



## Resource Allocation Sub (Policy and Resources) Committee

**Date:** THURSDAY, 7 JULY 2016  
**Time:** 12.00 Noon  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:** Mark Boleat (Chairman)  
Jeremy Mayhew (Deputy Chairman)  
Deputy Roger Chadwick  
Henry Colthurst  
Stuart Fraser  
Simon Duckworth  
Deputy the Revd Stephen Haines  
Deputy Catherine McGuinness  
Edward Lord  
Hugh Morris  
Deputy Joyce Nash  
Deputy Dr Giles Shilson  
Tom Sleigh  
Sir Michael Snyder  
Alderman Dr Andrew Parmley  
Deputy John Tomlinson  
Alderman Sir David Wootton

**Enquiries:** Angela Roach  
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Lunch will be served in the Guildhall Club at 1pm  
NB: Part of this meeting could be the subject of audio visual 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**

To agree the public minutes of the Sub-Committee meeting held on 19 May 2016.

**For Decision**  
(Pages 1 - 4)

4. **EFFICIENCY PLAN**

Report of the Chamberlain.

**NB: This report is due to be considered by the Efficiency and Performance Sub-Committee and the Finance Committee.**

**For Decision**  
(Pages 5 - 14)

5. **PROJECTS FUNDING UPDATE**

Report of the Chamberlain.

**NB: This item is to be read in conjunction with the non-public Appendix at item no. 14. Background papers relating to the two IT projects covered in the report are available on request. The report will also be considered by the Grand Committee later this day.**

**For Decision**  
(Pages 15 - 18)

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

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

8. **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 1 of the Schedule 12A of the Local Government Act.

## Part 2 – Non-Public Agenda

9. **NON-PUBLIC MINUTES**  
To agree the non-public minutes of the Sub-Committee meeting held on 19 May 2016.  
**For Decision**  
(Pages 19 - 22)
10. **STRENGTHENING THE CITY OF LONDON CORPORATION'S SUPPORT AND PROMOTION OF THE CITY**  
Report of the Town Clerk.  
**NB: A supplementary paper relating to this item is also due to be circulated. Both papers will also be considered by the Grand Committee later this day.**  
**For Decision**  
(Pages 23 - 34)
11. **BARBICAN EXHIBITION HALL 1**  
Report of the City Surveyor.  
**NB: This report has been considered and approved by the Property Investment Board and is due to be considered by the Projects Sub-Committee and the Barbican Centre Board.**  
**For Information**  
(Pages 35 - 40)
12. **CYCLICAL WORK PROGRAMME – TRANSITIONAL ARRANGEMENTS FOR THE BARBICAN & GSMD**  
Report of the Chamberlain.  
**NB: this report has been considered and approved by the Corporate Asset Sub-Committee**  
**For Information**  
(Pages 41 - 50)
13. **REVIEW OF CASH BALANCES**  
Report of the Chamberlain.  
**NB: This report has also been considered by the Investment and Finance Committees.**  
**For Information**  
(Pages 51 - 58)
14. **PROJECT FUNDING UPDATE - APPENDIX**  
To be read in conjunction with Item No. 5.  
**For Information**  
(Pages 59 - 60)

15. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

## RESOURCE ALLOCATION SUB (POLICY AND RESOURCES) COMMITTEE

Thursday, 19 May 2016

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 19 May 2016 at 3.15pm

### Present

#### Members:

Mark Boleat (Chairman)  
Jeremy Mayhew (Deputy Chairman)  
Henry Colthurst  
Deputy Roger Chadwick  
Stuart Fraser  
Deputy the Revd Stephen Haines  
Deputy Catherine McGuinness  
Hugh Morris  
Deputy Joyce Nash  
Deputy Dr Giles Shilson  
Alderman Dr Andrew Parmley  
Deputy John Tomlinson

### In Attendance

Ian Seaton

#### Officers:

John Barradell	- Town Clerk and Chief Executive
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlains
Peter Bennett	- City Surveyor
Peter Young	- City Surveyor's Department
Paul Double	- City Remembrancer
Damian Nussbaum	- Director of Economic Development
Bob Roberts	- Director of Communications
Ellis Whitcomb	- City of London School
Peter Lisley	- Assistant Town Clerk
Angela Roach	- Principal Committee and Members Services Manager

#### 1. APOLOGIES

Apologies were received from Simon Duckworth and Alderman Sir David Wootton.

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

There were no declarations.

