



Finance Committee

Date: TUESDAY, 31 JANUARY 2017
Time: 1.45 pm
Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members:

Jeremy Mayhew (Chairman)	Gregory Lawrence
Deputy Roger Chadwick (Deputy Chairman)	Alderman Professor Michael Mainelli
Randall Anderson	Paul Martinelli
Deputy John Barker	Deputy Robert Merrett
Nicholas Bensted-Smith	Deputy Henry Pollard
Chris Boden	Sheriff & Alderman William Russell
Nigel Challis	James de Sausmarez
Dominic Christian	Ian Seaton
Simon Duckworth	Deputy Dr Giles Shilson
Deputy Anthony Eskenzi	Sir Michael Snyder
Sheriff & Alderman Peter Estlin	David Thompson
Sophie Anne Fernandes	Deputy James Thomson
John Fletcher	Deputy John Tomlinson
Alderman Timothy Hailes	Philip Woodhouse
Deputy Brian Harris	Vacancy
Christopher Hayward	Mark Boleat (Ex-Officio Member)
Tom Hoffman	Deputy Catherine McGuinness (Ex-Officio Member)
Wendy Hyde	Andrew McMurtrie (Ex-Officio Member)
Deputy Jamie Ingham Clark	Deputy Alastair Moss (Ex-Officio Member)
Clare James	

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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 13 December 2016.

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

For Information
(Pages 9 - 12)
5. **REPORT OF THE WORK OF THE SUB-COMMITTEES**
Report of the Town Clerk. *(To follow)*

For Information
(To follow)
6. **PUBLIC MINUTES OF SUB-COMMITTEES**
To note the minutes of the following Sub-Committee meetings:

For Information

 - a) Draft public minutes of the Efficiency and Performance Sub-Committee held on 30 November 2016

(Pages 13 - 18)
 - b) Public minutes of the Information Technology Sub-Committee held on 25 November 2016

(Pages 19 - 24)
7. **APPOINTMENT OF CHAIRMEN OF SUB-COMMITTEES**
To note a resolution from the Policy and Resources Committee regarding the appointment of Chairmen of Sub-Committees.

For Information
(Pages 25 - 26)
8. **PROVISIONAL SETTLEMENTS FOR LOCAL GOVERNMENT AND POLICE 2017/18**
Report of the Chamberlain.

For Information
(Pages 27 - 30)

9. **REVENUE AND CAPITAL BUDGETS FOR FINANCE COMMITTEE OPERATIONAL SERVICES 2017/18**
Report of the Chamberlain.
For Decision
(Pages 31 - 46)
10. **PENSION FUND - ACTUARIAL VALUATION AS AT 31 MARCH 2016**
Report of the Chamberlain.
For Decision
(Pages 47 - 58)
11. **CHAMBERLAIN'S DEPARTMENTAL BUSINESS PLAN - QUARTER 3 UPDATE**
Report of the Chamberlain.
For Information
(Pages 59 - 64)
12. **REVIEW OF THE CORPORATE PURCHASE CARDS CARD HOLDERS AND CONTROLS**
Report of the Chamberlain.
For Information
(Pages 65 - 70)
13. **IT DIVISION - QUARTERLY UPDATE**
Report of the Chamberlain.
For Information
(Pages 71 - 74)
14. **CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT - QUARTERLY REPORT**
Report of the Chamberlain.
For Information
(Pages 75 - 88)
15. **GREAT FIRE 350: MONITORING AND EVALUATION**
Report of the Director of Culture, Heritage and Libraries.
For Information
(Pages 89 - 92)
16. **DONATIONS IN EMERGENCY APPEAL SITUATIONS**
Report of the Chamberlain.
For Information
(Pages 93 - 100)
17. **CENTRAL CONTINGENCIES**
Report of the Chamberlain.
For Information
(Pages 101 - 108)

18. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY SINCE THE LAST MEETING OF THE COMMITTEE**
Report of the Town Clerk.
For Information
(Pages 109 - 112)

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

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

21. **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. In addition, for one item which falls under paragraph 100A(2) of the Act relating to confidential information that would be disclosed in breach of an obligation of confidence.

For Decision

Part 2 - Non-Public Agenda

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

To agree the non-public minutes of the meeting held on 13 December 2016.

For Decision
(Pages 113 - 118)

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

Report of the Town Clerk.

For Information
(Pages 119 - 120)

24. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**

Report of the Town Clerk. *(To follow)*

For Information
(To follow)

25. **NON-PUBLIC MINUTES OF SUB-COMMITTEES**

To note the non-public minutes of the following Sub-Committee meetings:

For Information

- a) Draft non-public minutes of the Efficiency and Performance Sub-Committee held on 30 November 2016 (Pages 121 - 122)

- b) Non-public minutes of the Information Technology Sub-Committee held on 25 November 2016 (Pages 123 - 126)

26. **INFORMATION SECURITY & MANAGEMENT**

Report of the Chamberlain.

For Information
(Pages 127 - 146)

27. **LONDON WORK & HEALTH PROGRAMME**
Report of the Director of Economic Development.
For Information
(Pages 147 - 158)
28. **LONDON SEXUAL HEALTH TRANSFORMATION PROGRAMME E-HEALTHCARE SERVICES CONTRACT - REQUEST FOR DELEGATED AUTHORITY FOR AWARD OF CONTRACT**
Joint report of the Chamberlain and the Director of Community and Children's Services.
For Decision
(Pages 159 - 164)
29. **NEW SPITALFIELDS MARKET WASTE COLLECTION - CONTRACT AWARD REPORT**
Joint report of the Chamberlain and the Director of Markets and Consumer Protection.
For Decision
(Pages 165 - 170)
30. **BRIDGE HOUSE ESTATES - ANNUAL STRATEGY UPDATE**
Report of the City Surveyor.
For Information
(Pages 171 - 172)
31. **CITY FUND STRATEGIC REVIEW - ANNUAL UPDATE**
Report of the City Surveyor.
For Information
(Pages 173 - 174)
32. **CITY'S ESTATE STRATEGY REPORT**
Report of the City Surveyor.
For Information
(Pages 175 - 176)
33. **REPORT ON WAIVERS AT £50K AND OVER GRANTED SINCE THE LAST FINANCE COMMITTEE**
Report of the Chamberlain.
For Information
(Pages 177 - 180)
34. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
35. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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FINANCE COMMITTEE

Tuesday, 13 December 2016

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

Present

Members:

Jeremy Mayhew (Chairman)	Clare James
Deputy John Barker	Deputy Robert Merrett
Nicholas Bensted-Smith	Deputy Henry Pollard
Nigel Challis	James de Sausmarez
Dominic Christian	Ian Seaton
Sheriff & Alderman Peter Estlin	David Thompson
Deputy Brian Harris	Deputy John Tomlinson
Christopher Hayward	Philip Woodhouse
Tom Hoffman	Mark Boleat (Ex-Officio Member)
Wendy Hyde	Deputy Catherine McGuinness (Ex-Officio Member)
Deputy Jamie Ingham Clark	Andrew McMurtrie (Ex-Officio Member)

In attendance:

Vivienne Littlechild

Officers:

Christopher Braithwaite	-	Town Clerk's Department
Peter Kane	-	Chamberlain
Caroline Al-Beyerty	-	Chamberlain's Department
Christopher Bell	-	Chamberlain's Department
Carla-Maria Heath	-	Chamberlain's Department
Paul Nagle	-	Chamberlain's Department
Michael Cogher	-	Comptroller and City Solicitor
Paul Wilkinson	-	City Surveyor
Nigel Lefton	-	Remembrancer's Department
David Drane	-	City of London Police
Professor Barry Ife	-	Principal, Guildhall School of Music and Drama

1. APOLOGIES

Apologies for absence were received from Randall Anderson, Deputy Roger Chadwick, Sophie Fernandes, Alderman Tim Hailes, Gregory Lawrence, Paul Martinelli, Alderman and Sheriff William Russell and Deputy James Thomson.

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 25 due to being Church Warden of St Lawrence Jewry.

Deputy Jamie Ingham Clark declared a non-pecuniary interest in respect of item 25 due to being a member of the Guild Church Council of St Lawrence Jewry.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and summary of the meeting held on 15 November 2016 be approved as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

The Town Clerk informed the Committee that donations which are made to disaster relief appeals are reserved, by law, for the purpose of emergency appeals. The Town Clerk explained that information was being gathered to provide an analysis of the financial activities of organisations, which would help to inform future decisions regarding disaster relief donations.

The Town Clerk explained that the Chairman and Deputy Chairman had agreed to two donations being made to Disaster Relief Emergency Appeals during the last week. These were:

- a donation of £20,000 to Save The Children's emergency appeal to relieve the famine in North East Nigeria;
- £25,000 to the Disaster Emergency Committee's appeal to relieve the humanitarian crisis in Yemen.

RESOLVED – That the Committee notes the report.

5. **REPORT OF THE WORK OF THE SUB-COMMITTEES**

The Committee considered a report of the Town Clerk which advised Members of the key discussions which had taken place during recent meetings of the Committee's Sub-Committees.

RESOLVED – That the Committee notes the report.

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

RESOLVED – That the Committee notes the draft public minutes and non-public summary of the following Sub-Committee meetings:

- Finance Grants Oversight and Performance Sub-Committee held on 15 November 2016; and
- Corporate Asset Sub-Committee held on 18 November 2016;

7. **TO APPOINT A MEMBER TO THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE**

RESOLVED – That Dominic Christian be appointed to the Efficiency and Performance Sub-Committee.

8. **ANNUAL REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE AND 2017 AGENDA PLAN**

The Committee considered a report of the Town Clerk which provided the Committee the opportunity to conduct the annual review of its Terms of Reference.

RESOLVED – That the Committee

- a) approves the Terms of Reference of the Finance Committee for submission to the Court, as set out in the appendix 1;
- b) agrees that the Committee continue to meet every fourth week, on Tuesdays; and
- c) notes the Forward Plan for 2017 at Appendix 2;
- d) agrees that any changes to the Terms of Reference required in the lead up to the appointment of Committees be delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman.

9. **AUTUMN STATEMENT 2016**

The Committee considered a report of the Chamberlain which highlighted the key points for the City Corporation from the Chancellor's Autumn Statement on 23 November 2016.

The Chamberlain confirmed that, as a result of the publishing the Efficiency and Sustainability Plan, the Corporation would receive certainty of the level of the Local Government Financial Settlement which would be received for the next four years. It was expected that the amount of the Financial Settlement would be confirmed later in the current week.

RESOLVED – That the Committee notes the report.

10. **COUNCIL TAX REDUCTION SCHEME**

The Committee considered a report of the Chamberlain which sought approval for the continuation of the current Council Tax Reduction Scheme, following national benefit upratings.

RESOLVED – That the Committee endorses the continuation of the current Council Tax Reduction Scheme, following national benefit upratings (increases/decreases) for onward approval by the Court of Common Council.

11. **FINANCIAL SERVICES DIVISION - QUARTERLY UPDATE**

The Committee considered a report of the Chamberlain which provided an update on the work of the Financial Services Division over the previous quarter.

The Chamberlain explained that the revaluation of Business Rates had led to an average increase in Business Rates of 30% for City businesses. Members commented that this was a serious issue for City businesses, especially Small

and Medium-sized Enterprises and the Corporation should work to support these businesses on this issue.

RESOLVED – That the Committee notes the report.

12. **APPRENTICESHIPS**

The Committee considered a report of the Director of Community and Children's Services which sought approval for an allocation from the Finance Committee's Contingency Fund to meet the short term costs of setting up the Corporation's apprenticeship service in the current financial year.

RESOLVED – That the Committee approves the allocation of £61,000 from the Finance Committee's Contingency Fund to cover the set up and initial running costs of the City of London Corporation's Apprenticeship Service.

13. **CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT – MONTHLY REPORT**

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

The Chamberlain explained that the IT Strategy was currently being developed and it was anticipated that this would be presented to the IT Sub-Committee and the Finance Committee in January 2017.

RESOLVED – That the Committee notes the report.

14. **MEMBERS' FINANCIAL LOSS ALLOWANCE SCHEME - ANNUAL REPORT**

The Committee considered a report of the Town Clerk which provided information regarding the use of the Members' Financial Loss Allowance Scheme during 2015/16.

The Chairman commented that the Scheme not being used in the previous year may indicate that the Scheme needed to be reviewed to ensure that it was appropriate. The Chairman also commented that, if the Scheme was not appropriate, it may exclude otherwise eligible candidates from standing for election to the Court. The Chairman of the Policy and Resources Committee agreed that it may be appropriate for that Committee to review the Scheme following the 2017 Common Council elections.

RESOLVED – That the Committee:

- a) notes the report;
- b) requests that the Policy and Resources Committee review the Members' Financial Loss Allowance Scheme following the 2017 Common Council elections.

15. **CENTRAL CONTINGENCIES**

The Committee considered a report of the Chamberlain which provided Members with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

The Town Clerk informed that Committee that the Chairman had noted that, as part of the Review of Grants which had been completed earlier in the year, the Finance Committee Chairman's Discretionary Fund had been abolished. The Town Clerk explained that this Fund had typically been used to make small donations at Christmas to charities based around London, up to a total of £10,000. The Town Clerk explained that the Chairman had requested that Officers explore methods which would allow these donations to be made for Christmas 2016, with a permanent solution to be determined for future years.

The Town Clerk explained that the options were:

- to not make the grants for Christmas 2016, and advise the Charities which may have hoped for funding to make applications to the Stronger Communities Theme of the Central Grants Programme in January 2017;
- to allocate £10,000 from the Finance Committee's Contingency Fund for Christmas Donations; or
- to request that the Policy and Resources Committee, as an item of urgent business at their meeting later in the week, approve that a proportion of the Disaster Relief Fund be diverted for contributions to UK appeals.

In response to a question from a Member, the Town Clerk confirmed that it was intended that any decision taken by the Finance Committee would be for the purpose of funding donations for Christmas 2016 and a permanent solution would be proposed to the relevant Committee (likely to be the Policy and Resources Committee) during 2017.

A Member commented that, as the Lord Mayor's appeal this year sought to promote the Corporation's work outside of the London, the Chairman and Deputy Chairman may wish to consider donations to charities across the UK. The Chairman agreed that he would consider this.

RESOLVED – That the Committee:

- a) notes the report;
- b) approves the allocation of £10,000 from the Finance Committee's City's Cash contingency for charitable donations to be made at Christmas 2016; the donations to be approved by the Town Clerk, in consultation with the Chairman and Deputy Chairman.

16. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

17. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

18. 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
19-31, 33-35	3
32, 36	2

19. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
The non-public minutes of the meeting held on 15 November 2016 were approved as an accurate record.
20. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
The Committee considered and noted a report of the Town Clerk which set out outstanding actions from previous non-public minutes of the Committee.
21. **GUILDHALL SCHOOL - SUSTAINABILITY (OPERATING MODEL REVIEW) BY PA CONSULTING**
The Sub-Committee noted a joint report of the Chamberlain and Town Clerk which provided information of the review, conducted by PA Consulting, of the Guildhall School of Music and Drama's Operating Model Review.
22. **SUNDIAL COURT, CHISWELL STREET, EC1 - LEASE RENEWAL**
The Committee considered and approved a joint report of the City Surveyor and the Principal of the Guildhall School of Music and Drama which sought approval for the renewal of the lease of Sundial Court, Chiswell Street EC1.
23. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**
The Committee noted a report of the Town Clerk which advised Members of the key discussions which had taken place during non-public session at recent meetings of the Committee's Sub-Committees.
24. **DRAFT NON-PUBLIC MINUTES OF SUB-COMMITTEES**
The Committee noted the draft non-public minutes of the following Sub-Committee meetings:
- Finance Grants Oversight and Performance Sub-Committee held on 15 November 2016; and
 - Corporate Asset Sub-Committee held on 18 November 2016.
25. **TACKLING THE REPAIRS AND BACKLOG MAINTENANCE BOW WAVE**
The Committee noted a report of the Chamberlain which provided an update on work in progress and challenges ahead to tackle the 'bow wave' of unfunded maintenance costs on the Corporation's operational property assets.
26. **GUILDHALL COMPLEX FUNDING**
The Committee considered a report of the City Surveyor which sought funding from the Finance Committee's Contingency Fund for the Guildhall Administration budget.

27. **MANAGED SERVICE FOR TEMPORARY AGENCY WORKERS - CONTRACT AWARD REPORT**

The Committee considered and approved a joint report of the Chamberlain and the Director of Human Resources which sought approval for the award of a four-year contract for Managed Service Temporary Labour Resource.

28. **PROVISION OF CORPORATE MANAGED SERVICE FOR MULTIFUNCTIONAL DEVICES - PROCUREMENT STAGE 1 REPORT**

The Committee considered and approved a report of the Chamberlain which sought approval for the recommended evaluation criteria to be used in the selection of a preferred supplier for the provision of a Corporate Managed Service for Multi-Functional Devices).

29. **FUNDING OF THREE ADDITIONAL STAFF TO INVESTMENT PROPERTY GROUP, CITY SURVEYOR'S DEPARTMENT**

The Committee considered and approved a report of the City Surveyor which sought funding from the Finance Committee Contingency Fund for the recruitment of three additional staff within the Investment Property Group of the City Surveyor's Department.

30. **STRATEGIC PROPERTY ESTATE - UPDATE**

The Committee noted a report of the City Surveyor which provided an update of the progress made over the previous year in respect of the Strategic Property Estate.

31. **ACTION FRAUD INTERIM SERVICE PROVISION**

The Committee considered and approved a report of the Commissioner of the City of London Police which sought approval for the continued appointment of the existing provider of the Action Fraud National Fraud and Cyber Reporting Centre until the new Managed Service went live at the end of May 2017.

32. **ADMITTED BODY STATUS AND THE LOCAL GOVERNMENT PENSION SCHEME: INTERSERVE ENGINEERING SERVICES LTD**

The Committee considered and approved a report of the Chamberlain and Comptroller and City Solicitor which sought approval to allow Interserve Engineering Services Ltd to become an Admitted Body to the City of London Corporation's Local Government Pension Board to allow staff pensions rights to be protected.

33. **REPORT ON WAIVERS AT £50K AND OVER GRANTED SINCE THE LAST FINANCE COMMITTEE**

The Committee noted a report of the Chamberlain which updated Members on non-urgent waivers over £50,000 which had been approved by the relevant Spending Committee, in accordance with the Waiver Approval Process set out within the Corporation's Procurement Code.

34. **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.

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

There were no items of urgent business.

36. CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING

The Committee considered and approved the confidential minutes of the last meeting.

