Extension of Contract	7	0	Extension of Contract	4	4
<b>Total</b>	<b>333</b>	<b>140</b>	<b>Total</b>	<b>278</b>	<b>237</b>
	15/16 Q3	14/15 Q3			
Officer's Chosen Supplier	82	243			
Single Source Supplier	19	165			
Not Stated / Other	0	63			
Outside Corporate Contract	1	15			
Extension of Contract	1	4			
<b>Total</b>	<b>103</b>	<b>490</b>			

<b>Committee:</b> Finance Committee	<b>Date:</b> 19 January 2015
<b>Subject:</b> Finance Grants Sub-Committee – Revision to Terms of Reference	<b>Public</b>
<b>Report of:</b> Joint report of the Town Clerk and Chief Grants Officer	<b>For Decision</b>

## Summary

At its 9 June 2015 meeting, the Finance Committee agreed to relinquish its direct grant-giving role (exercised through the Finance Grants Sub-Committee) and adopt a strategic oversight and performance management role in respect of all City Corporation grants programmes.

To exercise this role, it is proposed that the Terms of Reference of the Finance Grants Sub-Committee are amended to provide that Sub-Committee with the strategic oversight and performance management role. This report provides the Committee with proposed Terms of Reference for the Finance Grants Sub-Committee for approval.

## Recommendation

Members are asked to approve the proposed amended Terms of Reference of the Finance Grants Sub-Committee, as set out at Appendix 1.

## Main Report

### **Background**

1. A cross-cutting review of the grant giving activities of the City of London Corporation was commissioned as part of the Service Based Review programme. The objectives were to analyse the grants programmes which are offered by the City of London Corporation and suggest how to improve value for money and increase impact. This review excluded the activities of the City Bridge Trust.
2. The review concluded that there was no consistent approach across the City of London Corporation to governing or managing grants, potentially exposing the City of London Corporation to financial, organisational and reputational risk.
3. To create a consistent approach across the Corporation, the Finance Committee agreed to relinquish its direct grant-giving role, with various Sub-Committees taking on responsibility for grant-giving (in line with priorities and funding which will be agreed by the Resource Allocation Sub (Policy and Resources) Committee). Instead, the Finance Committee, through its Finance Grants Sub-committee, agreed to adopt a strategic oversight and performance management role in respect of the City Corporation's charitable grants programme.

## **Terms of Reference**

4. The Terms of Reference of the Working Party are therefore proposed as follows:
  - To provide strategic oversight of the City of London Corporation's Charitable Grants Programme ('the Programme'), including reviewing progress, performance and risks for all grants
  - To ensure the Programme is compliant with any obligations under the Local Government Transparency Code 2015 and the Equality Act 2010
  - To approve and deploy a performance management framework in respect of the Programme
  - To assess performance of the Programme against Charity Commission best practice guidelines
  - To make recommendations to the relevant grant-giving Committees on any performance issues or issues with specific grants
  - To provide the Resource Allocation Sub (Policy and Resources) Committee with an annual report regarding performance of the Programme and recommendations in setting the City's Cash and City Fund allocations to the Programme themes
5. The Local Government Transparency Code 2015, referred to above, sets out the minimum data that local authorities should be publishing, the frequency it should be published and how it should be published. The relevance to this Sub-Committee will be in ensuring that matters such as the publication of grant-making criteria and decisions are compliant.
6. The Equality Act 2010, referred to above, provides a legal framework to protect the rights of individuals and advance equality of opportunity for all. The relevance to this Sub-Committee will be in ensuring matters such as the application and assessment processes are compliant with the act.
7. The performance management framework will be a crucial document to support the work of this Sub-Committee. It will provide an overview of the Grant's programme whilst also allowing for more detailed analysis to assist the Sub-Committee's scrutiny function. As such, and subject to the agreement of the above terms of reference, a draft framework will be developed by officers for the Sub-Committee's consideration.

### **Composition and frequency of meetings**

8. It is proposed that the Sub-Committee continue to meet on a twice yearly basis in May and November.
9. It is proposed that the composition of the Finance Grants Sub-Committee remain the same as at present (Chairman, Deputy Chairman and 10 Members of the Finance Committee). This is broadly in line with the Finance Committee's other Sub-Committees.



10. Members may also wish to consider the role that the Chairmen of the various Service Committees which have gained responsibility for making grants might play on the Sub-Committee. Given that the role of the Sub-Committee is, in effect, to scrutinise the effectiveness of the grants made by the various Service Committees, it may not be appropriate for those Chairmen to be full Members of the Sub-Committee. However, it may be appropriate for those Chairmen to attend meetings of the Sub-Committee when suitable to provide the Sub-Committee with information of the issues considered by the Service Committee when making specific grants.
11. For ease of reference, the draft Terms of Reference are also set out at Appendix 1.

### **Conclusion**

12. This report sets out the proposed revised Terms of Reference for the Finance Grants Sub-Committee, in light of the review of grant giving which arose from the Service Based Review. Members are asked to approve the Terms of Reference as set out in Appendix 1.