3. **MINUTES**

The minutes of the meeting held on 17 March 2016 were approved.

4. **PROJECT FUNDING UPDATE**

The Sub-Committee considered a report of the Chamberlain concerning the allocation of funding for new schemes in 2019/20 and the funding of three projects, namely, works to the Minorities car park, the replacement of street lighting equipment and the refurbishment of Golden Lane Estate playground which had been considered and approved by the Grand Committee earlier that day.

RESOLVED – that it be noted that:-

1. the unallocated balance of £2.192m from the 2015/16 City's Cash provision for new schemes had been retained centrally to partially offset the one-off additional funding provided from central reserves for two critical IT upgrade projects;
2. approval had been given by the Grand Committee to:-
  - a. a total of £6m being set aside in 2019/20 to provide for new schemes (£3m each for City Fund and City's Cash);
  - b. the allocation of funds totalling £4.524m from the On Street Parking Reserve as follows:-
    - £454k to meet the cost of urgent works and additional surveys to mitigate structural defects to the Minorities car park, subject to requisite approvals by other committees; and
    - £4.070m to replace existing street lighting equipment with LED lights and a new wireless central management system, subject to further development of the solution including widening of the scope to include links to 'Smart City' initiatives in advance of authority to start work.
  - c. an estimated £216.5k of S106 funding received from the Fann Street Development be allocated towards the cost of refurbishing the Golden Lane Estate playground.
3. further phases of the Barbican Highwalks scheme might need to be deferred as a result of prioritising on street parking reserve funds to the street lighting scheme.

5. **ALL CHANGE AT BANK - LONGER TERM FUNDING UPDATE**

The Sub-Committee considered a report of the Director of the Built Environment on the temporary arrangements for the All Change at Bank project and in particular the funding arrangements.

RESOLVED – that the report be noted.

6. **TRANSPORTATION AND PUBLIC REALM DIVISION PROJECTS**

The Sub-Committee considered a report of the Director of the Built Environment concerning the Transportation and Public Realm Division Projects Programme.

RESOLVED – That the report be noted.

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**

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 the Schedule 12A of the Local Government Act.

**Item Nos.**

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

10 - 15

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**Non-Public Agenda**

10. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 17 March 2016 were approved.

11. **GUILDHALL SCHOOL OF MUSIC AND DRAMA - UPDATE ON CAPITAL CAP WORKS**

The Sub-Committee considered and agreed a report of the Principal of the Guildhall School concerning a number of projects which were due to be completed as part of the School's previous capital programme regime and to the remaining budgets being carried over to 2016/17 to enable certain projects to be completed.

12. **POLICE ACCOMMODATION STRATEGY PROJECT**

The Sub-Committee considered and agreed a joint report of the City Surveyor, the Chamberlain and the Commissioner of the City of London Police concerning the Police Accommodation Strategy project.

**13. DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS**

The Committee considered and received a report of the Town Clerk reporting action taken by the Town Clerk in consultation with the Chairman and Deputy Chairman since the last meeting of the Committee in relation to 133 Whitechapel High Street.

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

There were no questions.

**15. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

The Sub-Committee considered an item of urgent business relating to the funding of proposed enhancement works to the City of London School.

**The meeting ended at 3.45pm**

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Chairman

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# Agenda Item 4

<b>Committee(s)</b>	<b>Dated:</b>
Efficiency and Performance Sub-Committee Resource Allocation Sub-Committee Finance Committee	6 <sup>th</sup> July 2016 7 <sup>th</sup> July 2016 19 <sup>th</sup> July 2016
<b>Subject:</b> Efficiency Plan	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Decision</b>
<b>Report author:</b> Paul Nagle, Chamberlain's Department	

## Summary

The Court of Common Council agreed at its 3<sup>rd</sup> March 2016 meeting that an efficiency plan be published subject to assessment of detailed requirements.

As there are few detailed requirements, this paper recommends that we set in train plans to publish a plan by the October deadline and sets out a possible framework that would incorporate continuous improvement savings, with a rolling programme of departmental peer reviews to help secure more radical changes in efficiency and effectiveness, alongside a limited number of cross cutting reviews.