The meeting closed at 2.55 pm

Chairman

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Finance Committee – Outstanding Actions

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
1.	13 Dec 2016, Item 13	<u>IT Strategy</u> Members were advised that the IT Strategy would be considered by the IT Sub-Committee and Finance Committee in January 2017.	Chamberlain	February 2017	The IT Strategy was considered by the IT Sub-Committee in January 2017. This strategy will be presented to the Finance Committee alongside the Police IT Strategy, which will be considered by the IT Sub-Committee in February 2017.
2.	13 Dec 2016, Item 14	<u>Members Financial Loss Allowance Scheme</u> Members commented that it would be to review the Scheme after the Common Council elections to ensure that it remains fit for purpose.	Town Clerk	May 2017	This review would be conducted by the Policy and Resources Committee, and will be progressed following the elections.
3.	13 Dec 2016, Item 15	<u>Christmas donations</u> a) The Committee delegated authority to the Town Clerk to consider make charitable donations totalling up to £10,000 at Christmas 2016. b) A report to be submitted to explain how it will be possible to make such grants in future years.	a) Town Clerk b) Chief Grants Officer	a) Completed b) Estimated Mid-2017	a) Donations of £2,500 each were made to The Parent House, Crisis, The Stuart Low Trust and Solace Women's Aid. b) A report regarding this will be submitted to the Policy and Resources Committee or Community and Children's Services Committee during 2017.
4.	15 Nov 2016, Item 9	<u>Financial Statements</u> The Chamberlain to review whether it is advisable to include more information in relation to operational risk within the Financial Statements.	Deputy Chamberlain	June 2017	This will be considered as part of the development of the Financial Statements for the City Fund Accounts for 2016/17.

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
5.	15 Nov 2016, Item 15	<u>Central Contingencies</u> The Committee to consider the appropriate level for the Committee's Contingencies.	Chamberlain	May 2017	This should be considered by the Committee in May 2017, when the final balance for contingencies for 2016/17 is known.
6.	15 Nov 2016, Item 16	<u>Donations to disaster relief appeals</u> The Town Clerk to investigate the administration costs of the organisations to which the Corporation makes donations to disaster relief appeals to ensure that the donations are made to the most appropriate organisations.	Town Clerk	January 2017	A report regarding this issue is included within the agenda.
7.	a) 19 July 2016, Item 15 b) 18 Oct 2016, Item 10	<u>Information Security</u> a) A report to be submitted during the autumn regarding proposals to develop the Corporation's Information Security Systems. b) The Chamberlain to consider whether the risk in relation to a cyber-security breach should be amended into separate risks for the Corporation and City of London Police.	Chamberlain and IT Director	January 2017	A report regarding this issue is included within the agenda.

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
8.	18 Oct 2016, Item 11	<u>Chamberlain's Departmental Business Plan – KPI for Information Technology</u> The Chamberlain to replace the existing IT KPI with a revised KPI which will provide a more accurate measure of performance.	Chamberlain	May 2017	The IT team is developing a broader set of indicators together with our partner Agilisys. However, due to the IT Division leadership changes and the development of the IT Strategy, it has not been possible to complete this work in time for inclusion with the quarterly update. The revised KPI will be included in the next quarterly update.
9.	18 Oct 2016, Item 13	<u>Corporate Purchase Card Policy</u> The Committee to be provided with a report providing further information regarding the use of P-Cards with a credit limit of over £5k, the controls for the use of P-Cards and the advantages and disadvantages of P-Cards expenditure being charged to the cardholder's personal bank account before being reclaimed.	Head of City Procurement	January 2017	A report regarding this issue is included within the agenda.
10.	19 July 2016, Item 6	<u>Triennial Valuation of Pension Fund</u> Clare James to serve as Lead Member for the Triennial Valuation of the Pension Fund, assisted by Randall Anderson and Paul Martinelli	Deputy Chamberlain	January 2017	A report regarding this issue is included within the agenda.

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
11.	19 July 2016, Item 7	<u>Review of Sub-Committees</u> Investment Committee is requested to consider an amendment to its Terms of Reference (and subsequently to Standing Orders) to allow Corporate Asset Sub-Committee to be responsible for the disposal of surplus operational properties which are not suitable as investment properties.	Town Clerk	February 2017	This has been approved by Investment Committee and Property Investment Board. A report will be submitted to the Policy and Resources Committee on 16 February 2017 and onward to Court of Common Council in March 2017 to request an amendment to Standing Orders to enact this proposal.

EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Wednesday, 30 November 2016

Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee held at the Guildhall EC2 at 1.45 pm

Present

Members:

Jeremy Mayhew (Chairman)	Sheriff & Alderman Peter Estlin
Deputy Roger Chadwick (Deputy Chairman)	Deputy Jamie Ingham Clark Ian Seaton
Nigel Challis	Deputy John Tomlinson
Deputy Anthony Eskenzi	

Officers:

Christopher Braithwaite	-	Town Clerk's Department
Neil Davies	-	Town Clerk's Department
Peter Kane	-	Chamberlain
Kate Smith	-	Town Clerk's Department
Caroline Al-Beyerty	-	Chamberlain's Department
Paul Nagle	-	Chamberlain's Department
Paul Wilkinson	-	City Surveyor

In attendance:

Sascha Kiess, Continuous Improvement Institute

1. APOLOGIES

Apologies for absence were received from Randall Anderson and Philip Woodhouse.

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

There were no declarations.

3. EXTERNAL SPEAKER - EMBEDDING A CULTURE OF CONTINUOUS IMPROVEMENT

The Sub-Committee considered a presentation from Sascha Kiess of the Continuous Improvement Institute regarding embedding a culture of continuous improvement in the Corporation.

The presentation provided information of the definition of continuous improvement; the key characteristics of a continuous improvement culture; the key steps that can be taken to develop a continuous improvement culture; how to measure progress in implementing a continuous improvement culture; and the benefits of creating a continuous improvement culture.

Members welcomed the presentation, agreeing that embedding a culture to ensure that continuous improvement was considered to be business-as-usual would be very beneficial for the organisation. This would contrast with the existing process of a series of two-to-three year savings programmes. Members noted that achieving such a culture would be a long-term objective and may be challenging to achieve.

Members also commented that it would be vital that the Corporation first had a clear vision of what it sought to achieve. This vision would need to be supported by all aspects of the Corporation's leadership and embedded within the Corporation's corporate governance.

RESOLVED – That the Sub-Committee notes the presentation.

4. **DEPARTMENTAL BUSINESS PLANNING PROCESS**

The Sub-Committee received a presentation from the Town Clerk which provided information regarding the development of the Corporation's revised Corporate Plan and the process for the development of Departmental Business Plans.

The Town Clerk explained that the Corporate Plan and Departmental Business Plans, along with the processes which reviewed and supported these, would be built around the theme of the 4 Rs (Relevant, Responsible, Reliable and Radical) and ensure that all activities undertaken were focused upon achieving the Corporation's goals as efficiently and effectively as possible.

Members commented that further development was required of the Corporate Plan and Departmental Business Planning Process and it was vital that Members were heavily involved in this, in appropriate forums. This would ensure that, when the Corporate Plan and Departmental Business Plans were presented to Members, these were in line with Members expectations.

Members commented that it was important that all Plans included measurable outputs and agreed that the Plans should be beneficial in supporting a culture of continuous improvement being embedded across the Corporation. Members also commented that it was important that the Plans allowed Officers to appropriately identify and mitigate risks, but also gave Officers the opportunity to take appropriate risks.

The Chairman commented that the two presentations received by Members had been complementary and provided Members with information of the current position of the development of these issues within the Corporation. He explained further development of the Plans would be completed by Senior Officers prior to further Member consultation.

The Chairman requested that an update on progress in the development of the Plans be provided to the Sub-Committee's next meeting.

RESOLVED – That the Sub-Committee notes the presentation.

5. **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 item on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Local Government Act.

6. **GUILDHALL SCHOOL - SUSTAINABILITY (OPERATING MODEL REVIEW) BY PA CONSULTING**

The Sub-Committee noted a joint report of the Chamberlain and Town Clerk which provided information of the review, conducted by PA Consulting, of the Guildhall School of Music and Drama's Operating Model Review.

7. **ADMITTANCE OF THE PUBLIC**

RESOLVED – That the public be admitted to the meeting.

8. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED - That the public minutes and non-public summary of the meeting held on 12 October 2016 be agreed as an accurate record.

9. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

The Chairman commented that the presentations considered earlier in the meeting demonstrated the importance of ensuring that the Staff Suggestion Scheme was embedded within the Departmental Business Planning process.

RESOLVED – That the Committee notes the report.

10. **EFFICIENCY AND SUSTAINABILITY PLAN - NEXT STEPS**

The Sub-Committee considered a report of the Chamberlain which provided information of the next steps to be taken to build on the Efficiency and Sustainability Plan, which had been approved for publication by the Court of Common Council on 13 October 2016. The additional steps which would be taken included Efficiency and Effectiveness Peer Reviews for all Chief Officers and incentivisation for identification and implementation of efficiency savings.

The Chamberlain informed the Sub-Committee that, as promised in return for the publication of Efficiency Plans, the Department for Communities and Local Government had confirmed the level of the Corporation's Local Government Grant Funding for the next three years.

The Sub-Committee asked how the efficiency plan would apply to the independent schools, as it would not be appropriate to make savings through reducing bursaries or similar methods. The Chamberlain explained that there was no intention to cut bursaries, and the efficiency plan would seek to find efficiencies in the shared services used by the schools.

Members asked for clarification regarding the timescale for the completion of Chief Officer Peer Reviews. The Chamberlain explained that a timetable for

each of the workstreams identified within the report had been developed and this was put around the table. The Chamberlain explained that it was intended to commence the Peer Reviews in early 2017, but it may be necessary, due to resources for these to be staggered and it therefore may not be possible to complete a Peer Review for each Chief Officer until 2018.

The Chamberlain confirmed that the work that would be undertaken to implement the Efficiency Plan would be integrated into the Sub-Committee's work programme.

RESOLVED – That the Sub-Committee

- a) Notes the proposals for implementing the Continuous Improvement savings target; and
- b) Notes the approach being adopted for progressing Chief Officer Peer Reviews.

11. THE ESTABLISHMENT OF A PROCUREMENT INVEST TO SAVE FUND

The Sub-Committee considered a report of the Chamberlain which set out proposals to establish a Procurement Invest to Save Fund, using a percentage of the annual savings generated by City Procurement to fund bids for continuous improvement procurement projects.

A Member noted that, when this report had been considered at Finance Committee, he had suggested that the limit for annual funding for the Fund should be higher than £250k. The Finance Committee had agreed that, if opportunities were identified which required a higher level of funding, these could be brought back to the Finance Committee for approval.

The Chamberlain confirmed that this Fund was solely for invest-to-save initiatives related to procurement and would not be available for invest-to-save initiatives in other areas.

RESOLVED – That the Sub-Committee notes the report.

12. WORK PROGRAMME FOR FUTURE MEETINGS

The Sub-Committee considered a report of the Town Clerk which set out the work plan for future meetings.

The Chairman commented that the format of the Work Programme needed further revision and requested that the Town Clerk and Chamberlain review the format in advance of the Sub-Committee's next meeting.

The Town Clerk explained that he would seek to change the date of the Sub-Committee's next meeting to ensure that the issues to be considered by the Sub-Committee could be sufficiently developed and that all relevant Officers were able to attend.

RESOLVED – That the Sub-Committee notes the report.

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

There were no questions.

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

There were no items of urgent business.

15. **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(s)

16-20

Paragraph(s) in Schedule 12A

3

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

RESOLVED - That the non-public minutes of the meeting held on 12 October 2016 be agreed as an accurate record.

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

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

18. **SERVICE BASED REVIEW MONITORING**

The Sub-Committee noted a joint report of the Town Clerk and the Chamberlain which provided an update on the Service Based Review, including cross-cutting reviews, key departmental projects and the monitoring of financial savings.

19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

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

There were no items of urgent business.

The meeting closed at 3.30 pm

Chairman

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INFORMATION TECHNOLOGY SUB (FINANCE) COMMITTEE

Friday, 25 November 2016

Minutes of the meeting of the Information Technology Sub (Finance) Committee held at Guildhall, EC2 on Friday, 25 November 2016 at 1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)
Randall Anderson
Deputy Douglas Barrow
Deputy John Chapman
Jeremy Mayhew
Sylvia Moys
Graham Packham
Chris Punter
Deputy John Tomlinson
James Tumbridge

Officers:

Fern Aldous	-	Town Clerk's Department
Peter Kane	-	Chamberlain
Simon Woods	-	Chamberlain's Department
Kevin Mulcahy	-	Chamberlain's Department

In attendance:

Sean Grimes	-	Director of IT Services, Agilisys
Graham Everitt	-	Agilisys

1. APOLOGIES

Apologies were received from the Deputy Chairman, Deputy Roger Chadwick, and Nigel Challis.

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 30 September 2016 be approved as an accurate record.

4. OUTSTANDING ACTIONS AND WORK PROGRAMME

The Sub-Committee considered a report of the Town Clerk which provided updates of outstanding actions from previous meetings. The report also provided information of the Sub-Committee's proposed work plan for forthcoming meetings.

A Member asked that the date of completion/progression of the action to set-up IT workshops be amended to reflect the date of the next workshop.

The Chairman confirmed that, in future, the work plan would reflect where updates had been made.

RESOLVED – That the report be noted.

5. IT DIVISION UPDATE

The Sub-Committee received a report of the Chamberlain providing an update on the recent activity of the IT Division. The Chamberlain advised that the newly developed strategy had been well supported across the organisation and at the IT Steering Group; the strategy would be brought to the February meeting of the Committee for approval.

In response to a query from a Member, the Chamberlain confirmed that the significant issue involving a virtual router which had affected Good Messaging was unlikely to reoccur due to more thorough monitoring now being put in place. The messages sent during the outage had been queued until the issue was resolved and then delivered to the intended recipients.

RESOLVED – That the report be noted.

6. IT SERVICE PERFORMANCE UPDATE

The Committee received a report of the Chamberlain providing details on recent service performance. A number of the priority one incidents had been caused by a reoccurring outage at Walbrook Wharf, which had now been stabilised. The outage which had affected the City of London Police had been caused by a fault with the provider, Vodafone, which had affected multiple Vodafone users.

In response to a query from a Member it was explained that the “shift left” referred to the desire for the service desk to gain more knowledge so they could resolve more queries at the first point of contact with the user. It was further explained that the cause of the surge in incidents following the holiday period was due, in part, to staff forgetting passwords. The re-set password self-service had only been partly successful in the Corporation (it had seen wider success with the City of London Police). This would be addressed under the managed service desktop transformation programme.

Officers undertook to add narratives to the graphs in future iterations of the report.

RESOLVED – That the report be noted.

7. CONTRACTS UPDATE: MANAGED PRINT AND MICROSOFT LICENSE VOLUME RESELLER CONTRACT

The Sub-Committee considered a report of the Chamberlain concerning the review of two existing contracts; the managed print service and the Microsoft volume reseller contract.

Managed Print Service

There was confidence that the short tender process would be manageable, with the City Procurement team closely involved in the process. Members felt that the procurement presented an opportunity to discourage unnecessary printing. It was noted that this would be further addressed by the wider measures outlined in the strategy for departments to be responsible for their IT resources.

Microsoft Volume Reseller

Members discussed the number of licenses required, and whether this could be reduced with the introduction of Office 365. Officers confirmed that there would be scope to remove licenses for peripheral products, and for there to be expiration on unused licenses, however core product licenses would still be required for almost all staff. The Chairman asked for a report on the matter to be brought to the next meeting of the Committee.

RESOLVED – That the report be noted.

8. **AGILISYS ORACLE LESSONS LEARNED REPORT**

The Committee received a report of the Chamberlain outlining the lessons learnt from the Oracle upgrade project. Members felt that although the lessons had been outlined, they had yet to be embedded in practice. It was felt that capturing on the risk register the risk from not learning lessons from previous procurement process would be beneficial.

Limited staff development on project management programmes had also contributed to recent difficulties and training was now in place to address this issue.

RESOLVED – That the report be noted.

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

There were no questions.

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

Members discussed the results of the recent Member survey. The following points were noted:

- Members would need to decide on the approach to the level of the VIP services.
- Simple issues, such as the hardware in the Member's Room needed to be addressed. Officers assured Members that a replacement printer for the Member's Room would be shortly installed, and a simplified photocopier was being investigated.
- A Member felt that the wrong questions were asked on the survey, and the results did not reflect Member sentiment.
- Members were encouraged to gather feedback from the wider Membership.
- Structured interviews would be held.

- Lessons learnt would be developed and circulated.

The Chamberlain undertook to develop the results. Members could still send comments in relation to the survey.

11. 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 the Schedule 12A of the Local Government Act.

Item No.	Paragraph(s) in Schedule 12A
12-13, 15-17	3
14	7
18	4

12. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

The Sub-Committee reviewed the non-public minutes of the meeting held on 30 September 2016.

13. OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS

The Sub-Committee received a joint report of the Town Clerk and the Chamberlain outlining the actions outstanding since the last meeting of the Committee.

14. RISK UPDATE AND TRENDS

The Sub-Committee received a report of the Chamberlain which provided analysis on the IT division's risk register.

15. CONTRACT EXTENSION PROPOSAL

The Sub-Committee considered a report of the Chamberlain regarding the managed services contract.

16. TRANSFORMATION PROGRAMME UPDATE

The Sub-Committee received a report of the Chamberlain providing Members with an update on four of the priority projects.

17. IT FINANCE UPDATE

The Sub-Committee received a report of the Chamberlain regarding the IT Division budget for the current financial year.

18. IT LEADERSHIP UPDATE

The Chamberlain updated the Sub-Committee on the IT leadership in a Members only session.

19. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE

There were no non-public questions.

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

There was no other non-public business.

The meeting ended at 3:25pm

Chairman

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Agenda Item 7

TO: **FINANCE COMMITTEE**

Tuesday, 31 January 2017

FROM: **POLICY AND RESOURCES COMMITTEE**

Thursday, 15 December 2016

APPOINTMENT OF CHAIRMEN OF SUB-COMMITTEES

Members considered and approved a report of the Town Clerk and Comptroller and City Solicitor regarding the appointment of Sub-Committee Chairmen.

RESOLVED – that:-

- when a Chairman does not wish to exercise his/her right to be the Chairman of a Sub-Committee and wishes a specific Member to be appointed, Committees adopt a convention whereby the Chairman submits his/her nomination for Chairman and/or Deputy Chairman to the Service Committee for approval; and
- a resolution to this effect be circulated to all relevant Committees to endorse this convention.

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Committee: Finance Committee	Date: 31 January 2017
Subject: Provisional Settlements for Local Government and Police 2017/18	Public
Report of: The Chamberlain	For Information
Report author: Caroline Al-Beyerty, Deputy Chamberlain	

Summary

The provisional settlement is as expected for local government. The one area of growth in income compared to the previous forecast is for additional retained business rates, where the substantial additional income projected, as a result of business rate growth, has been included in the updated forecast and provides the headroom to fund the investment strategy for example improved security and the 'bow wave' of maintenance costs.

For Police, The core grant element was marginally (£0.7m) lower than anticipated.

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 15 December 2016, the Secretary of State for Communities and Local Government (DCLG) announced the provisional 2017/18 Local Government Finance Settlement. The Settlement outlines provisional core funding allocations for local authorities for the three year period 2017/18 to 2019/20. On the same day the Home Secretary issued the settlement for Police.

Provisional Local Government Finance Settlement 2017-18

2. For our non-Police services, this year's settlement is the second of the current four year Spending Review period (2016/17 to 2019/20). As the City's Efficiency Plan has been accepted, we have been promised some certainty on the figures published for the lifetime of this Parliament (i.e. three years up to 2019/20). The provisional settlement includes figures for three years (2017/18 to 2019/20) and is largely as expected, confirming the funding cuts set out in the four year settlement. The three year horizon reveals a gradual

rate of reduction in Revenue Support Grant with the grant dropping from its current level of £10.6m in 2016/17 in stepped amounts to £6.2m in 2019/20. If the business rates retention scheme were to be introduced in 2018/19 grant income would be reduced to zero and we would need the shortfall to be made up from additional retained rates.