### **Appendices**

- Appendix 1 – Composition and Terms of Reference

#### **David Farnsworth**

Chief Grants Officer

Town Clerk's Department

T: 020 7332 3713

E: [david.farnsworth@cityoflondon.gov.uk](mailto:david.farnsworth@cityoflondon.gov.uk)

#### **Chris Braithwaite**

Senior Committee & Member Services Officer

Town Clerk's Department

T: 020 7332 1427

E: [christopher.braithwaite@cityoflondon.gov.uk](mailto:christopher.braithwaite@cityoflondon.gov.uk)

This page is intentionally left blank

### **Finance Grants Sub-Committee - Proposed Revised Composition and Terms of Reference**

#### **Composition**

- Chairman - Chairman of the Finance Committee
- Deputy Chairman - Deputy Chairman of the Finance Committee
- Up to 10 Members of the Finance Committee appointed by the Finance Committee

#### **Terms of Reference**

- To provide strategic oversight of the City of London Corporation Charitable Grants Programme ('the Programme'), including reviewing progress, performance, impact against outcomes and risks for all grants
- To ensure the Programme is compliant with any obligations under the Local Government Transparency Code 2015 and the Equality Act 2010
- To approve and deploy a performance management framework in respect of the Programme
- To assess performance of the Programme against Charity Commission best practice guidelines
- To make recommendations to the relevant grant-giving Committees on any performance issues or issues with specific grants
- To provide the Resource Allocation Sub (Policy and Resources) Committee with an annual report regarding performance of the Programme and recommendations in setting the City's Cash and City Fund allocations to the Programme themes

#### **Frequency of meetings**

- Twice yearly in May and November

This page is intentionally left blank

# Agenda Item 12

<b>Committee:</b> Finance Committee	<b>Date:</b> 19 January 2016
<b>Subject:</b> Central Contingencies	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>

1. Service Committee budgets are prepared within the resources allocated by the Policy and Resources Committee and, with the exception of the Policy and Resources Committee, such budgets do not include any significant contingencies. The budgets directly overseen by the Finance Committee therefore include central contingencies to meet unforeseen and/or exceptional items that may be identified across the City Corporation's range of activities. Requests for allocations from the contingencies should demonstrate why the costs cannot, or should not, be met from existing provisions.
2. In addition to the central contingencies, the Committee has a specific City's Cash contingency of £100,000 to support humanitarian disaster relief efforts both nationally and internationally.
3. The uncommitted balances that are currently available are set out in the table below together with the amounts being requested at this meeting.

2015/16 Contingencies - Uncommitted Balances at 5 January 2016				
	City Fund £'000	City's Cash £'000	Bridge House Estates £'000	Total £'000
General Contingencies	384	532	50	966
National and International Disasters	0	80	0	80
<b>Uncommitted Balances</b>	<b>384</b>	<b>612</b>	<b>50</b>	<b>1,046</b>
Requests for contingency allocations	80	150	0	230
<b>Balances pending approval</b>	<b>304</b>	<b>462</b>	<b>50</b>	<b>816</b>

4. The request for £80,000 from City Fund Contingency is in relation to a legal matter and the request for £150,000 from City's Cash Contingency is in respect of emergency repairs and maintenance works. These requests are the subject of reports in the non-public section of this agenda.
5. The sums which the Committee has previously allocated from the 2015/16 contingencies are listed at Appendix 1.

## Recommendation

6. Members are asked to note the report.

**Stephen Telling**, Deputy Financial Services Director  
T: 020 7332 1284, E: [steve.telling@cityoflondon.gov.uk](mailto:steve.telling@cityoflondon.gov.uk)

This page is intentionally left blank

## Appendix 1 2015/16 Contingencies

### 2015/16 General Contingency – City’s Cash

Committee Date	Description	Responsible Officer	Allocation £	Contingency Balance £
	2015/16 Provision			950,000
	2014/15 Provision brought forward to fund commitments entered into in previous financial years			145,000
	Total Provision			1,095,000
10 Dec 2013	£55,000 (£30,000 in 2014/15 and £25,000 in 2015/16) for additional one-off revenue costs in respect of the Education/Community Programme to launch the Heritage Gallery; and the provision of retail stock to promote the opening and the City’s role in looking after London and the Nation’s heritage. The first £15,000 of income from the sale of the special retail stock will be credited centrally.	DCHL	25,000	
21 Oct 2014	Up to £98,500 in match funding (in partnership with the Mercers' Company) for a biography of Sir Thomas Gresham. Phased over 5 years - £33,500, £5,000, £5,000, £25,000 and £30,000 in 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19 respectively.	TC	65,000	
13 Jan 2015	Funding to meet the transport and freight costs of taking the Guildhall School’s opera scenes to Shanghai in April 2015.	GSM	29,800	
17 Feb 2015	Grant funding for The Honourable The Irish Society (£25,000 p.a. for 2014/15 and 2015/16)	TC	25,000	
14 Apr 2015	“Founding Sponsor” contribution towards the cost of a major City spectacular in commemoration of the 350 <sup>th</sup> anniversary of the Great Fire of London.	DCHL	300,000	
21 Jul 2015	£33,000 to match fund a grant that The Honourable The Irish Society is making to the National Citizenship Scheme. £5,000 for the Lord Mayor to host a dinner in Belfast to mark the giving of this grant.	TC	38,000	
15 Dec 2015	£80,000 to fund six Assistant Property Facilities Manager posts for the period January to March 2016.	CS/CH	80,000	
	Total allocations agreed to date			562,800
	Balance remaining prior to any requests that may be made to this meeting			532,200