## Recommendations

Members are asked to:

- Note the proposal to develop a published Efficiency Plan – which would draw on the work outlined below - with view to seeking agreement and publishing by October 2016.
- Comment on the proposed framework which incorporates:
  - An across the board light touch continuous improvement annual saving of 2-3% in departmental budgets from 2018-19, with an incentive element adopted - in which a share of the savings could be re-invested in new priorities in the subsequent year as part of a revised carry-forward process
  - Option of removing the 1% pay and prices allowance earlier, from 2017/18 when the majority of SBR savings will have been delivered.
  - Rolling programme of departmental peer reviews to help identify more radical effectiveness and efficiency improvements, most likely to impact from 2018-19 onwards.
  - Further cross cutting reviews, including prevention/demand management, when the current reviews have been implemented.

## Main Report

## Background

1. The Local Government provisional funding 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 by the 14<sup>th</sup> October 2016. (see Appendix 1.) 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. It should be recognised that minimum funding commitment relates to Revenue Support Grant which is a reducing part of the City's overall funding (2016/17 £10.6m projected to reduce to £6.2m in 2019/20) and only relevant to the City Fund. No specific guidance has been provided on the nature of these efficiency plans other than that they should be published and recognition that efficiency targets should already be reflected in the Medium Term Financial Strategy for Councils.

2. The Court of Common Council agreed at its 3<sup>rd</sup> March 2016 meeting that an efficiency plan be published subject to assessment of detailed requirements. In the absence of onerous conditions, we therefore plan to proceed on the production of an Efficiency Plan, which will cover the period through to 2019/20. Appendix 2 sets out the consultation and approval timetable for the preparation of the Efficiency Plan.
3. Although City of London non-policing budgets are currently forecast to be in surplus over the medium term (on the assumption that SBR savings are delivered), the public finances have deteriorated since the 2015 Autumn Statement and there is no guarantee that the Treasury will not re-open the overall funding position of non-protected departments such as DCLG in 2018/19 and 2019/20.
4. The Corporation therefore needs to take steps now to manage this external financial risk. We also need to recognise that any organisation should be expecting to deliver 2-3% annual continuous savings as a result of being smarter in the way that business as usual activity is conducted. This is consistent with the specific duty on local authorities to secure best value or value for money in the use of public money and resources. We also have a number of financial pressures which are not currently factored into the medium term financial plan. Although non-City Fund services are not formally covered by the DCLG requirements, it is proposed that the Plan should apply to all public facing non-police services. Separate discussions are taking place with the Commissioner on efficiency planning within the City of London Police.
5. To sum up, developing an Efficiency Plan, which builds on the SBR savings, should enable us to:
  - respond to possible future funding gaps / risks
  - reduce the bow wave of deferred maintenance works on our operational property
  - support new priorities/pressures – e.g. cultural hub, housing, education, work generated by the outcome of the referendum vote

### **Options for progressing efficiency plan**

6. The approach to the plan should draw on the lessons from the Service Based Review process and current workload pressures on departments.

7. The proposed framework contains three layers:

- i. **Light-touch across the board continuous improvement budget efficiency saving** of 2 to 3% per year across all Department Budgets, based on a benchmark across many other organisations.

In this approach savings are simply removed from budgets year-on-year, with Chief Officers and their Departmental Management Team given the full responsibility to formulate the efficiency and performance improvements. This approach would have the key benefit of being light touch which is important, given current pressure on departmental resources from the transformation agenda. Departments should be able to identify savings as part of business as usual.

Allowances for pay and prices have been factored into the 2016/17 budgets at 1.5% and thereafter at 1% per annum for the years 2017/18 to 2019/20. On City Fund each 1% is approximately £850k and for City's Cash each 1% is approximately £600k. These uplifts could be removed, so effectively budgets become cash limited with a further 1-2% reduction applied.

An **incentive** element could be adopted, in which a share of the savings could be re-invested in new priorities (supported by a business case) in the subsequent year as part of a revised carry-forward process.

Ring fencing could also be considered for certain/limited number of priority services but ring-fencing at a national level has reduced the incentive for areas such as health to identify efficiencies.

- ii. **Chief Officer Peer Efficiency and Effectiveness Reviews** – each Chief Officer peer reviews – in a collaborative way - another department with the objective of identifying proposals for more transformational efficiency and effectiveness improvements. The Peer Review would focus on 2 or 3 key areas agreed with the Chief Officer rather than the whole operation. The model for the Reviews would be piloted in 2016/17 with the remainder in 2017/18, in time to feed into budget setting for 2018/19 and beyond. These peer reviews would assist in the generation of more transformational/long-term change options, concentrating on effectiveness and different ways of delivering services.

- iii. **Cross cutting theme reviews**, which would build on the successful approach in the current cross-cutting SBR reviews. The initial priority is to implement the current reviews, but then potential areas to consider include:

- Prevention/ Demand Management
- Digital by choice

These are particularly valuable where there is a clear outcome with opportunities to achieve financial and non-financial benefits. However, these have to be resourced properly so would need to consider

commencing these reviews in 2018/19, when there is expected to be more organisational capacity.

8. A range of tools can be applied in undertaking efficiency and effectiveness reviews. Process value chain analysis which reviews activities and transactions sometimes across Departments with the aim of identifying opportunities for making savings from redundant, duplicated and inefficient processing could be usefully applied. Consultancy support would be provided to review specific areas identified as most likely to benefit from this kind of analysis.

### **Other considerations**

9. There are a number of further parameters which need to be considered.
10. **Timing of savings:** the primary focus of the Plan will be on additional savings from 2018/19 but we may wish to apply the across the board saving by removing the pay and prices projected allowance of 1% in 2017/18 (as the majority of SBR savings will have been delivered by then) and incentivise the bringing forward of further savings.
11. **Member engagement** – The draft published Efficiency Plan will be provided to Policy and Resources Committee and Finance Committee in September and for final approval to the Court of Common Council in October. Service Committees would need to be engaged in relation to specific proposals for their areas of responsibility through the normal member engagement process for Departmental business planning and budget setting. The member breakfast briefing session on Finance arranged for the 7<sup>th</sup> July will include a discussion on the development of the Efficiency Plan.
12. **Communication-** As identified from the lessons learned from the SBR Review process we need to be clear about the messages we are giving from the beginning, ensuring the messages are appropriate and timely for different audiences Members, Staff, Public and the Communities we serve and are delivered effectively. There is the potential, for example, for conflicting messages when spending more on big capital projects whilst making savings in other areas. Messages should be carefully worded that link to transformation, service improvement and prioritisation, rather than overly focusing on savings.
13. **Incentivisation** – Departments should be incentivised to identify and pursue efficiency and performance initiatives that exceed Departmental savings targets so that new service improvements can be made. The exact mechanisms would need to be developed and linked to the existing carry-forward arrangements. However where departments are able to identify savings prior to 2018/19, when the next set of departmental savings targets are envisaged as applying from, they could be given the potential to retain 75% of the savings in the subsequent years. Future departmental savings incentivisation is envisaged at 50% beyond 2018/19.
14. A consideration in the application of these incentives will be whether Departments have made savings in 2017/18 from reducing the level of service

provided or through the adoption of more transformational and efficient working methods. Incentivisation is much more likely to be applied where Departments can demonstrate a strong transformation approach being adopted on earlier year savings programmes.

- 15. Prioritisation of resources to new areas** – Where efficiency savings provide resources corporately to pursue new initiatives, the merit of proposals will be considered by the Chief Officer Summit Group prior to recommendations being made to Members through the Resource Allocation Sub-Committee.

### **Publishing an Efficiency Plan**

16. It is proposed to develop an Efficiency Plan for agreement by Chief Officers by July 2016, with Member agreement sought via Finance Committee, Policy & Resources Committee in September 2016. This will be a high level plan, focusing on the existing Service Based Review programme and other agreed transformation initiatives, along with the framework that has been adopted for continuous efficiency improvement for 2017/18 and later years. It would not be used to set out specific details of individual efficiency initiatives.

### **Corporate & Strategic Implications**

17. The review supports Key Policy Priority 2 in the Corporate Plan 2015-19: “Improving the value for money of our services within the constraints of reduced resources”.

### **Conclusion**

18. The development of the Efficiency Plan for the Corporation will provide a framework to consider how the Corporation will continually review its priorities and operations and seek efficiency and performance improvements. Savings made as a consequence of further efficiency initiatives can then be positively applied to addressing funding gaps, enhancing services and pursuing new priorities. There are a number of options for pursuing and achieving continuous efficiency improvement for which views on the most desirable and effective approaches are sought.

### **Appendices**

1. Multi-Year Settlements and Efficiency Plans – letter from DCLG 10 March 2016
2. Efficiency Plan – Consultation and Approval Milestones

### **Background Papers**

City Fund 2016/17 Budget Report and Medium Term Financial Strategy

### **Paul Nagle**

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Department for  
Communities and  
Local Government

**The Rt Hon Greg Clark MP**  
*Secretary of State for Communities and Local  
Government*

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10 March 2016

*Dear Colleagues*

## **MULTI-YEAR SETTLEMENTS AND EFFICIENCY PLANS**

On 17 December I announced a historic opportunity for councils to achieve greater certainty and confidence from a 4-year budget. I see this as a key step to supporting you to strengthen your financial management, at the same time as working collaboratively with your local partners and reforming the way services are provided.

The settlement consultation process showed great support for this approach and identified a number of queries about what the offer includes and the requirements for applying to accept this offer. I have therefore set out some further details in the attached annex. But I want to reiterate that I want this offer, and the production of an efficiency plan, to be as simple and straightforward as possible, and reassure you that this is not about creating additional bureaucracy.

If you wish to apply to accept the offer you simply need to send an email or letter to [MultiYearSettlements@communities.gsi.gov.uk](mailto:MultiYearSettlements@communities.gsi.gov.uk) by **5pm on Friday 14<sup>th</sup> October** and include a link to your published efficiency plan.

I do not intend to provide further guidance on what efficiency plans should contain – they should be locally owned and locally driven. But it is important that they show how this greater certainty can bring about opportunities for further savings. They should cover the full 4-year period and be open and transparent about the benefits this will bring to both your council and your community. You should collaborate with your local neighbours and public sector partners and link into devolution deals where appropriate.

Of course this offer is entirely optional. It is open to any council to continue to work on a year-by-year basis, but I cannot guarantee future levels of funding to those who prefer not to have a four year settlement.

I have been delighted by the response of councils all over the country to the offer of four year budgets and I look forward to hearing from you if you would like to avail yourself of it.

For any further queries, please contact officials at the above address.

*Yours sincerely*

A handwritten signature in black ink, appearing to be 'G Clark', written in a cursive style.

**THE RT HON GREG CLARK MP**



## Appendix 2 - Efficiency Plan – Consultation and Approval Milestones

### Committee Consultation/Deadlines

<b>Date</b>	<b>Milestone</b>	<b>Purpose</b>
14 <sup>th</sup> Oct 2016	Publishing and Submission deadline to DCLG	Confirm acceptance of 4 year minimum Revenue Support Grant funding.
13 <sup>th</sup> Oct 2016	Court of Common Council	Court approval
20 <sup>th</sup> Sept 2016	Finance Committee	Committee approval
8 <sup>th</sup> Sept 2016	Policy & Resource Committee	Committee approval
19 <sup>th</sup> July 2016	Finance Committee	Member Consultation
7 <sup>th</sup> July 2016	Resource Allocation Sub-Committee	Member Consultation
6 <sup>th</sup> July 2016	Efficiency & Performance Sub-Committee	Member Consultation
24 <sup>th</sup> June 2016	Resource Allocation Sub-Committee – away day	Member Consultation

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# Agenda Item 5

<b>Committee(s):</b>		<b>Date(s):</b>
Resource Allocation Sub	For decision	7 July 2016
Policy and Resources Committee	For decision	7 July 2016
<b>Subject:</b>		<b>Public</b>
Project Funding Update		
<b>Report of:</b>		<b>For Decision</b>
The Chamberlain		
<b>Report author:</b>		
Caroline Al-Beyerty, Chamberlain's Department		

## Summary

This report seeks approval to one-off funding totalling £72k to allow two proposals to be progressed to the next gateway. The Priorities Board, the officer group created to provide a more holistic approach to the allocation of project finance, proposes that these requests be met from the 2016/17 annual provisions for new schemes which have been set aside in both the City Fund and City's Cash financial forecasts to provide a degree of flexibility to fund smaller value new capital schemes as they arise.

A summary of the forecast position for the 2016/17 annual provisions is shown below:

	City Fund £m	City's Cash £m
2016/17 provisions	2.000	3.000
New Requests:		
• Wide Area Network (WAN) replacement	(0.008)	(0.008)
• IT Infrastructure Performance Improvement Plan	(0.028)	(0.028)
Unallocated Balance Remaining	1.964	2.964
Future potential requests identified at this stage	(1.225)	(2.087)
Forecast Headroom after allowing for Future Potential Requests	0.739	0.877

If both requests were agreed the balances remaining would be £1.964m and £2.964m for City Fund and City's Cash respectively.

Details of the future potential requests are contained in the Appendix.

## Recommendations:

It is recommended that Members agree to requests for funding totalling £72k from the 2016/17 provisions for new schemes (50 % City Fund and 50% City's Cash) to progress the following two schemes to the next gateway:

- Wide Area Network (WAN) replacement – £16k
- IT Infrastructure Performance Improvement Plan - £56k,

both schemes being subject to the requisite approvals by other committees.

## Main Report

### Background

1. The Policy and Resources Committee have agreed to set aside sums of £24m (£3m per annum) over the period from 2012/13 to 2019/20 in both the City Fund and City's Cash financial forecasts (£48m in total) to provide a degree of flexibility to fund smaller value new capital schemes as they arise.
2. In June 2012, the Policy and Resources Committee agreed that only projects that are considered essential and which fit within the following categories may be approved at Gateways 1-4 of the Project Procedure, until further notice:
  - 1) Health and safety compliance
  - 2) Statutory compliance
  - 3) Fully/substantially reimbursable
  - 4) Spend to save or income generating, generally with a short payback period (as a rule of thumb within 5 years)

In addition, under exceptional circumstances, other projects considered to be a priority by the Resource Allocation Sub-Committee will be allowed to proceed.

3. The majority of projects working their way through the early gateways are to be funded either from internal ring-fenced sources such as the Barbican Centre and GSMD Capital Caps and the City Surveyor's Designated Sales Pools or from external sources such as Section 106 deposits and Government/Transport for London grants which are restricted for specific purposes.
4. Decisions about the allocation of resources for those projects that do not have access to these sources of funding are generally taken when a scheme reaches Gateway 4a – Inclusion in Capital Programme, although requests at earlier gateways are also arising on a more frequent basis. To help members to prioritise the allocation of City resources to projects from a wide range of funding sources, the Priorities Board has been created to provide a more holistic approach to the allocation of project finance, by considering bids for funding from a range of available (less constrained) sources, including in particular future receipts from the unallocated pots of the City's Community Infrastructure Levy (CIL).
5. The 2016/17 provisions for new schemes amount to £2m for City Fund (£3m less £1m for the existing Museum building) and £3m for City's.

### Requests for Funding

6. There are two requests for funding totalling £72k and the Corporate Priorities Board has identified the 2016/17 annual provisions for new schemes as the most appropriate sources of funding.

Both schemes are required to bring about further **improvements in the efficiency of IT services**. The initial resources now requested to progress to the next gateway are to be funded on a 50/50 basis from the City Fund and City's Cash provisions:

- Wide Area Network (WAN) Replacement – funding of 16k towards the cost of progressing the scheme to the next Gateway. This is classified as an **essential** scheme to replace end of life WAN infrastructure across the organisation, including the Police. Total resources of £30k are required at this stage, to be shared between the Police (£14k, to be funded from existing cash limited resources) and the City (£16k).
- IT Infrastructure Performance Improvement Plan – funding of £56k to progress the scheme to the next gateway. This is classified as an **advisable** scheme required to address poor service performance arising from legacy system design

issues, involving the restructuring and optimisation of 4 key areas:

- i. Microsoft Exchange, the corporate email system, including business continuity and resilience issues;
- ii. File Server environment to ensure efficient working;
- iii. Dynamic Host Configuration Protocol (DHCP) which controls initial user logon;
- iv) Citrix environment.

The current scope of this scheme does not encompass City Police systems, although if implications for the Police should arise during the process of evaluation, this will be reported at the next gateway.

The above requests are subject to the requisite approvals from other committees.

7. The forecast position for the 2016/17 annual provisions is shown in the report summary above
8. If the City Fund requests were agreed, a balance of £1.964m would remain. At this early stage in the year, a number of future potential requests amounting to £1.225m have been identified, which would result in a forecast headroom of £739k if all were eventually progressed.
9. If the City's Cash requests were agreed, a balance of £2.964m would remain. Future potential requests amounting to £2.087m have currently been identified which would result in a forecast headroom of £877k if all were to be progressed.
10. A schedule of the projects which may require funding in the current and future years is provided in the Appendix.

### **Conclusion**

11. There are two requests for funding totalling £72k and the Corporate Priorities Board has concluded that the 2016/17 provisions for new schemes provide the appropriate sources of funding.
12. There are adequate resources available to meet these requests. After allowing for future potential requests for funding which have been identified at this early stage in the year, the unallocated balances are currently forecast at £739k and £877k for City Fund and City's Cash respectively.

### **Appendix** – Detailed schedule of projects which may seek future funding allocations

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

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