3. The Council Tax referendum threshold will effectively be 5% for the City Corporation, including 3% to spend on social care. It will be up to councils to choose whether to exercise their discretion to increase the Social Care Precept up to 3% in 2017/18 and 2018/19, but increases cannot exceed 6% over the three years to 2019/20. Councils wishing to use the extra freedom to raise their precept by 3% instead of 2% in 2017/18 must also show how they plan to use this extra money to improve social care.
4. Local authorities are invited to offer their views on its operation and requested to indicate whether their authority is minded to take up the 3% flexibility by 5pm on 13 January 2017. For the City, an additional 3% on Council Tax would only generate £150,000 and given the improved financial position for 2017/18, the Resource Allocation Sub and Efficiency and Performance Sub Committees with Committee Chairmen on the 19 January 2017 agreed that the City should not take up the additional flexibility.
5. There has been significant change to the business rates retention scheme as a result of the adjustments for the 2017 Revaluation, which alter both tariff and top ups and business rates baselines for individual authorities. This has resulted in London Boroughs' changing from being an overall £14 million top up in 2016/17 to now paying an overall tariff in 2017/18 of £223 million. However, the business rates revaluation adjustment ensures, as far as is practicable, that an authority's retained income is the same after revaluation as immediately before. The City Corporation remains a 'tariff' authority and there is little change- our share has increased in line with inflation.
6. The Secretary of State for CLG again restated the Government's intentions to reform the business rates retention system and move to 100 per cent retention by 2020. He announced that the Local Government Finance Bill would enter parliament early in the new year, and that pilots would begin in 6 areas of the country in April 2017, London being one of the six. The only notable changes in 2017/18 in London will be to the GLA's retained share of business rates, as TfL capital grant and the GLA's RSG will be funded from the central share of rates.
7. Other key highlights of the provisional local government settlement are as expected from the Autumn Statement:
 - There will be a new one off Adult Social Care Support Grant of £241.1 million (£37.3 million London) in 2017/18. This is funded by reducing New Homes Bonus by £241.1 million (£48.0 million London) as a result of moving from six to five year rolling scheme (this will reduce again to four years from 2018-19). At the overall level, London Council's estimate is that London will lose out by £10.6 million from this switch in funding,

however the impact varies across London with 12 boroughs gaining slightly while 21 are worse off. The City Corporation is one of the 21 that lose out as a result of the change. Our NHB reduces from £1.8m in 2016/17 to £1.5m in 2017/18 and £1.1m p.a. thereafter, our adult social care grant for 2017/18 is £49,000.

- It was confirmed that London boroughs will receive £665 million in Public Health Grant (£3.3 billion England) in 2017-18. The City Corporation will receive £1.7m in 2017/18.
- Schools: Alongside the settlement, Government published the second round of its consultation into the National Funding Formula. Initial analysis suggests that the overall impact on London will be less severe than expected because of the introduction of at least £200 million additional funding to the schools block in 2018/19, along with a funding floor that permanently limits school-level funding reductions to 3%. However, 70% of schools in London will still experience a cash reduction in funding as a result of the new schools funding formula, including 97% of schools in inner London. The City has met with the Department for Education who have recognised that the City of London is unique and agreed that, like the Isles of Scilly, the national funding formula will not be applied here going forward. However, detailed discussions on how funding for the City should vary from the national model have yet to take place and it is still likely that funding will be reduced.

8. London Councils will be submitting a detailed response to CLG and are likely to highlight the following key themes:

- Expressing disappointment that the Government has failed to find new money for Adult Social Care - the Social Care precept passes the buck back to local council tax payers and doesn't cover the funding gap in the period up to 2020.
- Strongly opposing the cutting of NHB, especially given the housing crisis in London.
- Disproportionate level of cuts to local government.

Police settlement

9. The Police core grant settlement was marginally worse than anticipated at £51.4m, some £0.7m lower than anticipated. The Government's stated intention is that the shortfall should be met from an increase in the precept (in the City's case, the business rate premium). In response to the deteriorating financial position a Medium Term Financial Plan for the Police was submitted to the December committee cycle. This detailed some immediate steps to stabilise the position which included the Police adopting a cashable savings target; the utilisation of the remaining Police reserves (agreed by the Court in January) and the City funding some additional costs for IT and employers pension contribution directly. It also involved the City funding the revenue

contribution to Police capital schemes already in the budget (£1.4m in 2017/18 and £1m in 2018/19) and the City funding the future Police capital programme. The latter will be subject to a further report but could be of the order of £11m over the planning period

10. The settlement included an allocation for 2017/18 of £4.5m for National and International Capital City grant, no change from 2016/17. Details of a number of ring-fenced grants are not expected until January- March 2017.

Mayoral precept

11. The Mayor of London has published his draft 2017/18 revenue budget and capital spending plan for consultation. For the current financial year, 2016/17, the City's Council tax is £857.31, expressed at band D and excluding the GLA precept of £73.89. The budget proposes an increase in the GLA precept of £4.02, but unchanged for the City at £73.89 because City has its own police force. The entire GLA precept increase is for the Metropolitan Police.

Next steps

12. Overall there are no issues that are so unique and/or disadvantageous relative to other councils/ forces which would require representations to be made.
13. The medium term financial forecasts policy for all four funds will be reported to Finance Committee in February.

Caroline Al-Beyerty

Deputy Chamberlain

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Committees: Finance Committee	Dates: 31 January 2017
Subject: Proposed 2017/18 Revenue Budgets for Operational Services	Public
Report of: The Chamberlain	For Decision
Report Author: John James, Interim Deputy Financial Services Director	

Summary

1. This report seeks approval to the proposed revenue budget for 2017/18 in relation to the operational services directly overseen by your Committee. The overall budget is summarised in the following table and takes account of the third tranche of savings/increased incomes required for the Service Based Review.

Budget Summary	Original Budget 2016/17 £'000	Latest Budget 2016/17 £'000	Proposed Budget 2017/18 £'000	Movement (Latest 2016/17 to Proposed 2017/18) £'000
Expenditure	70,454	72,081	74,738	2,657
Income	(15,373)	(15,276)	(15,432)	(156)
Total Net Expenditure	55,081	56,805	59,306	2,501

2. Overall, the 2016/17 latest budget totals £56.805m, an increase of £1.724m (3%) compared with the original budget for 2016/17. The main reason for this increase is the approval of an additional £1.896m for the IT Division to meet the increasing costs of the Agilisys contract, to help stabilise the IT function and to renew ageing infrastructure.
3. The 2017/18 proposed budget totals £59.306m, an increase of £2.501m (5%) compared with the latest budget for 2016/17. The main reasons for this increase are:
 - increased repairs, maintenance and improvements in the Cyclical Works Programme totalling £2.829m;
 - an increase of £0.804m to the IT Division budget, representing the full-year effect of the 2016/17 uplift of £1.896m (noted at paragraph 2 above), making a full-year uplift of £2.7m; and
 - increased capital charges in relation to the Central Criminal Court of £0.3m, being depreciation charged on additional capital expenditure; partly offset by
 - the removal of £1.245m carried forward from 2015/16 towards the creation of a Cultural Hub.
4. The 2017/18 proposed budget of £59.306m includes an additional £2.7m to continue the work commenced in 2016/17 to stabilise the IT function. This sum was included in the £3.7m provision for IT in the Medium Term Financial Forecast (the other £1m being for Police IT)

5. For the current year, the forecast outturn for this Committee is an underspend of £120,000 (1%), which is largely made up of a number of minor variances across the Chamberlain's local risk budgets.
6. The report also provides a summary of the Committee's approved capital and supplementary revenue budgets, totalling some £38m.

Recommendations

7. The Committee is requested to:
 - a) note the forecast underspend of £120,000 at 31 March 2017 against the Chamberlain's 2016/17 local risk budget;
 - b) review the proposed 2017/18 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget;
 - c) authorise the Chamberlain to revise these budgets to allow for any necessary realignment of funds as set out in paragraph 18; and
 - d) note the approved capital and supplementary revenue budgets.

Main Report

Background

8. The variety and volume of services overseen by the Finance Committee contain a considerable amount of information and some complexity of presentation. The report endeavours to present the information as succinctly and clearly as possible and additional financial details on individual items can be provided on request.
9. The budgets cover expenditure and incomes attributable to the following areas;
 - Chamberlain's Department - the operational services including Cost of Collection (business rates and council tax), Chamberlain's Court, Chamberlain's 'General' (Financial Services, incorporating Internal Audit, City Revenues and Payment & Support Services), City Procurement, IT and Insurance;
 - Director of Community Services – operation of the Gresham Almshouses;
 - The Town Clerk – the Central Criminal Court, the Secondary's Office and Corporate Services (including catering for Committee lunches);
 - The City Surveyor – the Guildhall Complex, Walbrook Wharf and the Mayor's Court;
 - The Remembrancer – the letting of Guildhall areas for private functions and events and the cost of catering in respect of Committee Hospitality; and
 - Private Secretary to the Lord Mayor – the maintenance and running expenses of Mansion House.
10. An overview of the services provided can be found at Annex A.
11. The Committee's corporate budgets, relating primarily to non-property investment incomes, capital charges and financing, contingencies and grants, will be considered with the annual report on the overall City Corporation budgets for its three main funds to be submitted to the Committee in February.

Business Planning Priorities

12. The strategic aims of the Chamberlain's Department are to:
 - **secure sound financial management** by leading on the delivery of medium and long term financial planning and facilitating effective financial management across the City Corporation.
 - **ensure operational excellence** through focussing on the effectiveness of operations to deliver the best possible service at an appropriate cost. This is achieved by investing in the department's technical skills to ensure that all stakeholders can be supported in the delivery of innovative and effective services.
 - **enable transformation across the City Corporation** by embracing change and exploring new ways of working to ensure that appropriately innovative business solutions are provided to partners.

Proposed Revenue Budget for 2017/18

13. The latest 2016/17 and proposed 2017/18 budgets are set out in the table below. Income and favourable variances are presented in brackets. Overall there is an increase of £2.501m between the latest 2016/17 and proposed 2017/18 budgets.

14. The proposed 2017/18 budget includes:

- the final tranche of Service Based Review savings/increased incomes of £620,000. Your committee agreed savings proposals totalling £2.843m for the Chamberlain's Department, which have all now been achieved.
- an inflation allowance of 1% (£287,000).

The 2017/18 proposed budget of £59.306m includes an additional £2.7m to continue the work commenced in 2016/17 to stabilise the IT function. This sum was included in the £3.7m provision for IT in the Medium Term Financial Forecast (the other £1m being for Police IT).

Analysis by Service <i>(please see Annex A for a summary of each service)</i>	Original Budget 2016/17 £'000	Latest Budget 2016/17 £'000	Proposed Budget 2017/18 £'000	Movement (Latest 2016/17 to Original 2017/18) £'000
Cost of Collection	837	831	783	(48)
Chamberlain's Court	156	153	164	11
Gresham	137	176	213	37
Chamberlain's – General	9,008	9,223	8,866	(357)
Chamberlain's – City Procurement	2,700	2,707	2,902	195
Chamberlain's – Insurance	12,665	12,107	12,289	182
Chamberlain's – IT	8,152	10,231	10,647**	416
Central Criminal Court	4,574	4,471	5,082	611
Corporate Services – Town Clerk	477	1,710	465	(1,245)
Secondary's Office	436	465	436	(29)
Mayor's Court	207	121	181	60
Walbrook Wharf	870	873	1,085	212
Guildhall Complex – City Surveyor	13,301	12,455	14,318	1,863
Corporate Services – Remembrancer	283	341	301	(40)
Guildhall Complex - Remembrancer	(505)	(461)	(507)	(46)
Mansion House Premises – Private Secretary	1,783	1,402	2,081	679
Total Net Expenditure	55,081	56,805	59,306	2,501

** Includes £2.7m uplift from original

15. Overall, the proposed 2017/18 revenue budget totals £59.306m, an increase of £2.501m (5.0%) compared with the latest budget of £56.805m for 2016/17. The

majority of this increase can be attributed to the five largest movements in the table above:

- Guildhall Complex – increase in net expenditure of £1.863m, which largely relates to repairs, maintenance and improvements in the Cyclical Works Programme;
- Mansion House Premises – increase in net expenditure of £679,000, which largely relates to a number of repairs, maintenance and improvements projects in the Cyclical Works Programme including main switch panel replacements, lift replacements and internal redecorations;
- Central Criminal Court – increase in net expenditure of £611,000, which largely relates to further repairs, maintenance and improvement projects in the Cyclical Works Programme of £343,000, including the refurbishment of a number of the Courts and increased capital charges of £267,000, being depreciation charged on additional capital expenditure at the Court.
- IT – increase in net expenditure of £416,000, which largely relates to the full-year effect (£804,000) of the 2016/17 uplift of £1.896m (see paragraph 2) to stabilise the IT function and renew out of date infrastructure (making a full-year uplift of £2.7m); partly offset by planned savings.
- Corporate Services – Town Clerks – the removal of one-off budgets carried forward from 2015/16 of £1.245m towards the creation of a ‘Cultural Hub’.

16. A summary staffing statement is set out in the following table, with further detail at Annex C.

Staffing statement	Latest Budget 2016/17		Proposed Budget 2017/18	
	Staffing Full-time equivalent	Estimated cost £'000	Staffing Full-time equivalent	Estimated cost £'000
Chamberlain's ¹	274.8	14,677	291.3	15,613
Town Clerk	99.5	3,856	99.3	3,751
Surveyor	83.0	3,745	83.0	3,691
Remembrancer	12.5	899	13.5	949
Community & Children's Services	0.7	27	0.7	29
TOTAL FINANCE COMMITTEE	470.5	23,204	487.8	24,033

¹The increase in full time equivalent posts reflects that there have been a number of vacancies in the current year, for which provision has been removed from budgets whereas, at this stage, 2017/18 provides for the full establishment.

17. Annex B provides an analysis of the revenue budget between local and central risk categories, between funds and by Chief Officer.

Potential Further Budget Adjustments

18. The provisional nature of the revenue budgets recognises that further revisions may be required to realign funds for:

- central and departmental support service apportionments; and
- decisions of the Resource Allocation Sub Committee in relation to the Additional Works Programme.

Revenue Budget 2016/17

19. For the current year, the forecast outturn for the Chamberlain's local risk (cash limited) budget suggests an underspend of £120,000 (1%).

Approved Capital and Supplementary Revenue Budgets

20. The latest estimated costs of the Committee's approved capital and supplementary revenue projects are summarised in the Table below.

Capital & Supplementary Revenue projects - latest estimated costs								
	Exp. Pre 01/04/16	2016/17	2017/18	2018/19	2019/20	2020/21	Later Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CITY FUND								
<u>Recharges between Funds</u>								
Contribution to City's Cash re corporate capital schemes	19,072	675	2,643					22,390
<u>Pre-implementation</u>								
65 Basinghall Street opportunities	7	30						37
<u>Authority to start work granted</u>								
Central Criminal Court	5,663	2,125	119	5,900	3,830	3,949	9,518	31,104
TOTAL CITY FUND	24,742	2,830	2,762	5,900	3,830	3,949	9,518	53,531

Capital & Supplementary Revenue projects - latest estimated costs								
	Exp. Pre 01/04/16	2016/17	2017/18	2018/19	2019/20	2020/21	Later Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CITY'S CASH								
<u>Recharges between Funds</u>								
Contribution from other Funds re corporate capital schemes	-19,931	-701	-2,748					-23,380
Guildhall Complex schemes:								
<u>Pre-implementation</u>								
Security enhancements (6 schemes)		56						56
<u>Authority to start work granted</u>								
- Guildhall West Wing staircase		264						264
IT schemes:								
<u>Pre-implementation</u>								
- Unified communications *		32						32
- IT Infrastructure services		55						55
- Joint Network Refresh (WAN)*		15						15
<u>Authority to start work granted</u>								
- Joint Network Refresh (LAN) *	214	153	2,181					2,548
- HR & Payroll system	164	43	37					244
- Open mediated wi-fi		159						159
- Superfast City	204	40						244
- End User device renewal	75	859	2,060					2,994
Other schemes:								
<u>Pre-implementation</u>								
Mansion House security enhancements		3						3
Sheltered Units (Gresham)			1					1
TOTAL CITY'S CASH	-19,274	978	1,531	0	0	0	0	-16,765

* These figures do not include the Police elements of the schemes.

Capital & Supplementary Revenue projects - latest estimated costs								
	Exp. Pre 01/04/16	2016/17	2017/18	2018/19	2019/20	2020/21	Later Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
BRIDGE HOUSE ESTATES								
<u>Recharges between Funds</u>								
Contribution to City's Cash re corporate capital schemes	858	26	105					989
TOTAL BRIDGE HOUSE ESTATES	858	26	105	0	0	0	0	989

It should be noted that the above figures exclude the implementation costs of those schemes which have yet to receive authority to start work.

21. Recharges between funds reflect contributions from City Fund and Bridge House Estates towards the cost of corporate Guildhall Complex and IT schemes which are initially borne by City's Cash.
22. Pre-implementation costs comprise feasibility and option appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work.
23. The Joint Network Refresh project is currently undergoing a review and costs are likely to change.
24. The costs included for the Central Criminal Court project exclude later phases of the works, which are subject to further Gateway reports.
25. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2017.

Appendices

- Annex A – Operational Service Overview.
- Annex B – Finance Committee Summary Budget – by Risk, Fund and Chief Officer.
- Annex C – Staffing Statement.

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OPERATIONAL SERVICE OVERVIEW

Chamberlain

City Fund

Cost of Collection

The Cost of Collection reflects the expenditure incurred in the administration and collection of the Non-Domestic Rates and the Council Tax. As of 4 October 2014 this became a fully in-house service after the contract with Liberata (UK) Ltd expired.

City's Cash

Chamberlain's Court

The main duties of the Chamberlain's Court include assisting the Chamberlain to admit persons to the Freedom of the City; to help in the formation of new Livery Companies; and to maintain the Mansion House Plate Inventory.

Gresham - City Moiety

This includes the City's share of the income from the Royal Exchange, 89/91 Gresham Street and Gresham House annuity. It also shows the City's share of the expenses of running the Gresham Estate.

Gresham - Discretionary Expenditure

This principally consists of the grant to Gresham College, the non-mandatory elements of the Lecturer's fees and administrative costs.

Guildhall Administration

Within Guildhall Administration the Chamberlain's Department provides a wide range of financial and IT services.

The department is organised into the Financial Services Division, Information Technology Division, City Procurement and Internal Audit.

The work of the department (except for Cost of Collection and the Chamberlain's Court which are summarised in the notes above) are explained below.

Chamberlain's Department – General

The range of services provided by the Financial Services Division:-

- revenue and capital budget preparation and financing
- budget monitoring and financial advice
- accounting and final accounts
- business partnering
- financial investment and cash management
- financial planning and technical analysis
- VAT/tax planning
- banking
- capital project appraisal
- financial appraisal of organisations
- Oracle System Team

- revenue collection
- support to corporate governance
- internal audit
- payroll and pension

Chamberlain's Department – City Procurement

City Procurement is a key component in the transformation of how the City procures and pays for the goods and services it needs. City Procurement is responsible for the full requisition to pay cycle, and covers the functions of Category Management, Policy and Compliance, Accounts Payable, Sourcing, Procurement Operations and key Supplier Performance monitoring.

Chamberlain's Department – IT

Following the partnership with Agilisys which began in August 2013 the role of the Information Systems Division of the Chamberlain's Department has changed from a provider to a commissioner of services. The role of the IT Division is now:-

- to manage the delivery of services provided by our suppliers;
- adding value through understanding our customers and the City of London, ensuring requirements are delivered;
- exploring new technology and innovation to maintain a leading edge in technology on behalf of the City of London; and
- working with key stakeholders to drive and enable transformational change within the Corporation.

Chamberlain's Department – Insurance

Part of the Financial Services Division but included in a separate cost centre, the Insurance Section is responsible for undertaking risk assessments and securing the required insurance cover.

Town Clerk

City Fund

Central Criminal Court

The City provides the premises of the Central Criminal Court for the Court Service of the Lord Chancellor's Department and accommodates not only the eighteen courts, but also offices for the List Office for the SE of England, the City of London Police, HM Prison Services, Serco Prisoner Handling Services, Crown Prosecution Service, Probation Service, Treasury Council and the Crown Court Witness Service.

The eighteen Courts are made ready for use on Monday to Friday and also may be required to sit on public holidays and weekends.

The City is responsible for the care of the building and the provision of its facilities which includes the maintenance of the fabric of the Central Criminal Court, its furnishings, fittings and all of the mechanical and electrical equipment, the daily cleaning of the building and the provision of security services.

A proportion of the employee costs and 95% of other running costs are reimbursed by the Lord Chancellor's Department.

City's Cash

Central Criminal Court

This consists of the salaries, pensions and national insurance contributions for the posts of City Recorder and Common Serjeant.

Corporate Services – This includes:

- the cost of catering in respect of Committee lunches;
- the Sheriff's election allowances;
- the cost of Shrieval mementos; and
- a proportion of ward and election expenses.

Secondary's Office

This budget contains the salaries and office expenses of the Secondary's Office at the Central Criminal Court.

City Surveyor

City Fund

Mayors and City of London Court

The provision of the present court, which is an amalgamation of the Mayor's Court and the City of London Court, is covered by the Courts Act 1971. The City Surveyor is responsible for repairing and maintaining the building and its services for use as a court. This is achieved through a combination of direct ordering, and supervision and management of contractors. Occupational issues are dealt with in consultation with the Court Service.

Walbrook Wharf

This budget relates to the operational management of Walbrook Wharf including repairing, maintaining and renewing the building and services.

Guildhall Complex

The Guildhall Manager has overall responsibility for security, facilities and contracted services at the Guildhall complex and is responsible for operating, repairing, maintaining and renewing buildings and services throughout the Guildhall complex. This is achieved through a combination of direct operations, and supervision and management of contractors. The emphasis is on value for money, quality and safety, with precise arrangements being regularly reviewed and refined to optimise performance. Capital projects are undertaken for significant Guildhall complex improvements.

Remembrancer

City's Cash

Corporate Services

This includes the cost of catering in respect of Committee Hospitality Allowances. The purpose is to enable Committees, by means of hospitality, to establish and maintain contact with leading outside organisations that have been or could be of

assistance to the City of London Corporation in its work, and to pay tribute to the past Chairman. These estimates also include expenditure relating to fees for parliamentary work.

Guildhall Complex

This contains the expenditure and income relating to the letting of Guildhall function areas for private events such as banquets, receptions or conferences. The areas available for hire currently are the Great Hall (subject to the concurrence of the Common Council), the Old Library, the Livery Hall, the Crypts, the Print Room, the Chief Commoners Parlour, Guildhall Art Gallery, the Basinghall Suite and occasionally, Guildhall Yard.

As the Guildhall is a Grade 1 Listed Building, use is limited and subject to strict terms and conditions. Permission to hire is granted following Officer recommendation and Member approval. Applications are considered directly by the Policy and Resources Committee for the hire of the Great Hall and by the Chief Commoner and Deputy Chairman for other areas. The Guildhall complex hosts approximately 300 private events per annum and charges are reviewed annually by committee.

Private Secretary to the Lord Mayor

City's Cash

Mansion House Premises

This budget includes the maintenance and running expenses of the Mansion House which is a Grade 1 Listed Building incorporating working offices, function rooms, Mayoral accommodation and staff accommodation. The budget is used for the fabric of the building both internal and external.

Director of Community and Children's Services

City's Cash

Gresham - Mandatory Expenses

This service is part of the Gresham Estates and shows the cost of maintaining the Almshouses and paying the Almsfolk allowances, together with the mandatory element of the City of London Corporation's four Lecturers' fees (£400).

FINANCE COMMITTEE SUMMARY - BY RISK AND FUND				
	Original Budget 2016-17 £'000	Latest Approved Budget 2016-17 £'000	Proposed Budget 2017-18 £'000	Movement 2016-17 to 2017-18 £'000
Analysis of Service Expenditure by Risk				
LOCAL RISK (<i>budgets largely within direct control of Chief Officer</i>)				
EXPENDITURE				
Employees	22,446	22,403	23,374	971
Premises Related Expenses (note i)	5,109	5,333	5,107	(226)
Transport Related Expenses	61	61	61	0
Supplies & Services (note ii)	7,103	9,535	8,857	(678)
Total Expenditure	34,719	37,332	37,399	67
INCOME				
Grants, Reimbursements & Contributions (note iii)	(3,579)	(3,417)	(3,463)	(46)
Customer, Client Receipts (note iv)	(2,350)	(2,350)	(2,445)	(95)
Total Income	(5,929)	(5,767)	(5,908)	(141)
TOTAL LOCAL RISK (excl. R&M City Surveyor)	28,790	31,565	31,491	(74)
Repairs & Maintenance (City Surveyor)	4,687	2,657	5,525	2,868
TOTAL LOCAL RISK	33,477	34,222	37,016	2,794
CENTRAL RISK (<i>managed by Chief Officer but outturn can be strongly influenced by factors outside his/her control or are budgets of a corporate nature</i>)				
EXPENDITURE				
Employees	617	801	659	(142)
Premises Related Expenses (note v)	18,573	18,234	19,040	806
Transport Related Expenses (note vi)	85	70	70	0
Supplies & Services (note vii)	3,282	3,833	3,059	(774)
Council Tax reduction scheme	256	256	256	0
Contingency	10	995	10	(985)
Total Expenditure	22,823	24,189	23,094	(1,095)
INCOME				
Government Grants - Collection of NNDR	(1,729)	(1,729)	(1,729)	0
Other Grants, Reimbursements & Contributions (note viii)	(1,812)	(1,733)	(1,733)	0
Customer, Client Receipts (note ix)	(3,503)	(3,495)	(3,505)	(10)
Total Income	(7,044)	(6,957)	(6,967)	(10)
TOTAL CENTRAL RISK	15,779	17,232	16,127	(1,105)
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES	49,256	51,454	53,143	1,689
CONTINUED ON NEXT PAGE				

Analysis of Service Expenditure by Risk	Original Budget 2016-17 £'000	Latest Approved Budget 2016-17 £'000	Proposed Budget 2017-18 £'000	Movement 2016-17 to 2017-18 £'000
CONTINUED FROM PREVIOUS PAGE				
SUPPORT SERVICES AND CAPITAL CHARGES				
Central Support Services	4,928	4,625	4,809	184
Capital Charges	2,922	3,134	3,430	296
Recharges Within Fund	(2,400)	(2,405)	(2,442)	(37)
Recharges Across Funds	375	(3)	366	369
Total Support Services and Capital Charges	5,825	5,351	6,163	812
TOTAL NET EXPENDITURE	55,081	56,805	59,306	2,501

ANALYSIS BY FUND				
City Fund	6,142	5,930	6,765	835
City's Cash	3,618	4,613	4,026	(587)
Guildhall Administration	45,321	46,262	48,515	2,253
TOTAL NET EXPENDITURE	55,081	56,805	59,306	2,501

ANALYSIS BY CHIEF OFFICER				
The Chamberlain	33,601	35,344	35,753	409
The Town Clerk	5,487	6,646	5,983	(663)
The City Surveyor	14,378	13,449	15,584	2,135
The Remembrancer	(222)	(120)	(206)	(86)
The Private Secretary to the Lord Mayor	1,783	1,402	2,081	679
Director of Community & Children's Services	54	84	111	27
TOTAL NET EXPENDITURE	55,081	56,805	59,306	2,501

Notes

- (i) Premises Related Expenses (local risk) – operational costs of Central Criminal Court, Walbrook Wharf, Guildhall Complex and Mansion House.
- (ii) Supplies and Services (local risk) – equipment, furniture, materials, printing, professional fees, grants, subscriptions, communications and computing including the Agilisys contract.
- (iii) Grants, Reimbursements and Contributions – primarily funding for the Central Criminal Court and the Mayor's Court from Her Majesty's Courts and Tribunals Service.
- (iv) Customer, Client Receipts (local risk) – letting of Guildhall function areas, recovery of court costs, services to London Councils, Chamberlain's Court merchandising, and other fees and charges.
- (v) Premises Related Expenses (central risk) – primarily premises insurance premiums together with the cost of national non domestic rates for the Guildhall Complex and Central Criminal Court.
- (vi) Transport Related Expenses (central risk) – vehicle insurance.
- (vii) Supplies and Services (central risk) – insurances other than premises and transport.
- (viii) Other Grants, Reimbursements and Contributions (central risk) – funding for the Central Criminal Court from Her Majesty's Courts and Tribunals Service.
- (ix) Customer, Client Receipts (central risk) – income received from the letting of Guildhall function areas, insurance commission, dividend income from the City's Reinsurance Captive Company and Gresham Estate income.

Staffing Statement

Staffing statement	Latest Budget 2016/17		Proposed Budget 2017/18	
	Staffing Full-time equivalent	Estimated cost £'000	Staffing Full-time equivalent	Estimated cost £'000
Cost of Collection	34.1	1,329	36.0	1,457
Chamberlain's Court	5.0	181	5.0	182
Chamberlain's – General	138.9	7,634	139.0	7,626
Chamberlain's – City Procurement	51.0	2,261	56.5	2,428
Chamberlain's – Insurance	5.0	273	5.0	279
Chamberlain's – IT	40.8	2,999	49.8	3,641
TOTAL CHAMBERLAIN'S (local risk)	274.8	14,677	291.3	15,613
Central Criminal Court (local risk)	89.2	2,802	90.0	2,841
Central Criminal Court – Judges' Pensions (central risk)	-	200	-	200
Central Criminal Court – Common Serjeant and Recorder (central risk)	2.0	366	2.0	366
Cultural Hub – Programme and Project Director	1.0	145	-	-
Secondary's Office	7.3	343	7.3	344
TOTAL TOWN CLERK	99.5	3,856	99.3	3,751
Walbrook Wharf	3.0	124	3.0	123
Guildhall Complex	80.0	3,621	80.0	3,568
TOTAL SURVEYOR (local risk)	83.0	3,745	83.0	3,691
Corporate Services – Parliamentary	1.0	63	1.0	64
Guildhall Complex (local risk) (Administration & Attendants)	11.5	497	12.5	523
Guildhall Complex (local risk) (Event Related)	-	339		362
TOTAL REMEMBRANCER	12.5	899	13.5	949
Gresham	0.7	27	0.7	29
TOTAL COMMUNITY & CHILDREN'S SERVICES (central risk)	0.7	27	0.7	29
TOTAL FINANCE COMMITTEE	470.5	23,204	487.8	24,033

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Committee: Finance Committee	Date: 31 January 2017
Subject: Pension Fund – Actuarial Valuation as at 31 March 2016	Public
Report of: The Chamberlain	For Decision
Report author: Kate Limna – Chamberlain’s Department	

Summary

Administering Authorities of the Local Government Pension Scheme (LGPS) are required to arrange triennial valuations of the Pension Fund in order to establish appropriate employer contribution rates for the following three year period (i.e. from 1 April 2017 to 31 March 2020). The preliminary results of the Pension Fund Actuarial Valuation as at 31 March 2016, undertaken by the Fund’s Actuary, Barnett Waddingham LLP, have now been received and are appended (Appendix 1).

Following the adoption of more prudent assumptions, the overall funding level of the Pension Fund has decreased from 85% as at 31 March 2013 to 84% as at 31 March 2016 and the deficit has increased from £128m to £150m.

Three years ago we established a 20 year deficit recovery plan. In order to maintain progress against the deficit funding plan across the remaining 17 years, the employers’ contribution rate will need to increase from 17.5% to 21% for the City of London and the admitted and scheduled bodies. Contribution rates for the Museum of London will also increase but by a different amount whilst the City Academy will continue to pay the same rate as previous years.

The Government Actuary’s Department will be scrutinising the assumptions used by LGPS actuaries to ensure that employers are taking a sufficiently prudent approach to financing LGPS benefits and results will be published.

Recommendations

Members are asked to agree that:

- a) The Pension Fund deficit recovery period is set at 17 years from 2017/18 and:
- b) The employers’ overall contribution rate be increased to 21% for the financial years 2017/18, 2018/19 and 2019/20.

Main Report

Background

1. Under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations), Administering Authorities are required to arrange triennial valuations of the Pension Fund in order to establish appropriate employer contribution rates for the following three year period i.e. from 1 April 2017 to 31 March 2020. The contribution arrangements certified by the Actuary following the valuation must be set to ensure solvency of the Fund and the long term cost

efficiency of the Scheme – i.e. to ensure that the existing assets and future contributions will be sufficient to meet future benefit payments from the Pension Fund and that contribution rates are set at an appropriate level.

2. The purpose of this report is to advise members of the outcome of the 2016 Pension Fund valuation undertaken by Barnett Waddingham LLP and the consequent impact on the employers' contribution rates for the three years commencing 1 April 2017.
3. The summary report is appended and it will be noted that a full report will follow by the end of the financial year.

Previous Valuation

4. The last formal actuarial valuation of the Fund was carried out as at 31 March 2013.
5. The results of that formal valuation indicated that the assets of the Fund represented 85% of the accrued liabilities as at 31 March 2013 and the total required contribution rate for the period 1 April 2014 to 31 March 2017 was certified as 17.0% of payroll. This average employer contribution rate assumed that the past service funding level would be restored to 100% over a period of 20 years. The rate certified for the Corporation was 17.5% of pay.

Local Government Pension Scheme

6. The Local Government Pension Scheme (LGPS) is a statutory pension scheme. This means that it is very secure as its benefits are defined and set out in Law. In brief the LGPS:
 - provides defined benefits not dependent upon investment performance – ultimately the local authority and local tax payers are the final guarantors
 - is regulated by Parliament and is administered through 89 regional pension funds in England and Wales
 - covers 5 million members nationally.
7. The City of London Pension Fund (the Pension Fund) is part of the LGPS. The Pension Fund is administered in-house by the City of London Corporation on behalf of the participating employers. At the end of March 2016 the Pension Fund had eleven active employers the largest of which is the City of London, followed by the Museum of London. Teachers, judges and police officers have their own pension scheme and are not included in the Pension Fund.

Valuation Process and Assumptions

8. The Regulations for actuarial valuations have changed since the 2013 valuation as has the context surrounding the valuation. Regulation 62 specifies four requirements that the actuary “must have regard to” as follows:
 - The desirability of maintaining as nearly constant a primary rate as possible
 - The current version of the administering authority's funding strategy statement
 - The requirement to secure the solvency of the pension fund and

- The long term cost efficiency of the Scheme (i.e. the LGPS for England and Wales as a whole, so far as relating to the pension fund.
9. Under Section 13 of the Public Service Pensions Act 2013, the Government Actuary's Department (GAD) on behalf of the Department for Communities and Local Government will be scrutinising the assumptions used by LGPS actuaries to ensure that employers are taking a sufficiently prudent approach to financing the LGPS benefits and they will be publishing a report to identify any Pension Funds that cause concerns in respect of solvency and long term cost efficiency: GAD's report is not expected to be published until late 2018 as it is based on the final certified contribution rates.
 10. For the purposes of this valuation the actuary has, as in the past, adopted an approach which separately considers the benefits in respect of service completed before the valuation date (past service) and benefits in respect of service expected after the valuation date (future service). This approach enables the actuary to focus on:
 - the past service funding level of the Pension Fund, which is the ratio of accumulated assets to liabilities in respect of past service after making allowance for future increases to members' pay and pensions in payments. A funding level in excess of 100% indicates a surplus whilst one of less than 100% indicates a deficit; and
 - the future service funding rate i.e. the level of contributions required from the employing bodies to support the cost of benefits building up in future.
 11. The method adopted in the valuation is known as the "Projected Unit Method". The key feature of this method is that in assessing the future cost the actuary calculates the contribution rate which meets the cost of one year of benefit accrued. This is the same method adopted at the previous valuation and is an appropriate method for a Pension Fund which is open to new members.

Funding Model

12. A very similar funding model (the approach used to derive the assumptions) to that used in previous years has been used for the 2016 valuation. The key features are as follows:
 - Future levels of price inflation are based and derived by considering the difference between index-linked gilts and fixed interest gilt yields over the 6 month period straddling the valuation date;
 - Pay increases are assumed to modestly exceed future price inflation;
 - The discount rate used to discount future payments to and from the Pension Fund and so determine the value placed on the liabilities reflects a prudent view of the expected net return that will be earned by the actual investment strategy adopted by the Pension Fund; and
 - Rather than take the market value of the assets at the valuation date, the actuary has used a figure based on the average market values over the 6 month period straddling the valuation date.
13. The slight change at this valuation is that the discount rate has been derived as the "best estimate" of future returns less an explicit prudence allowance. At

previous valuations the discount rate was a prudent view of future returns with an implicit allowance for prudence. This more prudent calculation has led to an increase in liabilities.

Review of Initial Assumptions

14. Members (Clare James, Randall Anderson and Paul Martinelli) and Officers (the Chamberlain, the Deputy Chamberlain and the Corporate Treasurer) have reviewed and challenged the assumptions used by the actuary and some minor adjustments have been made.

Current Pension Fund Position

15. The deficit recovery plan at the last revaluation was set at 20 years. However the overall funding level of the Pension Fund has decreased from 85% as at 31 March 2013 to 84% as at 31 March 2016 and the deficit has increased from £128m to £150m.

16. In order to maintain the deficit recovery plan which should now be at 17 years officers have looked at a number of options including increasing the employers contribution from 17.5% to 21% i.e. an increase of 3.5% and making a lump sum contribution. An increase in the employers' contribution rate would apply to the City of London and the admitted and scheduled bodies. Contribution rates for the Museum of London and the City Academy will also increase but by different amounts. To make a lump sum contribution to the pension fund would require £64m - requiring use of reserves across City Fund, City's Cash and Bridge House Estates. However this action being after the valuation event, would not improve the deficit or the funding level being considered by GAD and this course of action has therefore been discounted.

17. An increase of 3.5% per annum in employers contribution equates to approximately £4.3M (based on 2016/17 estimates) and is included in the medium term financial plan being considered at the Joint Meeting of Resource Allocation Sub Committee and Committee Chairman on 19 January 2017.

Conclusion

18. The overall funding level of the Pension Fund has decreased from 85% as at 31 March 2013 to 84% as at 31 March 2016 and the deficit has increased from £128m to £150m. In order to maintain the funding deficit of 17 years the employers' contribution rate will need to increase from 17.5% to 21% for the City of London and the admitted and scheduled bodies. Contribution rates for the Museum of London will also increase but by a different amount whilst the City Academy will continue to pay the same rate as previous years.

Appendices

Appendix 1 – Summary Report – Actuarial Valuation as at 31 March 2016

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City of London Corporation Pension Fund

Actuarial Valuation as at 31 March 2016

Summary Report

Graeme D Muir FFA
Barnett Waddingham LLP

6 January 2017

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1. Introduction

- 1.1. We are currently carrying out an actuarial valuation of the City of London Corporation Pension Fund (“the Fund”) as at 31 March 2016.
- 1.2. The purpose of this document is to summarise the valuation results for the Fund and its participating employers and has been prepared further to our advice dated 2 September 2016.
- 1.3. This report is addressed to the City of London Corporation as administering authority to the Fund. It is not intended to assist any user other than the administering authority in making decisions. Neither we nor Barnett Waddingham LLP accept any liability to third parties in respect of this report.
- 1.4. The purpose of the valuation is to review the financial position of the Fund and to set appropriate contribution rates for each employer in the Fund for the period from 1 April 2017 to 31 March 2020 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) as amended.
- 1.5. This report is designed only to provide a short summary of the preliminary results and a full report will follow by 31 March 2017.
- 1.6. This advice is subject to and complies with Technical Actuarial Standards (TASs) issued by the Financial Reporting Council (namely, the Pensions TAS and generic TASs relating to reporting, data and modelling).

2. Valuation Data

2.1. We were provided with membership data as at 31 March 2016 from the administering authority. This is summarised below:

Key membership statistics						
	Number of members		% of membership		Average age	
	2016	2013	2016	2013	2016	2013
Actives	4,186	3,797	33%	33%	45.1	45.0
Deferred pensioners	4,794	4,199	38%	37%	45.2	44.5
Pensioners	3,801	3,476	30%	30%	72.3	72.1
Total	12,781	11,472	100%	100%	53.2	53.1

Key pay/pension statistics						
	Total £000			Average £		
	2016	2013	% change	2016	2013	% change
Actives	123,127	111,178	11%	29,414	29,281	0%
Pensioners	32,755	28,245	16%	8,617	8,126	6%

2.2. We were also provided with the Fund accounts for the three years to 31 March 2016 for the purposes of calculating the assets attributable to the Fund and its participating employers.

2.3. A summary of the assets held by the Fund as at 31 March 2016 is shown below:

Asset class	£000
Gilts	-
Other bonds	-
Cash/temporary investments	2,200
Equities	500,300
Property	-
Multi-asset fund	267,100
Infrastructure	32,600
Total	802,200

3. Valuation Methods and Assumptions

3.1. In summary, we have adopted the following financial and mortality assumptions:

		31 March 2016	31 March 2013
Discount rate		5.7% p.a.	6.0% p.a.
Pay increases	Long-term	3.9% p.a.	4.2% p.a.
	Short-term	CPI for period from 31 March 2016 to 31 March 2020	1% for period from 31 March 2013 to 31 March 2016
Retail Price Inflation (RPI)		3.3% p.a.	3.5% p.a.
Consumer Price Inflation (CPI)		2.4% p.a.	2.7% p.a.
Pension increases		2.4% p.a.	2.7% p.a.
Post-retirement mortality (member) - base table		S2PA tables with a multiplier of 80% for males and 85% for females	95% of the S1PA tables
Allowance for improvements in life expectancy		2015 CMI Model with a long-term rate of improvement of 1.5% p.a.	2012 CMI Model with a long-term rate of improvement of 1.25% p.a.

- 3.2. We have issued a document to the administering authority which discusses the background, methods and central assumptions in further detail.
- 3.3. Full details of the financial and demographic assumptions together with their derivation will be provided in the final report.

4. Valuation Results

4.1. The following table sets out the valuation results for the Fund as at 31 March 2016.

Past service funding position		
	31 March 2016	31 March 2013
	£000	£000
Smoothed asset value	796,301	701,766
Past service liabilities		
Actives	308,945	278,788
Deferred pensioners	185,048	158,121
Pensioners	451,583	392,703
Total	945,576	829,612
Surplus (Deficit)	(149,275)	(127,846)
Funding level	84%	85%

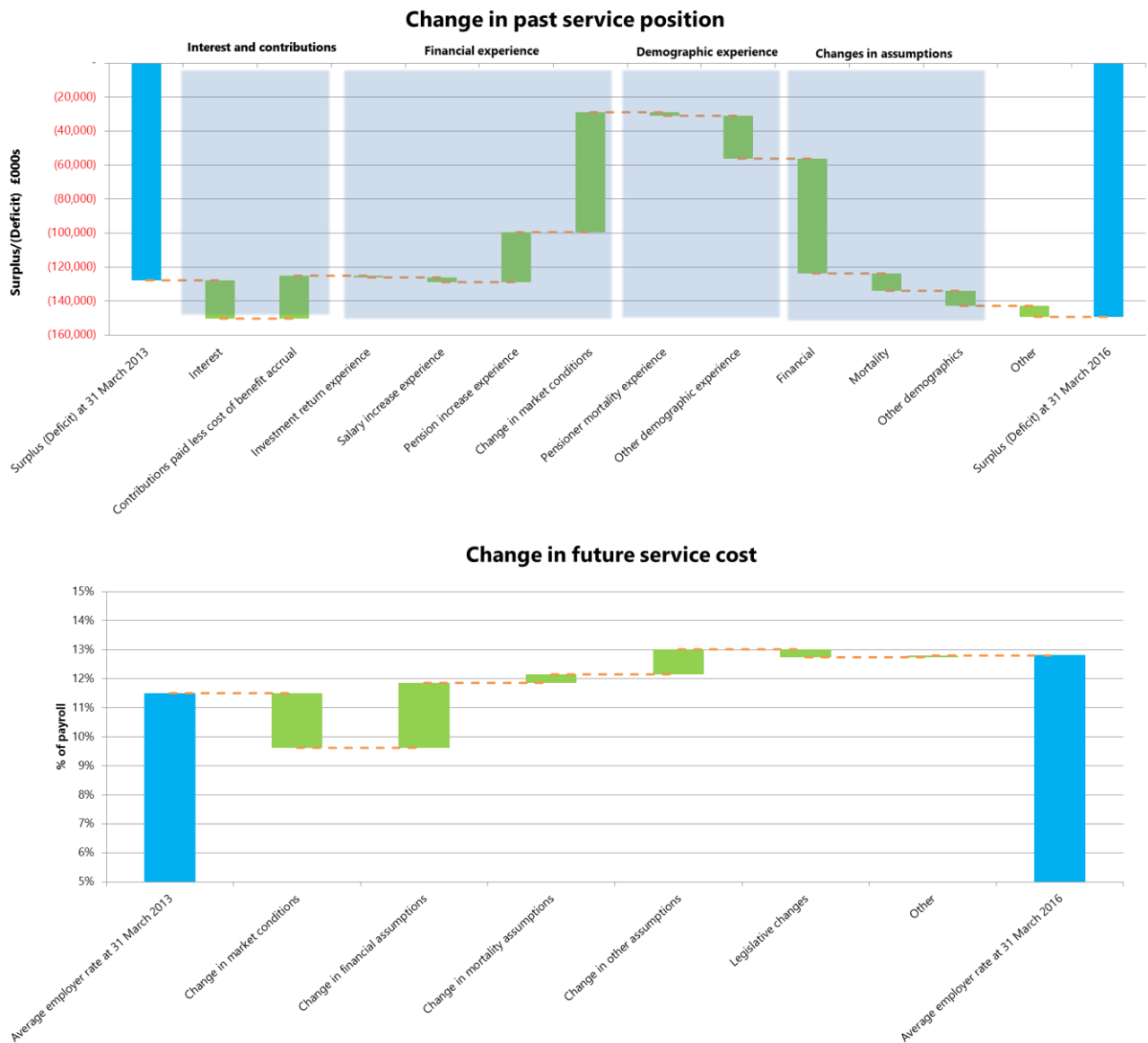
Primary rate	% of payroll	
Total future service rate	20.1%	18.5%
less Employee contribution rate	(7.3%)	(7.0%)
Primary Rate	12.8%	11.5%

Total rate	% of payroll	
Total future service rate	20.1%	18.5%
less Employee contribution rate	(7.3%)	(7.0%)
plus Deficit recovery	8.2%	5.5%
Total rate	21.0%	17.0%

4.2. The deficit recovery period at 2016 is 17 years compared to 20 years as at 2013.

4.3. We are also required to report the funding level to the LGPS Scheme Advisory Board using their standardised basis. Whilst their basis uses different assumptions to our assumptions, the funding level on the standardised basis was also 84%.

4.4. The following charts show the change in deficit and future service costs between valuations.



4.5. Individual employer results are set out in the Appendix.

4.6. We would be pleased to answer any questions arising from this report.

Graeme Muir FFA
Partner, Barnett Waddingham LLP

Appendix Required Contribution Rates

The Primary Rate of employer contribution payable by each employing authority under Regulation 64(5) for the period 1 April 2017 to 31 March 2020 is **12.8%** of pensionable payroll.

The Secondary Rates of employer contribution payable by each employing authority under Regulation 64(7) for the period 1 April 2017 to 31 March 2020, resulting in Minimum Total Contribution Rates, are as set out below:

		Minimum employer contributions due as a % of pensionable pay for the year ending		
Employer Code	Employer	31 March 2018	31 March 2019	31 March 2020
54	City of London	21.0%	21.0%	21.0%
1	Irish Society	21.0%	21.0%	21.0%
3	Museum of London	15.1%	15.7%	16.1%
7	City Academy	17.1%	17.1%	17.1%
9	Brookwood	21.0%	21.0%	21.0%
10	Enterprise	21.0%	21.0%	21.0%
14	Agilisys	21.0%	21.0%	21.0%
15	Cook and Butler	21.0%	21.0%	21.0%
16	Agilisys (Police)	21.0%	21.0%	21.0%
17	London CIV	21.0%	21.0%	21.0%
18	Westminster Drug Unit	21.0%	21.0%	21.0%

Notes

- Further sums should be paid to the Fund to meet the costs of any early retirements using methods and assumptions issued by us from time to time
- The certified contribution rates represent the minimum level of contributions to be paid. Employing authorities may pay further amounts at any time and future periodic contributions may be adjusted on a basis approved by ourselves.

Committee: Finance Committee	Date: 31 January 2017
Subject: Chamberlain's Departmental Business Plan – Quarter 3 Update	Public
Report of: Chamberlain	For Information
Report author: Matt Lock, Chamberlain's Department	

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 2016/17 Departmental Business Plan.

Performance is broadly in line with expectations with the exception of progress in delivering the annual Internal Audit Plan, where steps are being taken to ensure it will be on track by year end. A revised IT Strategy has been developed which aligns to the key transformation programmes, implementation of this strategy will deliver sustainable improvements to the overall effectiveness of the IT service.

Recommendation

Members are asked to note the report.

Main Report

Background

1. The Chamberlain's Department Business Plan for 2016/2017 was approved by Finance Committee on 12th April 2016. This report has been produced to provide Members with a summary of progress against key deliverables and performance over quarter 3 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 provides an update on achievement of our departmental key performance indicators (KPIs), shown in our departmental Performance Scorecard at Appendix 1 to this report, as well as delivery of key improvement objectives.

Service Delivery and Key Improvement Objectives

3. Progress in the delivery of our key improvement objectives is good. IT service delivery has been a key area of focus; the IT Strategy has been refreshed and is fully aligned with the major IT transformation programmes that are in flight. The strategy has, so far, been well received by both Officers and Members and signposts a clear path to achieve service stability and create a strong platform for

delivering future improvements. Short-term IT performance has also recently improved.

4. Progress against the remaining milestones for delivery of key improvement objectives is in accordance with agreed timescales and will be reported against in the year end outturn report.

Delivery against Key Performance Indicators

5. The Chamberlain's Performance Scorecard is shown as Appendix 1 to this report. This shows good performance in the first quarter across the range of KPIs in place. The following points are highlighted:
 - Accounts Payable Invoice Turnaround for SME (10 day) – marginally behind the target of 88% in Q3, but it was back on track last month and performance is expected to meet the target by the end of the year.
 - % of Invoices Received Electronically – currently 1% below the target of 94%, steady progress has been achieved throughout the year against a stretch target, achievement of the year-end stretch target of 97% remains viable.
 - IT service availability shows an improvement against the existing KPI, it has been noted that this KPI is not fully reflective of customer experience, the IT team are developing a broader set of indicators together with our partner Agilisys.
 - Delivery of the Internal Audit Plan for 2016/17 has been behind schedule but active steps are being taken to supplement and prioritise resources to get the plan back on track.
6. Our annual customer and staff surveys were undertaken in Autumn, the outcomes of which are used to inform our future business plan and are captured at a high level on our departmental scorecard, summarised below:

Customer Survey

The scoring criteria for the customer survey has been amended for 2016/17, moving from a basis of 1-10 to a range from "Improvement Required" to "Outstanding", aligning to the terminology used within the corporate staff appraisal system. While this scoring methodology is easier to apply and evaluate against, this has impacted our ability to benchmark against previous years. The cumulative average score for the department across a range of criteria was "Good", with some teams scoring "Very Good". IT Division scored well on questions in relation to customer engagement, although less well on service provision, which reflects the known position in relation to service stability.

Each team is currently reviewing detailed feedback and will be preparing appropriate response plans within the next few weeks.

Staff Survey

The primary question used as a measure of staff engagement has been amended for 2016/17, the percentage of staff that answered positively to the selected question ("I understand how my work helps the Chamberlain's

department to achieve its objectives”) is slightly lower than the similar question from last year (87% down from 89%) and below the stretch target of 92%. Overall response to the survey was very positive with 70% of all staff responding, this is perhaps a better measure of staff engagement, consistent with last year’s response, particularly when taken together with 86% of staff agreeing with the statement “I feel proud of the work that Chamberlain’s department deliver”, an increase of 10% from last year.

While the overall response was very positive, areas for improvement were noted. A range of focus groups will be taking place over the coming weeks to explore in more detail those areas where there is considered greatest capacity for improvement.

Conclusion

7. Members are asked to note the progress made in the delivery of the Chamberlain’s business plan. Performance up to Quarter 3 of the year is in line with expectations.

Appendices

- Appendix 1 – Chamberlain’s Department Scorecard

Background Papers

- Report to Finance Committee 12/04/2016: Chamberlain’s Business Plan 2016/17
- Report to Finance Committee 19/07/2016: Chamberlain’s Business Plan – First Quarter Update
- Report to Finance Committee 18/10/2016: Chamberlain’s Business Plan – Half Year Update

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Chamberlain's Department Performance Scorecard							
				Quarterly update			
	Measure	2015/16 performance	2016/17 target	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Accounts Payable invoice turnaround (30 day)	% paid measured quarterly	96%	97%	97%	97%	97%	
Accounts Payable invoice turnaround for SME (10 day)	% paid measured quarterly	86%	88%	87%	88%	87%	
% of Invoices Received Electronically by the AP team	measured quarterly	Profile:		88%	91%	94%	97%
		80%	97%	85%	91%	93%	
Annual Procurement Savings (cumulative)	Savings achieved	Target Profile:		£2.14m	£4.18m	£5.81m	£7.90m
		£8.47m	£7.90m	£2.14m	£4.1m	tbc	
Commercial rent collection rates	% collected	97%	98%	98.03%	98.51%	98.15%	
Business Rates collection rates (cumulative)	% collected	99%	99.75%	30.35%	59.32%	87.4%	
IT service availability	Percentage Measured quarterly	n/a new KPI	99.89%	99.91%	99.98%	99.99%	
Internal Audit Performance (cumulative)	Audit Plan delivery (%)	90%	100%	24%	43%	74%	100%
				11%	28%	47%	
Publication of City Fund Accounts within Statutory Deadline				Status:			complete
Delivery of a balanced budget and Medium Term Financial Plan for City Fund, approved by Court of Common Council by 31 March				Status:			On track
Effective financial management: Expenditure against Departmental Local Risk Budgets within $\pm 5\%$ (year-end target)				Status:			
Provide a high quality service to our customers measured through our annual customer survey ¹					2015/16 Achieved	2015/16 Achieved	
Cumulative average assessment "good"							
Increased staff engagement, measured by percentage of positive responses to Staff Survey Q4: "I recognise that if I am successful in my role it contributes to successful delivery of the Department's Business Plan" ²				2015/16 89%	Target 92%	87%	

¹ Revised scoring criteria introduced for 2016/17 customer survey

² Question amended, alternate benchmark of engagement overall response to survey: 70% of department responded in 2016/17 equal to that in 2015/16

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Committee:	Date:
Finance Committee	31 January 2016
Subject: Review of the Corporate Purchase Cards card holders and controls	Public
Report of: The Chamberlain	For Information
Report author: Chris Bell and Geoff Parnell, Chamberlain's Department	

Summary

The P-card Policy 1 Year Review Paper was presented at Finance Committee in September 2016. Members asked for a further report on the Purchase Card (P-card) controls, cardholders with limits over £5k and a possible alternative method for payments of personal expenses should it be a large percentage of PCard spend.

City Procurement ran a cardholder survey and undertook a full review of cardholders and the credit limits with all departments.

The summary findings of the report are:

- The review resulted in 49 cards being cancelled immediately.
- A review of cardholders limits resulted in a reduction of £683k (25%) in credit limits and £245k (20%) in transactional limits.
- Card holders with limits of £5k and above have been reduced by 40% to 62 users
- There are robust levels of P-card Control in place via 6 stage approval and review process.
- P-card Survey results:
 - 98% of card holders are aware of the P-card Policy and their responsibility as a cardholder
 - 90% of cards are used for business supplies and services only
 - 10% of cards used cards for personal expenses only with the majority of expenses processed via the Corporation's expenses system on the City People portal.

Finally after consultation with HR and Payroll and considering the small percentage of personal expense usage it is recommended no additional debit card option is needed at this time.

Recommendation

Members are asked to note the findings of the report.

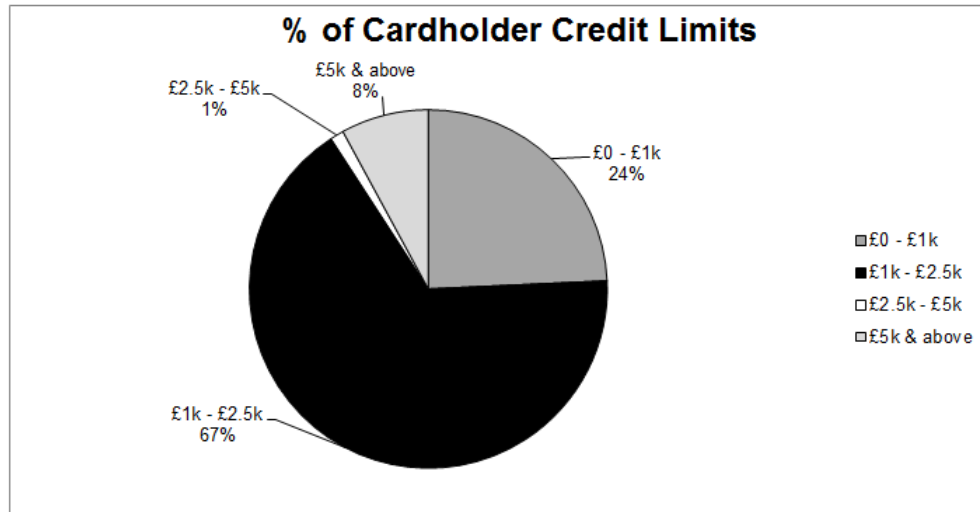
Main Report

Background

1. P-cards are used typically to buy goods or services, online or by telephone, that either cannot be purchased easily by traditional purchase order methods or where their use offers more efficient payment processes. Examples are for low value one-off purchases and other ad hoc expenses that do not merit setting up a supplier on our payment system.
2. For the period of January 2016 – December 2016 the total P-card spend was £4.6m million through 33k individual transactions with an average spend per transaction value of £140.
3. In response to Members concerns, a full review of P-card holders was completed in December 2016 to determine the main purpose of P-Card use and spend. All departments reviewed their cardholder population, the credit limits and transactional limits with an aim to ensure they were in line with operational needs and to mitigate potential misuse or fraudulent activities.
4. Members also requested details on the use of P-Cards and requested City Procurement in consultation with HR and Payroll consider – if personal expenses were at a high volume - the implications of introducing a debit card approach to work alongside the current expenses procedure.
5. Finally, Members requested more details on our internal controls in monitoring and approving spend via P-Cards to give reassurance that such controls offer robust management of such spend.

Results and Analysis of Annual P-card holder Review

6. The September Committee Paper highlighted that the Cardholder community at that time totalled 844 cards. Historically the Corporation had a default recommended individual credit limit of £2.5k.
7. In response to Member feedback City Procurement commissioned a full review of all P-cards. The evidence gathered on typical P-Card usage has now resulted in a revised default card holder credit limit of £1k.
8. 19% of existing cards Credit Limits were reduced to £1k. Overall we now have 24% of all cards with a Credit Limit of £1k or less. We expect this number to grow over time due to new cardholders being defaulted to £1k and further reviews furthering this trend. Please see table below with a breakdown of all card holders Credit Limits.



9. Members asked at September's Finance Committee to be updated on the amount of card holders with limits over £5k. After the review there are now 8% of card holders with a credit limit of £5k or above amounting to 63 users who have higher spend limits. The need for the higher limits are due to operational requirements of their role, each of which has been reviewed and set by the Chief Officers of the individual card holder. We originally had 105 users with a value of £5k and above, the review has resulted in a 40% reduction. The full list of above £5k credit limit cardholders is at Appendix 1.
10. At the time of the September Committee Paper the total available credit limit of cardholders was £2.7M. The new total P-card Credit Limit has been reduced to a total of £2M, with a reduction of £683k. As a result this has significantly reduced our credit liability by 25%. The overall transactional credit limits were reduced by £245k, a 20% reduction.
11. The review also identified 49 P-cards that have been cancelled completely, resulting in a 6% reduction in the overall number of active P-cards which currently stands at 795 in total.

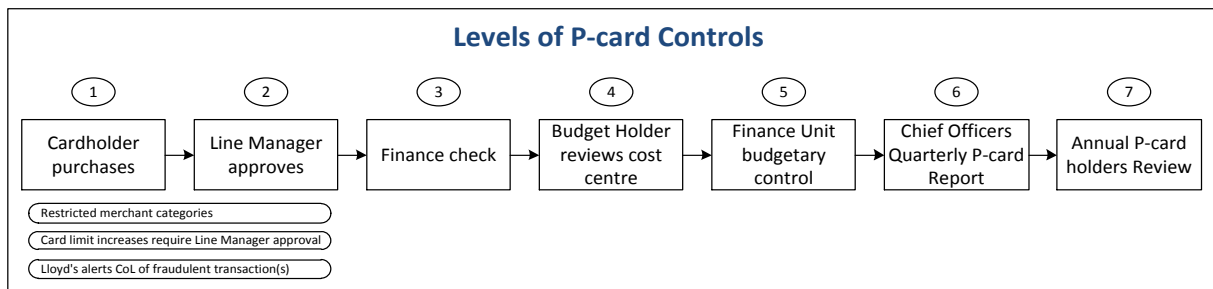
Results of the P-card Holder Survey

12. A survey was issued to all 844 cardholders on the 1st December. The aim of the survey was to get clarification on how often cards were being used, what they were being used for, feedback on the CityCard system and cardholders awareness of the P-card policy.
13. The summary of findings are as follows:
 - **Card Usage** – 64% of the surveyed cardholders use their card 2 or more times a month.
 - **Business Expenses** - 90% confirmed that they use their cards for solely business expenses.
 - **Personal Expenses** - 10% use their cards for personal expenses only.
 - **P-card Policy Awareness** – 98% of cardholders have read the P-card Policy and their responsibility as a cardholder.

- **CityCard vs Centresuite** – The survey confirmed that 62% of cardholders found CityCard to be an improvement compared with the previous system.

Levels of P-card Controls

14. The diagram below shows the standard 6 level spend approval hierarchy that follows a purchase which is designed to mitigate the risk of misuse. A recent Audit confirmed a high level of controls were in place.



15. Other new controls include the ability to limit card purchases via merchant categories, this restricts card purchases to categories of spend relevant to the post holder and can bar purchases for items such as alcohol, gifts etc.

16. The continuous aim of City Procurement is to improve P-card compliance and mitigate misuse, the risk of fraud, poor value for money behaviours and reputational damage.

Use of Personal Debit Cards as an alternative for purchases related to personal expenses

17. The findings of the P-card survey show that only 10% of P-card use relate to personal expenses. There are instances where for operational efficiency P-cards are required such as to facilitate Police Officers on covert missions or who are away from home for long periods of time. The out of pocket expenses would be high and their ability to claim expenses via CityPeople are limited.

18. City Procurement in conjunction with HR will do a campaign to promote the policy that all personal expenses should go through City People rather than P-cards. The City People portal is the formal route for all Corporation officers to claim expenses. The process is that officers incur the costs and pay for them and claim reimbursement on the City People portal, if approved they receive the due amount in a future salary payment.

19. The ability to introduce a debit card system resulted in City Procurement consulting the City of London's P-card provider, Lloyd's Bank, on whether personal debit cards can be linked to the CityCard system. Lloyd's Bank advised us that this functionality is not available.

20. City Procurement also consulted Payroll about taking increased amount of transactions by changing the emphasis of personal expenses to staff being funded by staff and then claiming back from the City through City People system. Prior to making any changes HR would need to develop a more defined policy on how personal expenses are processed. If approved then

Payroll advised that City People would need to be enhanced to handle the increased level of claims if City People was used in place of a P-card. They estimated that this would cost around £24k based on a similar recent project.

21. Payroll would then ideally need to add additional payment run days which would require an additional resource to do so as currently Officers are only paid once a month. If additional payment runs for personal expenses are not added then Officers may not be able to reimburse in time for them to pay their personal card bill.
22. It is felt that given the personal expense usage on Pcards is limited to 10% and with a policy campaign on claiming expenses through the corporate process being imminent, the cost to implement and the business processes changes required to introduce a debit card system mean that this is not a recommended option as the impact would be limited.

Conclusion

23. City Procurement has completed a card holder review of all P-cards in consultation with the service departments - this has cleansed the overall data, reduced the monthly card holder credit limits liability by £683k and the number of Card holders with limits of £5k and above by 40%. The review also suggests that the controls in place are suitably robust to mitigate the risk of potential misuse while still providing Officers with the operational flexibility that is needed. Personal expenses are only used by a small portion of card holders and with the City People expenses process policy in place we recommend that the introduction of a debit card scheme is not required.

Background Papers

- *Purchasing Card Policy* - October 2015 Finance Committee Paper
- *Annual revisions to the Corporate Purchase Card Policy* - June 2016 Finance Committee Paper
- *Review of the Corporate Purchase Card Policy after 12 months* - September 2016 Finance Committee Paper

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Appendix 1 – List of Card Holders with Credit Limits of £5k and above

	Department	Job Title		Department	Job Title
1	Barbican Centre	Production Manager	33	Community & Children's Services	Business Support Manager
2	Barbican Centre	Events Producer	34	Culture, Heritage & Libraries	Performance Management Officer
3	Barbican Centre	Head of Music	35	Guildhall School	Director of Technical Theatre
4	Barbican Centre	Senior Technical Manager	36	Guildhall School	Director of Drama
5	Barbican Centre	Head of Sales	37	Guildhall School	Head of Performance Venues
6	Barbican Centre	Production Manager	38	Guildhall School	Assistant Principal
7	Barbican Centre	Head of International Enterprises	39	Guildhall School	Executive Assistant to the Director of Music
8	Barbican Centre	Head of Sales	40	Guildhall School	Head of Production
9	Barbican Centre	Senior Manager	41	London Councils	Principal Finance Officer
10	Barbican Centre	Costume Supervisor/Lecturer	42	Mansion House	Swordbearer & Senior Programme Manager
11	Central Criminal Court	Legal & Ceremonial Officer	43	Mansion House	Head of Programmes
12	City of London Police	Force Armourer	44	Mansion House	Deputy Keeper
13	City of London Police	Office Manager for IFED	45	Mansion House	Senior Programme Manager & City Marshall
14	City of London Police	Comm&er – ECD	46	Mansion House	Senior Programme Manager
15	City of London Police	Directorate Head for ECD	47	Mansion House	Keeper of the House
16	City of London Police	Sergeant – Safer Transport	48	Remembrancer's	Business Support Assistant
17	City of London Police	Sergeant – Fraud Investigation	49	Sir John Cass School	Administration Assistant
18	City of London Police	Logistics Support Officer - IFED	50	Tower Bridge	Operational Support Officer
19	City of London Police	Head of DCPCU	51	Tower Bridge	Senior Technical Officer
20	City of London Police	Finance Admin Officer	52	Town Clerks	Business Support Manager
21	City of London Police	OACU Investigator	53	Town Clerks	Senior European Regulation Advisor
22	City of London Police	OACU Investigator	54	Town Clerks	Head of Regulatory Affairs
23	City of London Police	Inspector – Fraud Investigation	55	Town Clerks	Head of City Competitiveness
24	City Surveyor's	Business Liaison Assistant	56	Town Clerks	Events Manager
25	City Surveyor's	City Surveyor	57	Town Clerks	Director of Economic Development
26	CoL Freeman's School	Headmaster	58	Town Clerks	Assistant Director EDO
27	CoL Freeman's School	Bursar	59	Town Clerks	Special Representative for the City
28	CoL School for Boys	IT Systems Manager	60	Town Clerks	Town Clerk & Chief Executive
29	CoL School for Boys	Finance Assistant	61	Town Clerks	Special Projects & Correspondence Manager
30	CoL School for Boys	IT Systems Manager	62	Town Clerks	Head of City Office in Brussels
31	CoL School for Girls	Bursar	63	Town Clerks	Business Support Manager
32	CoL School for Girls	Finance Manager			

Committees: Finance Committee	Date: 31 January 2017
Subject: IT Division – Quarterly Update	Public
Report of: The Chamberlain	For Information
Report author: Sean Green, IT Director	

Summary

The number of serious, negatively impacting issues has been at a very low level since the last IT quarterly report. The IT Division has maintained a focus on service availability whilst seeking to progress the transformation programme that will uplift the overall quality of IT services at the Corporation and City Police. Core updates:

The in-year budget uplift has been approved and is now in-place to meet the commitments the IT Division has in this financial year. The uplift will further enable activities to be progressed to lower the risk associated with the ageing IT infrastructure. Since the approval we have also established an estimate of the additional Capital required to reset the quality of IT services in the longer term. Initial modelling points to a total figure in the order of £8m in addition to the amounts already approved at committee.

A high-level vision and the IT transformation strategy has been presented to IT Sub-Committee Members. IT Division has been working with City Procurement to engage a 3rd party consultant to help us further develop our strategy and target operating model. We aim to appoint a suitable consultancy organisation by the end of January.

Work to support the on-boarding of the new IT Director, and the new Deputy IT Director (Delivery), has been carried out. The new IT Director commenced service with the Corporation on the 16th January.

The structure of the IT Division is being strengthened so that key support activities such as financial controls, risk management, and audit compliance are brought together in a new grouping called IT Business Management.

Recommendation

Members are asked to note the report.

Main Report

- Recent Performance.** The past quarter has seen a more stable position across the service. There have been only 4 Priority 1 cases in the last two months compared to 18 in October alone. 3 of the Priority 1 cases have been as a result of issues with known unstable business applications and 1 due to hardware failure. There has also been additional proactive monitoring implemented.

2. **Risk Management.** The work to embed a risk management regime into the IT Division continues with a significant number of risks now identified. The effort has involved building a method of risk capture that we can migrate into the Corporate “Covalent” system over the coming months. A report on the current risk position has been established and is now shared with the IT Sub Committee, to enable Members to better understand the risk environment, and to ensure progress is made in addressing them.
3. **IT Budget.** The in-year budget uplift has been approved and is now in-place to meet the commitments the IT Division has in this financial year. The uplift will further enable activities to be progressed to lower the risk associated with the ageing IT infrastructure. Within the budget uplift paper the IT Division stated that additional Capital requests would be made in addition to what has already been approved at IT Sub Committee and Projects Sub Committee. Since the approval we have also established an estimate of £8m for the additional Capital required to reset the quality of IT services in the longer term. Detailed Gateway reports will be submitted to both IT Sub Committee and Projects Sub Committee over the coming months.
4. **Staffing and capacity.** Further changes are being progressed to strengthen the IT Division in terms of increasing resource for important support tasks that will help measure and manage the Division as a whole. A new IT Business Management team is being established that will focus on supplier management, financial controls, audit compliance, service performance reporting, and risk management. The key aim of creating the new team and roles is to separate these important support activities from front-line teams.
5. **Managed Services Partnership with Agilisys.** The approach to the extension of the managed service contract with Agilisys has reviewed and endorsed by the IT Sub-Committee. The Corporation and City Police will seek to exploit the best of the commodity, cloud provided solutions as more of the key services we consume are provided on this type of platform. This will mean a switch from classic on-site and hosted solutions to subscription services. The impact of this is that the current managed service provider will deliver less of the standard services we use over time. The intention is to use Agilisys more in transformation activities that move the Corporation and City Police to this new model of consumption.

6. **Key Transformation Programmes**

Desktop Refresh Programme

A High Level Design has been completed that takes account of the user experience and this will ensure the transformation remains focussed on the end users. Detailed designs for underpinning technology such as Active Directory, Windows 10 and SCCM have been completed, and a supporting infrastructure is currently being built. Application discovery has been completed and packaging of core applications is under way. Business change communications is being finalised with Communications starting in January.

Network Refresh Programme

There has been a detailed review of all unfunded assumptions completed to assure we have a total solution cost. An issues paper for Projects Sub is being developed to address the revised funding requirements for the Network transformation. A gateway 4/5 paper has been developed for the Wide Area Network (WAN) Implementation. We have produced a fully documented high-level design detailing the end to end solution and outcomes for Local Area Network (LAN), WAN and Wi-Fi. The physical survey of all 100+ sites, communications rooms, power and cabling has been done and identified critical remediation works that are required to enable the implementation of the new LAN and WAN. Further discussions have taken place to improve understanding of requirements for the Ring of Steel and Accommodation Programmes.

7. **IT Strategy.** The IT Division has developed and consulted upon an IT Strategy for the Corporation that addresses the risks recently identified. It sets a clear course for the next 2 years to get the IT service to a stable and consistent level of quality. It seeks to consolidate the current in-flight activities that are support our IT Transformation plan. The strategy has been warmly welcomed by Chief Officers and Summit Group, and will be reviewed by IT Sub-Committee Members on 20 January. Work is on-going between IT Division and CoLP colleagues to develop an IT Strategy for the City of London Police, reflecting their future needs. A first draft for officer review will be available at the end of January.
8. **External consultancy/assurance.** The IT Division is seeking to engage a 3rd party consultancy to review and strengthen the current approach to IT services at the City of London. The work is focussed on:
 - Providing assurance and validation of the IT strategy and IT target operating model (TOM).
 - Support the IT leadership to define revised performance measures that are aligned to user expectations and that promote a customer focus from all IT delivery units.
 - Support the IT leadership and Finance Division in defining a financial model for IT that provides improved control now and that will also support the target operating model.
 - Support the IT Division leadership team in planning for transition

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Committee: Finance Committee	Date: 31 January 2017
Subject: Chamberlain’s Department Risk Management – Quarterly Report	Public
Report of: Chamberlain	For Information
Report author: Hayley Hajduczek, Chamberlain’s Department	

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 four 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)**

The Senior Leadership Team continues to monitor closely the progress being made to mitigate these IT related risks. Additional funding has been approved to support and strengthen the IT service.

Recommendation

Members are asked to note the report and the actions taken in the Chamberlain's department to monitor and 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.

Identification of new/emerging risks

4. New and emerging risks are identified through a number of channels:
 - 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

Summary of Key Risks

5. The Chamberlain's department currently has three corporate risks and four risks on the departmental risk register, attached as Appendix 1 to this report, assessed as 1 RED risk and 6 AMBER risks. These are:

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

The primary focus of the team is on stabilisation, a more robust approach to managing change has been adopted, reducing the risk of service interruption. Team level approach to risk management is now aligned fully to the top level approach. IT Division is assessing how additional funds approved by Committee should be distributed to undertake more risk mitigation activity. The risk is expected to reduce to Amber by December 2017 followed by steady progress to Green in the following months.

CR16 – Information Security (Current Risk: Amber – no change)

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 Director of Information Security 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.

A paper outlining a number of options for improving technical security was approved by Summit Group in December and will now be progressed through the relevant Committee processes and project governance.

Further updates on programme developments to address the most immediate risks, such as recruitment and technical security implementation will be provided in due course.

CR14 – Funding Reduction (Current Risk: Amber – under review)

Current modelling shows an improving budget position on City Fund due to business rates growth and increased rates retention from 2017/18 onwards. There is currently no perceived risk to the City of London Corporation over the short term from reduced government funding; it is anticipated that the focus of this risk will move more towards securing value for money and effective use of resources. Meanwhile the funding reduction risk to the City of London Police is increasing. Two new risks centred on value for money and the Police funding reduction risk are currently being drafted to reflect this change. It is anticipated that these are likely to be Corporate Risks however the scope of these have not yet been finalised. CR14 is expected to be removed from this register when these assessments are complete.

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

The upgrade to Oracle R12 and implementation of Oracle Property Manager secured organisational benefits through the consolidation of major systems; one billing system, one main property management system and the technology infrastructure to support this.

The Oracle Benefits Realisation project is complete; recommendations have been made to the project Steering Group (comprising senior stakeholders), and the implementation plan has been agreed. The capacity of the Oracle Support and Development teams is limited, which restricts the pace at which system developments and enhancements can be delivered, because of this, the risk remains AMBER, although this is expected to reduce over the next 3 months.

CHB006 – IT Service Outage (Current Risk: Amber – no change)

This risk relates to the disruption to service delivery as a result of major information systems outage (e.g. network/technology infrastructure failure). Changes have been made to the core transformation programmes to ensure that we deploy complete solutions, although this will mean that some ageing infrastructure is in place longer than we would wish. IT Division has been granted additional funding to help mitigate against the increased likelihood of failures. They are currently agreeing how these funds will be distributed to best serve this purpose.

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

While there are a small number of specialist posts to be recruited to, the position is currently stable. A more dynamic corporate process for agreeing Market Forces Supplements will, in future, reduce delays in recruiting to key posts where salary negotiations are critical.

The Workforce plan is to be refreshed in alignment with the departmental business plan preparation, which is now underway. Succession planning is in process of being developed identifying those posts where internal succession is desirable and viable, putting a strategy in place to achieve this.

CHB011 – Corporate Contract management (Current Risk: Amber – reducing)

City Procurement is now recruiting to the agreed Commercial Unit posts moving closer to mitigating this risk. A contract management toolkit is nearing completion, to be deployed across the organisation. There are two options that need to be trialled by budget holders and contract managers, feedback will then be given on preference prior to a decision being made.

Conclusion

6. 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

Background Papers

Monthly Reports to Finance Committee: Finance Committee Risk

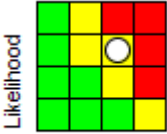
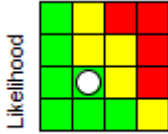

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Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR19b JOINT Network refresh programme.	Joint network refresh programme to resolve issues around network resilience and ensure we have diverse routes for network traffic, avoiding single points of failure.	JOINT Network refresh programme – work on-going. Work currently focussing on ensuring the scope of the planned works is understood and any gaps addressed.	Simon Woods	20-Jun-2016	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.	Delivery of the new solution will take place throughout 2017.	Simon Woods	12-Dec-2016	31-Dec-2017
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	IT division are currently assessing priorities for further funding approved by committee.	Simon Woods	13-Dec-2016	31-Dec-2016
CR19e Network Transformation Requirements	This is the first phase of the revised project to fully replace ageing unsupportable networking hardware from the City and City Police's infrastructure.	A full requirements audit is now being undertaken IT to report back in early 2017 with the full assessment of what needs to be done.	Simon Woods	13-Dec-2016	28-Feb-2017
CR19f Network Transformation	The full delivery of a new network for the Corporation and city Police.	This work will follow-on from CR19e and lead to a completely new network for both organisations that is fully supportable. The full roll-out will take place throughout 2017/18.	Simon Woods	06-Oct-2016	31-Mar-2018

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB002 Oracle ERP Business Benefits 09-Mar-2015 Peter Kane	Cause: Recommendations of the Oracle Benefits Realisation review not implemented. Inadequate governance arrangements in place to ensure effective prioritisation of development activity. Event: Failure to deliver efficiencies and future revenue savings that might be achieved/facilitated through system optimisation of the Oracle application. Effect: System functionality fails to meet user requirements, developments not prioritised to ensure that value is optimised	 Likelihood Impact	12	The Oracle Business Benefits Realisation Review has now concluded, the residual risk focusses on implementation of the recommendations and continued development and enhancement of the application, this risk is now within the business as usual operation and support of the application. 11 Jan 2017	 Likelihood Impact	4	31-Mar-2017	 No change

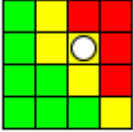


Action no, Title, Date	Description	Latest Note	Managed By	Latest Note Date	Due Date
CHB002j	Review feedback and formulate recommendations for improvements.	Complete. User feedback and issues with the Oracle Support team for resolution.	Matt Lock	06-Oct-2016	31-Aug-2016
CHB002k	Walk through key processes to identify potential efficiency gains.	complete	Matt Lock	06-Oct-2016	31-Aug-2016
CHB002l	Final report on findings	Full report to be made to Oracle Benefits Realisation Steering Group.	Matt Lock	21-Nov-2016	30-Oct-2016
CHB002m	Implementation of Recommendations	Implementation of recommendations made in the Oracle Benefits Realisation Review	John James	12-Jan-2017	31-Mar-2017
CHB002n	Better Management information	Management information project initiated, target outcomes are a range of key management information reports/dashboards that can be developed and deployed to a range of users.	Matt Lock	12-Jan-2017	31-Mar-2017

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 Peer Kane	<p>Cause: Possible growing gap between COL's pay and reward package compared to other organisations.</p> <p>Event: Difficult to recruit and retain staff across the department.</p> <p>Effect: Recruitment and retention of 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>For some specialist posts within the department that are challenges to recruit to and other instances where pay levels make it hard to recruit candidates with talent and experience. A more dynamic corporate process for agreeing Market Forces Supplements will reduce delays in recruiting to key posts where salary negotiations are critical. The Department's workforce plan will have an increased focus on improving succession planning and development of existing staff.</p> <p>11 Jan 2017</p>	<p>Likelihood</p> <p>Impact</p>	4	31-Mar-2017	↔ No change


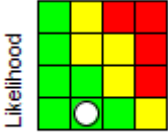
Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CHB 008a Resourcing Plan	Chamberlain's Workforce plan to include an effective resourcing plan, covering recruitment, retention and staff development.	Workforce plan will be refreshed in alignment with the departmental business plan preparation, which is now underway.	Matt Lock	12-Jan-2017	28-Feb-2017
CHB 008b Succession Plan	Develop a succession plan identifying those posts where internal succession is desirable and viable. Putting a strategy in place to achieve this.	Succession plan is in process of being developed identifying those posts where internal succession is desirable and viable. Putting a strategy in place to achieve this.	Matt Lock	12-Jan-2017	31-Mar-2017

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
CHB011 Corporate Contract Management 26-Feb-2016 Peter Kane	Cause: CoL has no corporate contract management policy or procedures. Event: Strategic corporate contracts will fail to be monitored and managed in a consistent and planned manner. Effect: Corporate contracts not delivering the commercial benefits and quality expected at contract letting, escalating prices, scope creep.	 Likelihood Impact	12	Commercial team structure agreed by Committee, and recruitment is now taking place. Monitoring on going using targeted approach to identify key contracts, pending full implementation of the proposed new Contract Management regime. 11 Jan 2017	 Likelihood Impact	2	01-Apr-2017	 No change

Action no, Title	Description	Latest Note	Managed By	Latest Note Date	Due Date
CHB011f Establish a Strategic and Commercial unit	Establish a new unit that acts as the corporate resource in line with the Approach and Blended Intervention model recommended.	Recruitment process is underway.	Christopher Bell	12-Jan-2017	31-Jan-2017
CHB011g Develop City Contract Management toolkit	The toolkit would define roles and responsibilities, performance monitoring frameworks, identify our key suppliers, develop a set of corporate KPIs and create appropriate training and induction materials for the aspects of contract management to ensure an accelerated implementation phase commencing in October 2016.	Procurement of toolkit is underway. There are 2 options that are to be trialled by budget holders/contract managers, feedback then to be given.	Christopher Bell	12-Jan-2017	31-Dec-2016

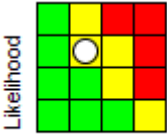
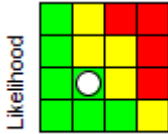

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR16 Information Security 22-Sep-2014 Simon Woods	Cause: Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information. Event: Cybersecurity attack - unauthorised access to COL IT systems. Loss or mishandling of personal or commercial information. Effect: Failure of all or part of the IT Infrastructure, with associated business systems failures. Harm to individuals, a breach of legislation such as the Data Protection Act 1988. Incur a monetary penalty of up to £500,000. Compliance enforcement action. Corruption of data. Reputational damage to Corporation as effective body.	 Likelihood Impact	12	Paper regarding improving technical security was approved by Summit Group in December and will now be progressed through the relevant Committee processes and project governance where relevant. 12 Jan 2017	 Likelihood Impact	4	31-Dec-2016	 No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR16b	Review and strengthen Data Retention, Management and Ownership.	Paper was approved by Summit Group in December and will now be progressed through the relevant Committee processes and project governance where relevant.	Christine Brown	12-Jan-2017	31-Dec-2016
CR16h	Online Training for Members	Online training options are being explored to identify the most training package.	Simon Woods	12-Jan-2017	03-Apr-2017
CR16i	Technical Security Infrastructure	Initial proposals for improvements to the technical security infrastructure in use have been shared with Summit Group. Revisions have been made for further comment this month.	Simon Woods	13-Dec-2016	31-Mar-2017

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
CHB006 IT Service Outage 09-Mar-2015 Simon Woods	Cause: Major information systems outage, eg network/technology infrastructure failure. Interruption to Power supply. Event: Disruption to IT service delivery. Effect: Provision of service operations compromised.	 Likelihood	8	The change to the core transformation programmes that will ensure we deploy complete solutions will mean that some ageing infrastructure is in place longer than we would wish. IT Division has been granted additional funding to help mitigate the increased likelihood of failures. This will continue to be a focus until the transformation works deliver a more robust platform during 2017/18. 11 Jan 2017	 Likelihood	2	31-Dec-2017	↔ No change

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Item no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CHB006a Telephony changes	Solution proposal being evaluated.	Updates to the telephone infrastructure are to be made throughout 2017. In the interim mitigations have been put into place to lower the risk of outages.	Simon Woods	13-Dec-2016	31-Dec-2017
CHB006b Network infrastructure	Renewal of network infrastructure.	An audit of the current network infrastructure is being carried out.	Simon Woods	13-Dec-2016	31-Dec-2017
CHB006c Incident Response	The way which we respond to major incidents	Complete - the IT division is now working in a much more coherent way when dealing with incident response.	Simon Woods	13-Dec-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
CR14 Funding Reduction 22-Jun-2015 Peter Kane	Cause: Reduced funding from Central Government. Event: Reduced funding available to the City Corporation and City of London Police. Effect: City Corporation will be unable to maintain a balanced budget and healthy reserves in City Fund, significantly impacting on service delivery levels and reputation.	 Likelihood Impact	6	Two new risks have been drafted to replace this risk. One covers the risk of funding reduction to the City of London Police, the other is around value for money. 11 Jan 2017	 Likelihood Impact	4	31-Mar-2017	 No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR14b SBR Implementation Departmental Savings and Cross-cutting Reviews.	SBR proposal implementation within Departments and with cross cutting workstreams to identify further efficiencies in strategic asset management, income generation, and reviews of grants and hospitality. Scrutiny by the Officer Strategic Resources Group and Efficiency and Performance Sub-Committee.	SBR proposal implementation within Departments is going well. Cross cutting workstreams to identify further efficiencies in strategic asset management, income generation, and grants. Scrutiny by the Officer Strategic Resources Group and Efficiency and Performance Sub-Committee.	Caroline Al-Beyerty	06-Oct-2016	31-Mar-2017
CR14h Develop Efficiency Plan	Efficiency Plan to be developed and approved by Finance and Policy & Resources Committee which sets out a framework that would incorporate continuous improvement savings and a rolling review programme to secure more radical changes in efficiency and effectiveness.	Efficiency Plan approved for publication	Peter Kane	06-Oct-2016	14-Oct-2016
CR14i Develop strategy to address projected Police deficits	City Police is forecasting deficits in 2017/18 and 2018/19 which need to be addressed.	City Police are developing a saving programme following a fundamental review of activity and cost drivers. However it is likely that this programme of savings will be unable to cover the full deficit. Further work to be carried out and proposals to be made to Finance Committee and Resource Allocation Sub Committee.	Caroline Al-Beyerty	06-Oct-2016	31-Mar-2017

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
Page 87 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)

(C) Risk scoring grid

		Impact			
		Minor (1)	Serious (2)	Major (4)	Extreme (8)
Likelihood	X				
	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

(B) Impact criteria

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

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	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

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Committees:	Dates:
Culture, Heritage and Libraries Committee	5 December 2016
Finance Committee	31 January 2017
Policy and Resources Committee	16 February 2017
Subject:	Public
Great Fire 350: Monitoring and Evaluation	
Report of:	For Information
Director of Culture, Heritage & Libraries	
Report author:	
Nick Bodger, Head of Cultural and Visitor Development	

Summary

In April 2015, the City Corporation approved sponsorship of £300,000 for one of the country’s leading creative companies – Artichoke – to develop a series of high-profile spectacles to commemorate the 350th anniversary of the Great Fire of London.

This report covers the key findings of a monitoring and evaluation report by The Audience Agency, commissioned by Artichoke and the City of London Corporation, and should be read in context with the report submitted to the October meeting of the Culture, Heritage and Libraries Committee “Great Fire350: top line findings” on which it builds, revising previously estimated figures. Both reports consider the Artichoke elements of the wider Great Fire programme.

The results of these reports show that, in all areas where it has been possible to measure impact, Artichoke has exceeded the expectations of our funding objectives, delivering a moment when the City shone, generating significant economic and international PR benefit for the City and City Corporation, positively changing perceptions of the City as a place to be and engaging new audiences across events, education and training. In the current political environment, the programme has also helped to demonstrate and support the Mayor of London’s message to the world that London is open.

Recommendation

Members are asked to note the report

Main Report

Background

1. The Great Fire of London, which devastated the City in September 1666 and led to its almost total reconstruction, is one of the most well-known events in the City’s history. It is on the National Curriculum at Key Stage (KS) 1, (5- to 7-year-olds) providing a critical way of engaging children with London’s history and drives significant visitor footfall to the City. 2016 marks its 350th anniversary.
2. In April 2015, your Finance, Policy & Resources, and Culture, Heritage and Libraries Committees approved a sponsorship package of £300,000 for one of the country’s leading creative companies – Artichoke – to develop a series of high-profile spectacles to commemorate the anniversary amid a longer and more wide-ranging umbrella programme of activities delivered by City stakeholders. Under the terms of the agreement, the City Corporation was to be credited as Founding Sponsor. The Artichoke events ran from 30 August to 4 September 2016.

3. In addition to this activity and as part of our agreement, Artichoke provided a framework for the participation and promotion of 26 City providers delivering 68 events commemorating the anniversary.

Current Position

4. In response to the above, your Culture, Heritage and Libraries department, working with Artichoke, compiled a headline report about funding, footfall, PR and audience reach for Artichoke elements of the programme which was submitted to the October meeting of the Culture, Heritage and Libraries Committee.
5. Building on this and commissioned by both parties, a monitoring and evaluation report by The Audience Agency was also commissioned. The report examines audience profile and experience, their perceptions of the City in light of the events and the economic activity and impact generated by them. The key findings pages of this extensive report are available online at:
<http://democracy.cityoflondon.gov.uk/documents/s72423/Great%20Fire%20appendix%20-%20Artichoke%20Londons%20Burning%20evaluation%20report%20-%20executive%20summary.pdf>. The full report can be found online at:
<https://www.cityoflondon.gov.uk/things-to-do/Documents/londons-burning-evaluation-report-the-audience-agency-november-2016.pdf>
6. In relation to both reports, headlines include:
 - a. A total footfall of c. 90,000 to the Artichoke events, with the most prominent age group being the 25-34 year-old bracket (an untypical but target audience for City culture);
 - b. Of the total audience figure, 86% being from the UK with 79% from London, supporting the City Corporation's commitment to engage all Londoners in its cultural offer.
 - c. 96% of audiences agreeing that this event was good for the City's image with over a third (38%) of e-survey respondents saying their experience had positively changed their perception of the City a lot or to some extent;
 - d. Economic activity generated by the event estimated at £7.2m with an overall economic impact in the City of £2.5m;
 - e. Just under the £3m sponsorship target being achieved by Artichoke in support of the events, with £2.9m raised from 72 funders; this represents c. £9 raised for every £1 of City Corporation investment;
 - f. London & Partners secured as the lead Media Partner and a website featuring all partners' content hosted on visitlondon.com/greatfire350 attracting 200,000 visitors and 881,000 page views;
 - g. 100,000 copies of a brochure detailing all partner events achieving a final pick up rate of 92% as calculated by London Calling (75% is regarded as a successful campaign);
 - h. Event Twitter feeds achieving a total reach of just under 91m, while the accompanying Facebook campaign achieved a 3.7m reach;
 - i. 6.7m views achieved across all platforms for the burning on the Thames event (includes live streams) and just under 10m views achieved for a film of the Saturday's *Dominoes* event hosted on *Time Out's* website;

- j. Over 1000 engagements with schoolchildren and young people through primary schools workshops, pre-engagement training sessions with local youth groups and employment centres, and design cutting and construction workshops;
- k. Two Construction Skills Certification Scheme trainees offered a job and nine directly connected with prospective employers as a result of the events, with five Trainee Assistant Producer placements undertaken and 356 volunteering opportunities;
- l. Significant international PR including 415 items of coverage, of which 55 were national articles and picture stories, 39 broadcast pieces, 66 London centric stories, 25 appearing in key arts titles, and 152 in the international press; together, these generated an international reach of 101.8m with an estimated AVE of £2.2m (AVE is a standard industry measurement used to estimate the equivalent advertising value of coverage generated and refers to the cost of buying the space taken up by a particular article, had the article been an advertisement).

Corporate & Strategic Implications

- 7. As per the funding bid report received by your Committees in spring 2015, the City Corporation's funding of this event sought to:
 - a. meet the groundswell of expectation from local, London and national stakeholders for the City to mark the event and provide a framework through which they can contribute to a shared programme of activity;
 - b. ensure ownership of the Great Fire (our biggest cultural export)
 - c. provide a significant opportunity for the City Corporation to demonstrate its contribution to London as a world city on a global scale;
 - d. deliver significant economic benefits for local and London businesses;
 - e. provide an opportunity for the City's cultural providers to work together on a shared theme in a major way, delivering a legacy of networks across exponents, funders, retail and other businesses;
 - f. align with the City Corporation's own visitor, cultural and education objectives as stated in its related strategies; and
 - g. deliver legacy benefits that include:
 - i. reputational gain and a positive shift in perceptions about the City;
 - ii. profile for our education and related activities, driving audiences;
 - iii. skills for apprentices and on-going recognition of the City Corporation's contribution to the national curriculum;
 - iv. the furtherance of London's developing role as a "Smart City" and a leading voice for resilience matters; and
 - v. funding for our cultural activities through a legacy of networks and relationships.

Conclusion

8. As the headlines in this report demonstrate, the comparatively modest investment the City Corporation has made in this project has returned significant dividends and delivered all objectives.
9. Without doubt, the Great Fire 350 commemorations have delivered a moment when the City has shone, and – in the current political environment – supported the Mayor of London’s message to the world that London is open.
10. Economic prosperity is driven by culture, and culture is an essential ingredient for world cities like London. The two are inextricably linked. People want to be in a place where culture happens, where imaginations are unlocked, minds inspired and lives enriched. The Great Fire 350 programme has helped enhance the City’s and London’s reputation as such a place and, if momentum to put on such events continues, will have a lasting legacy with tangible rewards in the years to come.

Background Papers

- Great Fire 350: top line findings; submitted to the Culture, Heritage and Libraries Committee on 24 October 2016

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Committee: Finance Committee	Date: 31 January 2017
Subject: Donations in emergency appeal situations	Public
Report of: The Chamberlain	For Information
Report author: Karen Atkinson, Head of Charity & Social Investment Finance	

Summary

This report addresses a request from Finance Committee for further information to guide decisions in making donations in emergency appeal situations.

Information is provided on the operations of the Disasters Emergency Committee (DEC), focusing on the criteria for selection of UK aid charities, monitoring of operations and proportion of donations directed at disaster relief.

The report advises on routes that Members may take in recommending future donations by the Corporation of London. The report explains that Members should be confident that any disaster relief donations made to members of the DEC are made to organisations which have the highest standards of governance, finance and programme quality. The report suggests that, before making donations to organisations outside of the DEC, the Committee may wish to request the Central Grants Unit to undertake proportionate due diligence of these organisations to ensure that a donation would be appropriate.

Recommendations

Members are asked to note the information provided regarding donations to international disaster relief efforts, particularly:

- a) The strong criteria applied by DEC for the selection and monitoring of UK aid charities;
- b) The ability of the Central Grants Unit to provide recommendations of appropriate charities to support, including due diligence reviews;
- c) That donations given as restricted to a specific appeal or purpose are required under charity law to be spent directly on that purpose.

Main Report

Background

1. Finance Committee requested information regarding the financial activities of charities involved in emergency appeals, to guide future decisions concerning donations to be made by the City of London.
2. The analysis below focuses on the DEC operations, both in launching an appeal and in the criteria used to select its' member charities. The DEC brings together 13 leading UK aid charities in times of crisis (see Appendix 1). This

does not preclude Members agreeing to make a donation to an individual charity either outside of the DEC umbrella or to a charity not linked to the DEC, should the circumstances of a specific disaster suggest this to be a suitable route. In addition, if Members wish, recommendations of charities supporting work in a selected arena could be provided for your review as and when required, including detail of any appropriate financial due diligence, via the Central Grants Unit.

3. Since 2011, 17 donations have been made by the Finance Committee to appeals launched by the DEC or DEC-Member organisations. Only one donation has been made to an organisation outside of the DEC. This donation was to the UK Community Foundation for distribution to charities providing assistance to child refugees/asylum seekers in the UK. This donation arose from wish of the Finance Committee to donate money to fund work to support refugees (particularly in light of the Syrian crisis). This organisation was recommended by the Chief Grants Officer.

DEC operations

4. Since its launch in 1963, DEC has run 67 appeals and raised more than £1.4 billion. Member charities are selected as being those that are experts in humanitarian aid, delivering the efficient disaster responses which donors expect and those affected by disasters need.
5. To qualify as a member, organisations must meet strict governance, financial and programme quality requirements, including signing up to the highest external international aid standards. They must also show what diversity they can add to the DEC in addition to current members, in order to extend the reach of a DEC appeal and in providing global humanitarian aid. Membership is reviewed every three years and up to 15 organisations which meet the criteria and make the strongest case for furthering the DEC's objectives are selected.
6. As part of membership, member agencies are also regularly reviewed to check they have the processes and systems in place to meet the criteria and commitments they have agreed to, and are conforming to the DEC ways of working. The DEC focuses on lessons learnt to allow for continuous improvement in the way in which aid is delivered. The DEC is governed by a Board of Trustees, which includes the CEOs of each of their members and up to six independent trustees. They have a small staff team of 13. When appeals are launched, their media and corporate partners come together as the Rapid Response Network (RRN) to provide the required support levels.

Launching an Appeal

7. The decision to launch a DEC appeal is informed by three criteria:
 - a) The scale of humanitarian need;
 - b) The capacity of DEC member charities to effectively respond on the ground;
 - c) Public awareness and empathy, to enable a successful fundraising appeal.

Examples of appeal types include one-off catastrophes, slow-onset humanitarian crises and complex political emergencies.

8. In applying the above criteria, one of the key questions DEC considers is whether its member charities are the best placed to meet the needs of those in crisis, or whether the governments and aid organisations in affected countries already have the resources, people, expertise and organisational infrastructure to cope.
9. If the criteria are met, the DEC will launch an appeal by:
 - a) Uniting DEC agencies in a national fundraising effort;
 - b) Working with the media to create an appeal mechanism for national fundraising;
 - c) Ensuring funds raised go to the DEC members best placed to deliver aid to those in most need in an effective, timely and fully accountable way.

Use of donations received by DEC

10. Based on a rolling average over the past 5 years, the cost of running DEC appeals is reported as 5.9% of the money raised. In addition to this, member charities are required to commit to using no more than 7% of the funds they receive from DEC on any work within the UK to support their response to a disaster. All of the remaining funds must be spent on the emergency response itself and helping survivors rebuild their lives. This requirement provides transparency to donors in understanding how their money is spent, and removes the need for additional financial review when making a decision to donate to the DEC.

Donations made outside of DEC

11. Due to the transparent governance controls applied by the DEC, it is suggested that members could confidently give direct to the individual charities that are members of this umbrella organisation, should they believe this to be the most appropriate use of the Corporations' emergency donations budget.
12. At the December 2016 Finance Committee meeting, Members were informed that that when they donate to a specific named appeal made by a registered charity, such donations are termed as being 'restricted funds'. Under charity law, the purposes set out within the appeal description establish the restriction for which donations received must be used. Expenditure subsequently made by the charity would be expected to include those costs that are directly connected with the appeal purpose, both on the ground and in getting relief out to the affected country.

Appendix 1: DEC Member Charities – summary details

Contact:

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DEC Member Charities – summary details

Name	Summarised objectives	Income & Free Reserves (latest Accounts)	Comments on free reserves held
ActionAid	ActionAid UK is part of an international federation working in 45 countries, providing support and humanitarian assistance to people living in poverty and on the margins of survival.	Income - £65.3m Free reserves - £8.2m	Free reserves are £4.1m above policy due to uncertainties around future DFID funding & the impact of new fundraising regulations. Current levels equate to 5.1 months planned annual expenditure
Age International	Age International is a restricted fund of Age UK, a UK registered charity. It exists to change the world for older people, including responding to emergencies in low and middle-income countries	Income - £15.1m Free reserves – n/a	As Age International is a restricted fund of Age UK, it does not hold free reserves
British Red Cross	The British Red Cross helps people in crisis, whoever & wherever they are. They are part of a global network of volunteers, responding to natural disasters, conflicts and individual emergencies	Income - £275.1m Free reserves - £40.1m	Trustees recent review of reserves has a target of £30 - 40m free reserves, with the current level representing slightly less than 3 months charitable expenditure
CAFOD	CAFOD is the official aid agency for the Catholic Church in England & Wales, working with partners across the world to bring hope and compassion to poor communities, standing with them to end poverty and injustice. They work with people of all faiths and none.	Income - £53.1m Free reserves - £9.9m	The Trustees have established a ‘stabilisation’ reserve of £9m to limit potential future disruption associated with financial risks, notably a reduction in income, which is included in the reserves of £9.9m.

Name	Summarised objectives	Income & Free Reserves (latest Accounts)	Comments on free reserves held
CARE	CARE International is dedicated to ending poverty, working in 87 of the poorest countries worldwide. They have emergency response experts in over 60 countries so are often already on the ground to meet immediate needs of communities when disaster strikes.	Income - £51.7m Free reserves - £1.7	The level of free reserves required has recently been increased to £1.7m, being approx. 7 months' core expenditure, due to the risks from a changing external environment such as the focus on payment by results contracts
Christian Aid	Christian Aid is a Christian organisation that insists the world can and must be swiftly changed to one where everyone can live a full life, free from poverty. They provide urgent and practical assistance where need is great, tackling the effects of poverty as well as its root causes. They support people of all faiths or of none.	Income - £99.9m Free reserves - £15.0m	The target for free reserves is £20.3m, however the Trustees expect to take 3 years to reach this as they build their supporter base and deal with an increasing pension deficit.
Concern Worldwide	Concern Worldwide is an international humanitarian organisation specialising in tackling hunger with the most vulnerable people in the world's poorest places. They believe no one should have to live with hunger and the damage it causes. By combining their expertise with local knowledge they help communities develop their own lasting solutions to transform lives.	Income - £31.6m Free reserves - £1.3m	The charity has set aside a designated fund of £1.2m to ensure the continuity of operations in the event of a temporary downturn in income.

Name	Summarised objectives	Income & Free Reserves (latest Accounts)	Comments on free reserves held
Islamic Relief	Islamic Relief has been responding to emergencies for almost three decades. They provide a lifeline for vulnerable communities affected by disaster and poverty around the world, enabling communities to mitigate the effect of disasters, prepare for their reoccurrence and respond by providing relief, protection and recovery. They work regardless of race, political affiliation, gender or belief.	Income - £105.6m Free reserves - £5.6m	The target is to hold 7 months' worth of operational expenditure in reserves, with the charity currently holding 5 months. The Trustees plan to adopt a three-year plan to increase general reserves to a higher level, recognising that three years is an appropriate timeframe for the achievement of this target.
Oxfam	Oxfam is a global movement of people who work together to end the injustice of poverty for everyone. Its activities cover humanitarian relief, development work, advocacy and campaigning. Oxfam Great Britain is one of the 18 Oxfam affiliates that make up the confederation of Oxfam International.	Income - £414.7m Free reserves - £29.1m	General reserves are currently above their target level of £25m. Given the on-going uncertainties in world economies, their future plans are to maintain this level of general reserves by aligning their unrestricted spend to income predictions.
Plan International	Plan International is a global children's charity, working with children in the world's poorest countries for over 76 years, to help them build a better future. They achieve this by giving children a healthy start in life, securing their education, working with communities to prepare for and survive disasters and enabling families to earn a living and plan for their children's future.	Income - £70.2m Free reserves - £5.2m	With a significant proportion of income arising from child sponsorship, the Trustees of Plan International are able to predict much of their total monthly income with a reasonable degree of confidence. However, income from appeals and grants is more difficult to predict hence why free reserves are held to ensure that their ability to carry out their work is protected against any unexpected negative financial events. Current reserve levels are at the top end of their policy.

Name	Summarised objectives	Income & Free Reserves (latest Accounts)	Comments on free reserves held
Save the Children	Save the Children UK is a member of Save the Children Association, which consists of 30 independent, national Save the Children organisations transforming children's lives in more than 120 countries. Save the Children fights for children's rights. They deliver immediate and lasting improvements to children's lives worldwide.	Income - £389.7m Free reserves - £38.1m	Given the ongoing uncertainties in world economies, the Trustees formally reviewed their reserves policy in 2015. In conclusion their target reserves range was increased to £27 – 32m. Following an exceptional fundraising year, free reserves at the latest year end were above that range.
Tearfund	Tearfund is a Christian international relief & development agency, building a global network of local churches to help eradicate poverty.	Income - £72.2m Free reserves - £6.7m	In their latest review, the Trustees of Tearfund have reduced the level of free reserves to be held by £500k to £3.5m – 4.0m, to reflect the reduction in working capital required to fund contract income. The additional amounts held at their last year end were allocated to future front-line work.
World Vision UK	World Vision UK is an international Christian children's charity, working to bring hope to millions of children in the world's hardest places. Their work involves long-term sustainable development programmes, relief & rehabilitation responses to humanitarian emergencies and advocacy work.	Income - £90.9m Free reserves - £7.4m	The Trustees require free reserves to be maintained at 25-45 days of expenditure. This is equivalent to a range of £5.9 million to £10.7 million at current expenditure levels. The Trustees consider that this is an appropriate level for reserves in order to maintain funding for programmes and emergencies.

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Committee: Finance Committee	Date: 31 January 2017
Subject: Central Contingencies	Public
Report of: Chamberlain	For Information
Report author: John James, Interim Deputy Financial Services Director, Chamberlain Department	

Main Report

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 to support humanitarian disaster relief efforts both nationally and internationally. The available balance of £55,000 on this contingency includes funds brought forward from 2015/16.
3. The uncommitted balances that are currently available are set out in the table below. At the time of preparing this report there are no requests from contingencies elsewhere on the agenda.

2016/17 Contingencies – Uncommitted Balances at 16 January 2017				
	City's Cash	City Fund	Bridge House Estates	Total
	£'000	£'000	£'000	£'000
General Contingencies	391	733	50	1,174
National and International Disasters	55	0	0	55
Uncommitted Balances	446	733	50	1,229

4. The sums which the Committee has previously allocated from the 2016/17 contingencies are listed in Appendix 1.

Recommendation

Members are asked to note the contents of this report.

Appendices

Appendix 1 – Allocations from 2016/17 contingencies

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2016/17 General Contingency – City’s Cash

Date	Description	Responsible Officer	Allocation £	Balance £
	2016/17 Provision			950,000
	2015/16 Provision brought forward to fund allocations agreed in previous years			310,000
	Total Provision			1,260,000
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	60,000	
17 Feb 2015	Grant funding for The Honourable The Irish Society (£25,000 p.a. for 2014/15 and 2015/16) with payment of the grant conditional upon the purchase of the land in question for development	TC	50,000	
15 Dec 2015	£150,000 to fund emergency repair works to the glass panels of the Guildhall West wing staircase	CS	150,000	
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	
11 Jul 2016	£18,600 to fund the staffing of the Central Grants Unit for a total of 3 months	TC	18,600	
1 Aug 2016	Additional £75,000 to fund emergency repair works to the glass panels of the Guildhall West wing staircase	CS	75,000	

Appendix 1 2016/17 Contingencies

Date	Description	Responsible Officer	Allocation £	Balance £
13 Dec 2016	£372,000 towards the Guildhall Administration budgetary 2016/17 overspend	CS	372,000	
13 Dec 2016	£83,000 to fund three additional members of staff in Investment Property Group	CS	83,000	
13 Dec 2016	£10,000 for charitable donations to be made at Christmas 2016	TC	10,000	
	Total allocations agreed to date			868,600
	Balance remaining prior to any requests that may be made to this meeting			391,400

2016/17 General Contingency – City Fund

Date	Description	Responsible Officer	Allocation £	Balance £
	2016/17 Provision			800,000
	2015/16 Provision brought forward to fund allocations agreed in previous years			118,000
	Total Provision			918,000
17 Feb 2015	£142,000 (£84,000 in 2014/15 and £58,000 in 2015/16) towards an appeal regarding Greater London Authority Roads. In 2015/16 £20,000 of the allocation was spent therefore the balance of £38,000 was brought forward into 2016/17	C&CS/CS	38,000	
19 Jan 2016	£80,000 increase in the allocation towards the Greater London Authority Roads appeal	C&CS/CS	80,000	
18 Oct 2016	£6,250 to fund legal fees in relation to the admittance of the London Collective Investment Vehicle (CIV) into the Corporations Local Government Pension Scheme	CHB/C&CS	6,250	
13 Dec 2016	£61,000 to meet the costs of setting up the City of London Corporations Apprenticeship Service	DCCS	61,000	
	Total allocations agreed to date			185,250
	Balance remaining prior to any requests that may be made to this meeting			732,750

2016/17 General Contingency – Bridge House Estates

Date	Description	Responsible Officer	Allocation £	Balance £
	2016/17 Provision			50,000
	Total allocations agreed to date			0
	Balance remaining prior to any requests that may be made to this meeting			50,000

2016/17 National & International Disasters Contingency – City's Cash

Date	Description	Responsible Officer	Allocation £	Balance £
	2016/17 Provision			100,000
	2015/16 Provision brought forward to fund allocations agreed in previous years			80,000
	Total Provision			180,000
12 Apr 2016	£50,000 grant to UK Community Foundations in order to benefit children who are refugees/seeking asylum	TC	50,000	
10 Oct 2016	£30,000 donation to the Red Cross Hurricane Appeal	TC	30,000	
12 Dec 2016	£20,000 donation to Save the Children's Nigeria Food Crisis Emergency Appeal	TC	20,000	
12 Dec 2016	£25,000 donation to the Disaster Emergency Committee's Yemen Crisis Emergency Appeal	TC	25,000	
	Total allocations agreed to date			125,000
	Balance remaining prior to any requests that may be made to this meeting			55,000

Key to Responsible Officers:

CS – City Surveyor

TC – Town Clerk

C&CS – Comptroller and City Solicitor

CHB – Chamberlain

DCCS – Department of Community and Children's Services

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Committee: Finance Committee	Date: 31 January 2017
Subject: Decisions taken under Delegated Authority or Urgency since the last meeting of the Committee	Public
Report of: Town Clerk	For Information
Report author: Chris Braithwaite, Town Clerk's Department	

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). These actions were:

- Donation of £20,000 to Save The Children's Nigeria Food Crisis Emergency Appeal
- Donation of £25,000 to the Disaster Emergency Committee's Yemen Crisis Emergency Appeal
- Christmas donations of £2,500 each to The Parent House, Crisis, The Stuart Low Trust and Solace Women's Aid.

Recommendation

Members are asked to note the report.

Main report

Donation to Save The Children's Nigeria Food Crisis Emergency Appeal

Background

1. Save The Children launched an urgent appeal in relation to the food crisis in the North-east of Nigeria. This area has been heavily afflicted by insurgency by Boko Haram for the last seven years and fighting has intensified in the past few months. It was predicted that, unless there is an urgent response to the crisis, 400,000 children were at imminent risk of starvation.
2. Save The Children's appeal would provide severely malnourished children with expert treatment at specialist health centres; help children get clean water and improved sanitation by building latrines and conduct hygiene awareness sessions, especially for families which have been forced from their homes by the conflict; provide emotional support to 20,000 children at kids' clubs to help them come to terms with their traumatic experiences from the conflict.

Action Taken

3. The Town Clerk, following consultation with the Chairman and Deputy Chairman, agreed to make a donation of £20,000 to Save The Children's Nigeria Food Crisis Emergency Appeal.

Donation to the Disaster Emergency Committee's Yemen Crisis Emergency Appeal

Background

4. The Disaster Emergency Committee launched an urgent appeal in relation to the humanitarian crisis in Yemen. There had been increased access to previously inaccessible areas and more information had become available, including reports of children starving, millions of people too poor to buy essential food or medicine, hospitals and schools across the country being unable to operate, and a high risk of disease due to unclean water and poor sanitation.
5. The UN estimated that the total number of people in need of humanitarian assistance in Yemen at 18.8m (69% of the population). The most critical needs were food and nutrition, health and protection of civilians. An estimated 3.3 million children and pregnant or lactating women were acutely malnourished. Of these children, 462,000 under five were suffering from severe acute malnutrition. Due to the conflict, 2.2m had been internally displaced across Yemen, nearly double what was estimated in February 2016.

Action Taken

6. The Town Clerk, following consultation with the Chairman and Deputy Chairman, agreed to make a donation of £25,000 to the Disaster Emergency Committee's Yemen Crisis Emergency Appeal.

Christmas Donations to Charitable Organisations

Background

7. At the Finance Committee's meeting on 13 December 2016, the Committee allocated £10k from the Committee's City's Cash Contingency Fund for charitable donations to be made at Christmas 2016. The Committee agreed that approval for these donations would be delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman.
8. This funding was agreed on the condition that a report will be submitted to the appropriate Committee to establish a formal process for such donations to be made in future. This report will be submitted to the Policy and Resources Committee during 2017.
9. The Central Grants Team was in contact with four suitable organisations and proposed that grants were made to these organisations as set out below.

Action Taken

10. The Town Clerk, following consultation with the Chairman and Deputy Chairman, approved the following donations:
 - The Parent House – A one-off donation of £2,500 to support families suffering acute financial hardship over the Christmas period.

- Crisis – A one-off donation of £2,500 to support five day centres and five residential Rough Sleepers centres to cater for specific groups of homeless people (vulnerable women, entrenched rough sleepers and those with dependency needs) over Christmas 2015.
- The Stuart Low Trust - A one-off donation of £2,500 to support vulnerable and socially isolated people living with mental illness.
- Solace Women's Aid - One off donation of £2,500 to enable Women's Aid to provide a special dinner and treat for each woman and child in their refuges this Christmas.

Contact:

Chris Braithwaite

Senior Committee and Member Services Officer, Town Clerk's Department

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