## Appendix 1 2015/16 Contingencies

### 2015/16 General Contingency – City Fund

Committee Date	Description	Responsible Officer	Allocation £	Contingency Balance £
	2015/16 Provision			800,000
	2014/15 Provision brought forward to fund commitments entered into in previous financial years			83,000
	Total Provision			883,000
13 Jan 2015	£50,000 (£25,000 in 2014/15 and £25,000 in 2015/16) for additional funding towards the LGPS Collective Investment Vehicle (CIV).	CH	25,000	
17 Feb 2015	£142,000 (£84,000 in 2014/15 and £58,000 in 2015/16) towards an appeal regarding Greater London Authority Roads.	C&CS/CS	58,000	
9 Oct 2015	£366,000 to fund the cost of urgent waterproofing and drainage works at Frobisher Crescent.	DCCS	366,000	
15 Dec 2015	£50,000 to the Police Arboretum Memorial Trust in support of its project to create a new national memorial to pay tribute to the UK's Police Service.	TC	50,000	
	Total allocations agreed to date			499,000
	Balance remaining prior to any requests that may be made to this meeting			384,000

### 2015/16 General Contingency – Bridge House Estates

Committee Date	Description	Responsible Officer	Allocation £	Contingency Balance £
	2015/16 Provision			50,000
	Total allocations agreed to date			0
	Balance remaining prior to any requests that may be made to this meeting			50,000



## Appendix 1 2015/16 Contingencies

### 2015/16 National & International Disasters Contingency – City’s Cash

Committee Date	Description	Responsible Officer	Allocation £	Contingency Balance £
	2015/16 Provision			100,000
	2014/15 unspent provision brought forward			30,000
	Total Provision			130,000
27 Apr 2015 Urgency	Disasters Emergency Committee, Nepal Earthquake Appeal	TC	25,000	
1 May 2015 Urgency	Disasters Emergency Committee, Nepal Earthquake Appeal	TC	25,000	
	Total allocations agreed to date			50,000
	Balance remaining prior to any requests that may be made to this meeting			80,000

**Key to Responsible Officers:**

CH: Chamberlain  
 C&CS: Comptroller and City Solicitor  
 CS: City Surveyor  
 DCCS: Department of Community and Children’s Services  
 DCHL: Director of Culture, Heritage and Libraries  
 GSM: Principal, Guildhall School of Music and Drama  
 TC: Town Clerk

This page is intentionally left blank

<b>Committee:</b> Finance Committee	<b>Date:</b> 19 January 2016
<b>Subject:</b> Decisions taken under Delegated Authority since the last meeting of the Committee	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Information</b>

## Summary

This report advises Members of action taken by the Town Clerk since the last meeting of the Committee, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and 41(b).

## Recommendation

Members are asked to note the report.

## Main report

### Background

At its meeting on 17<sup>th</sup> November 2015, the Finance Grants Sub Committee considered appropriate use of The City of London Corporation Combined Relief of Poverty Charity's resources and agreed to fund four charities, specific to their Christmas activities in 2015, up to a total grant value of £10,000. The Independent Grants Assessor suggested and Members agreed that, as last years' Christmas Grant recipients had all submitted timely monitoring information to the Finance Grants Sub Committee in May 2015, they should be invited to apply again.

The Sub Committee therefore resolved that Authority be delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Grants Sub Committee, to approve a total grant of up to £10,000, funded from The City of London Corporation Combined Relief of Poverty Charity, spread across four organisations, in order to fund their Christmas charitable activities.

### Current position

Satisfactory applications from Crisis, Solace Womens' Aid, the Stuart Low Trust and the Parent House were duly submitted and assessed by the Independent Grants Assessor, the Chamberlain and the City Solicitor.

### Action Taken

£2,500 was awarded to each the following Charities:

- Crisis
- Solace Womens' Aid
- The Stuart Low Trust
- The Parent House

**Conclusion**

Members are asked to note the report.

**Contact:**

Julie Mayer

Committee and Member Services Officer, Town Clerk's

020 7332 1410

[Julie.mayer@cityoflondon.gov.uk](mailto:Julie.mayer@cityoflondon.gov.uk)

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

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



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

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

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

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



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

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

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

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



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

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

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

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



By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank