



Finance Committee

Date: TUESDAY, 5 JUNE 2018

Time: 1.45 pm

Venue: COMMITTEE ROOMS - COMMITTEE ROOMS

Members:	Jeremy Mayhew (Chairman)	Tim Levene
	Deputy Jamie Ingham Clark	Oliver Lodge
	(Deputy Chairman)	Paul Martinelli
	Randall Anderson	Deputy Robert Merrett
	Nicholas Bensted-Smith	Hugh Morris
	Chris Boden	Alderman Andrew Parmley
	Deputy Roger Chadwick	Susan Pearson
	Dominic Christian	Deputy Henry Pollard
	Karina Dostalova	William Pimlott
	Simon Duckworth	Alderman Matthew Richardson
	Sophie Anne Fernandes	James de Sausmarez
	John Fletcher	Ian Seaton
	Christopher Hayward	Sir Michael Snyder
	Deputy Tom Hoffman	Deputy James Thomson
	Alderman Robert Howard	Deputy Philip Woodhouse
	Michael Hudson	Deputy Catherine McGuinness (Ex-Officio Member)
	Deputy Wendy Hyde	Andrew McMurtrie (Ex-Officio Member)
	Deputy Clare James	Deputy Alastair Moss (Ex-Officio Member)
	Alderman Alastair King	
	Gregory Lawrence	

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Lunch will be served for Members in Guildhall Club at 1pm
NB: Part of this meeting could be the subject of audio video recording
The next meeting of the Finance Committee is scheduled on 24th July

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 of the meeting held on 8th May 2018.
For Decision
(Pages 1 - 10)
4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**
Report of the Town Clerk.
For Information
(Pages 11 - 12)
5. **REPORT OF THE WORK OF THE SUB-COMMITTEES**
Report of the Town Clerk.
For Information
(Pages 13 - 14)
6. **FURTHER APPOINTMENTS TO THE FINANCE COMMITTEE AND THE FINANCE SUB-COMMITTEES**
Report of the Town Clerk.
For Decision
(Pages 15 - 16)
7. **NEW PROCUREMENT SUB-COMMITTEE**
Joint Report of the Chamberlain and the Town Clerk.
For Decision
(Pages 17 - 20)
8. **CYBER SECURITY STRATEGY**
Report of the Commissioner of the City of London Police and the Director of Economic Development.
For Decision
(Pages 21 - 36)
9. **FUNDING REQUEST FOR FLOOD RISK AND OTHER ENVIRONMENTAL RESILIENCE WORK DURING 2018/19 AND 2019/20**
Report of the Director of the Built Environment.
For Decision
(Pages 37 - 42)

10. **CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT - MONTHLY REPORT**
Report of the Chamberlain.
For Information
(Pages 43 - 44)
11. **CENTRAL CONTINGENCIES**
Report of the Chamberlain.
For Information
(Pages 45 - 50)
12. **IT DIVISION - MEMBER UPDATE**
Report of the Chamberlain.
For Information
(Pages 51 - 54)
13. **CITY PROCUREMENT EFFICIENCY AND SAVINGS TARGET 2018/19**
Report of the Chamberlain.
For Information
(Pages 55 - 58)
14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
16. **EXCLUSION OF THE PUBLIC**
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

17. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 8th May 2018.
For Decision
(Pages 59 - 64)
18. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
Report of the Town Clerk.
For Information
(Pages 65 - 66)
19. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**
Report of the Town Clerk.
For Information
(Pages 67 - 68)

20. **LAND AVAILABLE FOR ACQUISITION AT HAMPSTEAD HEATH**
Report of the Director of Open Spaces.
For Decision
(Pages 69 - 82)
21. **PROVISION OF MANAGED PRINT AND DIGITAL CONTRACT - PROCUREMENT STAGE 3**
Report of the Chamberlain.
For Decision
(Pages 83 - 86)
22. **STRATEGIC REVIEW OF THE CITY'S WHOLESALE MARKETS - APPOINTMENT OF AN ACQUIRING AGENT, PROGRAMME DIRECTOR AND PROJECT ACCOUNTANT**
Joint Report of the City Surveyor and Director of Markets and Consumer Protection.
For Decision
(Pages 87 - 94)
23. **WAIVER REPORT - TAXI SERVICES**
Report of the Chamberlain.
For Decision
(Pages 95 - 100)
24. **ANNUAL COMPLIANT WAIVERS REPORT 2017/18**
Report of the Chamberlain.
For Information
(Pages 101 - 106)
25. **ANNUAL NON-COMPLIANT WAIVERS REPORT 2017/18**
Report of the Chamberlain.
For Information
(Pages 107 - 110)
26. **PRIORITIES INVESTMENT POT (PIP) UPDATE**
Report of the Chamberlain.
For Information
(Pages 111 - 114)
27. **CITY OF LONDON CORPORATION & CITY OF LONDON POLICE - IT STRATEGY UPDATE**
Report of the Chamberlain.
For Information
(Pages 115 - 120)
28. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
Report of the Town Clerk.
For Information
(Pages 121 - 124)

29. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
30. **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, 8 May 2018

DRAFT Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on
Tuesday, 8 May 2018 at 1.45 pm

Present

Members:

Randall Anderson
Nicholas Bensted-Smith
Dominic Christian
Karina Dostalova
Sophie Anne Fernandes
John Fletcher
Alderman Robert Howard
Michael Hudson
Deputy Wendy Hyde
Deputy Jamie Ingham Clark
Gregory Lawrence
Tim Levene

Oliver Lodge
Paul Martinelli
Jeremy Mayhew
Hugh Morris
Susan Pearson
Deputy Henry Pollard
William Pimlott
James de Sausmarez
Ian Seaton
Sir Michael Snyder
Deputy Philip Woodhouse

Officers:

Peter Lisley	- Assistant Town Clerk
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
John Cater	- Town Clerk's Department
Gregory Moore	- Town Clerk's Department
Peter Young	- City Surveyor's Department
Sean Green	- Chamberlain's Department
Giles French	- Assistant Director of Economic Development
Laura Davison	- Head of Research, EDO

1. APOLOGIES

Apologies for absence were received from Deputy Roger Chadwick, Simon Duckworth, Caroline Haines, Christopher Hayward, Deputy Tom Hoffman, Deputy Clare James, Alderman Alastair King, Alderman Andrew Parmley, Alderman Matthew Richardson, Deputy James Thomson and Deputy Catherine McGuinness.

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

Deputy Hyde declared a non-pecuniary interest in respect of item 29 due to being a owning a property in the building.

Jamie Ingham Clark declared a non-fiduciary interest in respect of item 27 due to being Church Warden of St Lawrence Jewry.

3. **ORDER OF THE COURT OF COMMON COUNCIL**

The Committee received the Order of the Court of Common Council from Thursday, 19 April 2018 appointing the Finance Committee until the first meeting of the Court in April 2019.

4. **ELECTION OF THE CHAIRMAN**

In accordance with Standing Order 29, Jeremy Mayhew was elected Chairman of the Finance Committee for the ensuing year.

5. **ELECTION OF THE DEPUTY CHAIRMAN**

In accordance with Standing Order 30, Deputy Jamie Ingham Clark was elected Deputy Chairman of the Finance Committee for the ensuing year.

6. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and summary of the meeting held on 10th April be approved as an accurate record, subject to the following amendment:

Ian Seaton reminded the Committee Clerk that he had declared a Non-pecuniary interest in Item 22 (Report on Waivers over £50,000 December 2017- March 2018)

7. **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.

Officers informed Members of the positive feedback at the recent meeting of the Establishment Committee, concerning the Report on the Eradication of Procurement Code Breach Waivers.

Post meeting note: The Chairman of the Establishment Committee circulated the draft set of minutes from the relevant meeting to all Members of the Finance Committee.

RESOLVED – That the Committee noted the report.

8. **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 the recent meeting of the Finance Grants Oversight and Performance Sub Committee.

RESOLVED – That the Committee noted the report.

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

The Committee noted the draft public minutes of the following Sub-Committee meetings:

- Finance Grants Oversight and Performance Sub-Committee held on 10th April 2018;

The Chairman noted that the Town Clerk had recently circulated the draft minutes of the following minutes via email for information*:

- Efficiency and Performance Sub-Committee held on 21st March 2018.
- Information Technology Sub-Committee held on 26th March 2018

a) **Draft public minutes of the Finance Grants Sub-Committee held on 10 April 2018**

RESOLVED – That the public minutes of the Finance Grants Sub-Committee meeting held on 10th April 2018 be noted.

10. **APPOINTMENT OF SUB-COMMITTEES AND REPRESENTATIVES ON OTHER COMMITTEES**

The Committee considered a Report of the Town Clerk concerning the appointment of the Committee's Sub Committees for 2018/19, to approve their composition and Terms of Reference and to appoint representatives to a number of other City Corporation positions.

Terms of Reference and Composition

- Members agreed the composition and Terms of Reference of the following Sub Committees:

Corporate Asset Sub Committee
Efficiency and Performance Sub Committee
Finance Grants Oversight and Performance Sub Committee
Information Technology Sub Committee

Members agreed that the Terms of Reference for both the Efficiency and Performance Sub Committee and the Finance Grants Oversight and Performance Sub Committee include a new provision, in which any vacancies on the Subs will be offered to the Court of Common Council.

Members agreed that the minimum number of appointments for the Efficiency and Performance Sub Committee and the Finance Grants Oversight and Performance Sub Committee should be reduced to seven, furthermore, this number would now include both the Chairman and Deputy Chairman of the Finance Committee.

Appointments

- Members agreed to the following appointments as Chairman and Deputy Chairman of the respective Sub Committees:

Corporate Asset Sub Committee
Nick Bensted Smith (Chairman)
Dominic Christian (Deputy Chairman)

Finance Grants Oversight and Performance Sub Committee
Simon Duckworth (Chairman)
Philip Woodhouse (Deputy Chairman)

Information Technology Sub Committee
Randall Anderson (Deputy Chairman)

- Members noted that Jeremy Mayhew would serve as Chairman of the Efficiency and Performance Sub Committee and Jamie Ingham Clark would serve as Chairman of the Information Technology Sub Committee and Deputy Chairman of the Efficiency & Performance Sub Committee.
- Members agreed to the following appointments of Members of the respective Sub Committees:

Corporate Asset Sub Committee

Nick Bensted Smith
Dominic Christian
Randall Anderson
Michael Hudson
Deputy Wendy Hyde
Deputy Philip Woodhouse

Members also noted the appointment of the following Members of other Committees to CASC: Marianne Fredericks, Joyce Nash and Jeremy Simons representing Policy and Resources; Alderman Gowman representing the Property Investment Board.

Efficiency and Performance Sub Committee

Randall Anderson
Alderman Howard
Paul Martinelli
Hugh Morris
Ian Seaton
Deputy Philip Woodhouse

Finance Grants Oversight & Performance Sub Committee

Simon Duckworth
Deputy Philip Woodhouse
Nick Bensted Smith
Oliver Lodge

Information Technology Sub Committee

Randall Anderson
Tim Levene

Furthermore, the following Members of the Court of Common Council have expressed an interest in re-joining the Sub Committee for 2018/19; John Chapman, James Tumbridge and Sylvia Moys, Members were supportive of their re-appointment for the ensuring year.

Members also noted the prospective appointment by the Police Committee on 24th May of one Member appointed to serve as a Special Interest Area Holder.

The Chairman expressed his thanks to Hugh Morris for his work as Deputy Chairman during the past year, of the Information Technology Sub Committee.

Appointments of Committee representatives to other Corporation positions

- Members agreed to the following appointments of representatives:

Establishment Committee (1):
Deputy Jamie Ingham Clark

Barbican Centre Board (1):
Deputy Wendy Hyde

Project Sub Committee (2):
Randall Anderson and Nick Bensted Smith

Streets and Walkways Sub Committee (1):
Paul Martinelli

Representative for informal consultations with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty Allowances (1):
Nick Bensted Smith

- Members also noted that the Chairman and Deputy Chairman would be:

Members of the Resource Allocation Sub Committee and the Finance Committee Representatives for informal consultations with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty (in addition to Nick Bensted Smith) and;

Ex-officio Members of:

Policy and Resources Committee

Investment Committee

Audit and Risk Management Committee

The Hospitality Working Party (P&R)

- In addition, Members noted that the Chairman will be an ex-officio Member of the:

Social Investment Board

Cultural Working Group

Public Relations and Economic Development Sub

Members also agreed that the Committee should continue to meet “every fourth week on Tuesdays” with the exception of recess periods.

11. **GRESHAM MUSIC COLLECTION CONSERVATION**

The Committee considered a Report of the Town Clerk concerning the conservation of the Gresham Music Collection.

RESOLVED – that Members approved the allocation of £18,477 from the Finance Contingency Fund to pay for the immediate restoration works necessary for the Gresham Music Collection (noting that the total cost of the works is £36,954, with £18,477 to be funded each from the City Corporation and the Worshipful Company of Mercers).

12. **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.

A Member queried the level of confidence officers had about being able to reduce CR16 (Information Security) to green in the medium term (page 40). First, officers had to demonstrate how CR16 would be reduced to amber.

The Chairman of the IT Sub Committee and officers responded that a great deal of work was being done. A deep dive had been produced for Members at the last IT Sub Committee meeting and what had become apparent was the evolving nature of the risk; the boundary between red, amber and green was much more fluid than in other risk areas and the decision was made to keep CR16 at red. That said, a programme of work was being carried out, and the goal was to mitigate the risk as much as possible, not least in preparation for the roll out of GDPR.

The Chairman briefly spoke about CR23 (Police Funding). A constructive discussion had recently taken place between the Town Clerk and Chamberlain on strengthening assurance. The Town Clerk would be underlining the importance of the Police working with others across the Corporation to ensure medium term financial sustainability.

RESOLVED – That the Committee noted the report.

13. **CITY PROCUREMENT QUARTERLY RESULTS**

The Committee considered a Report of the Chamberlain concerning the quarterly report for City Procurement and the annual performance figures for the 2017/18 financial year.

A Member raised a query regarding the methodology used to determine what the target price is per contract. The Chamberlain responded that there is a range of ways of determining this. Post meeting, he would provide the Member with an extract from the Corporate Procurement Efficiency and Savings

Process Manual, on setting the 'baseline' cost against which the actual new price will be calculated.

RESOLVED – that Members noted the following:

- Procurement savings achieved £6.98m, against a target of £6.47m.
- New service of Commercial Contract Management, achieved savings of £311k against a target of £550k. The shortfall will be added to this year's target to be presented at June Finance Committee.
- Purchase Order Compliance was 97%.
- Supplier Payments
 - 95% of all supplier payments happening within 30 days (Target 97%).
 - 76% of SME payments happening within 10 days (Target 88%).
- 93% of invoices are currently received electronically.
- The City Procurement service costs £3.08m, with a breakdown found at paragraph 13 in the main report.

14. **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.

RESOLVED – that the Committee noted the report.

15. **BUSINESS PLAN END OF YEAR UPDATE**

The Committee considered a Report of the Chamberlain concerning a year end summary of the Chamberlain's Departmental Business Plan.

RESOLVED – that Members noted the Report.

16. **NOTE FROM POLICE COMMITTEE**

Members considered the note from the Police Committee.

The Chairman wanted to reassure Members of the Finance Committee (including those Members who also sat on Police Committee) that there was no antagonism towards the City of London Police. Moreover, Finance Committee's job was not to second guess the operational decisions of the Police but a key part of its remit was to ensure the Police had robust plans in place to ensure financial sustainability.

A Member (who also sits on the Police Committee) stressed that the aim of the note was to give Finance Committee forewarning of the strong likelihood that a

rise in funding will be required in the medium term to help mitigate new challenges. The Police Committee wants to avoid “surprising” Finance Committee with requests for extra cash.

RESOLVED – that Members noted the Report.

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

There was one question.

A Member queried why the Report on the Priority Investment Pot process had not been circulated to the Finance Committee, as it had been to P&R and the Resource Allocation Sub Committee.

The Chairman requested that this should come to the Finance Committee for information at the next meeting.

Furthermore, the Chairman requested a regular update report (on a quarterly basis) informing Members of:

- the criteria for bids
- approvals that quarter
- Rejections that quarter

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

There were no urgent items.

19. **EXCLUSION OF THE PUBLIC**

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

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

The non-public minutes of the meeting held on 10th April were approved as an accurate record.

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

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

22. **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 the non-public sessions at recent meetings of the Committee’s Sub-Committees.

23. **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 10th April 2018

The non-public minutes of the Finance Grants Sub-Committee meeting held on 10 April 2018 were noted.

24. **CORPORATE CATERING SERVICES - CONTRACT AWARD**

The Committee considered a Report of the Chamberlain concerning a contract award for Corporate Catering Services.

25. **MANDATORY REVIEW OF CORPORATE PURCHASE CARD HOLDERS AND CREDIT LIMITS**

The Committee considered a Report of the Chamberlain concerning the review of Corporate Purchase Card Holders and Credit Limits.

26. **ELECTRICITY AND GAS PROCUREMENT STAGE 1 STRATEGY REPORT**

The Committee considered a Report of the Chamberlain concerning the provision of Energy (Electricity and Gas) Supplies.

27. **ST LAWRENCE JEWRY**

The Committee considered a Report of the City Surveyor concerning the St Lawrence Jewry Church.

28. **GRESHAM COLLEGE FUNDING ARRANGEMENTS**

The Committee considered a Report of the Chamberlain concerning funding arrangements for Gresham College.

29. **SALE OF 1-5 LONDON WALL BUILDINGS**

The Committee considered a Report of the City Surveyor concerning 1-5 London Wall Buildings EC2.

30. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

The Committee noted a report of the Town Clerk detailing three non-public decisions taken under delegated authority and/or urgency procedures since the last meeting.

31. **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.

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

The Committee considered one item of urgent business.

The meeting ended at 3.45 pm

Chairman

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DRAFT

Finance Committee – Outstanding Public Actions

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
1	8 th May 2018	<p><u>Questions on Matters Relating to the Work of the Committee (ITEM 17)</u></p> <p>A Member queried why a Report on the Priority Investment Pot process had not been circulated to the Finance Committee</p> <p>The Chairman requested that this should come to the Finance Committee for information at the next meeting.</p> <p>Furthermore, the Chairman requested a regular update report (on a quarterly basis) informing Members of three areas:</p> <ul style="list-style-type: none"> • the criteria when making a bid • approvals that quarter • Rejections that quarter 	<p>John Cater to circulate PIP process Report</p> <p>Caroline Al-Beyerty (for the quarterly update Reports)</p>	Report to be circulated to June Committee	Report included for Information in Finance Agenda Pack (05/06)

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Committee: Finance Committee	Date: 5 June 2018
Subject: Public Report of the work of the Sub-Committees	Public
Report of: Town Clerk	For Information
Report author: John Cater, Town Clerk's Department	

Summary

On 19 July 2016, the Finance Committee agreed that, in addition to draft minutes of Sub-Committee meetings, short reports be provided to advise the Committee of the main issues considered by the Sub-Committees at recent meetings. This report sets out some of the main public issues considered by the following Sub Committees since 8th May 2018:

Corporate Asset Sub Committee – 21 May 2018

Verbal Report of the Chairman

Efficiency & Performance Sub Committee – 23rd May 2018

Verbal Report of the Chairman

Information Technology Sub Committee – 31 May 2018

Verbal Report of the Chairman

Recommendations

The Committee is asked to note these verbal updates.

John Cater

Senior Committee Services Officer, Town Clerk's Department

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Committees:	Date:
Finance Committee	5 June 2018
Subject: Further appointments to the Finance Committee and the Finance Sub-Committees	Public
Report of: Town Clerk	For Decision
Report author: John Cater, Town Clerk's Department	

Summary

Following the appointment of the Finance Committee at the April meeting of the Court of Common Council and the appointment of the Finance Sub-Committees at the Finance Committee meeting on 8th May, there have been some developments to the respective memberships of the Grand Committee, the Finance Grants Oversight and Performance Sub-Committee and the Information Technology Sub-Committee.

Finance Committee

Caroline Haines has stepped down from the Committee. A letter to all Members of the Court of Common Council requesting expressions of interest for the vacancy, has been circulated. A new Member of the Finance Committee will be appointed at the Court of Common Council meeting on 21st June 2018.

Finance Grants Oversight and Performance Sub-Committee

After the appointments to the four Finance Sub Committees were made at the 8th May meeting of the Grand Committee, the Finance Grants Oversight and Performance Sub-Committee still carried one vacancy, subsequently the Town Clerk invited Members of the wider Court to express their interest in this vacancy.

At the deadline for responses (4pm on the 24th May), we received one expression of interest from **Mark Wheatley**.

Information Technology Sub-Committee

After the meeting of the Grand Committee on 8th May, Deputy Robert Merrett and Alderman Andrew Parmley expressed an interest in serving on the Sub-Committee. Furthermore, Keith Bottomley was nominated as Police SIA Holder at the Police Committee meeting of 24th May.

Recommendations

Members are asked to **note** that a letter to all Members of the Court of Common Council has been circulated, requesting expressions of interest for the vacancy created by Caroline Haines stepping down from the Committee. A new Member of the Finance Committee will be appointed at the Court of Common Council meeting on 21st June 2018.

Members are asked to **approve** the following:

- One candidate from those Members of the Court of Common Council who expressed an interest in serving on the Finance Grants Oversight and Performance Sub-Committee. At the deadline for responses (4pm on the 24th May), we received one expression of interest from **Mark Wheatley**
- That Deputy Robert Merrett and Alderman Andrew Parmley are appointed as Members of the Information Technology Sub-Committee

Furthermore, Members are asked to **note** that Keith Bottomley has been nominated by the Police Committee as Police SIA Holder.

John Cater

Town Clerk's Department

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Committee Finance Committee	Dated: 5 June 2018
Subject Launching a new Procurement Sub Committee	Public
Joint Report of: The Chamberlain & The Town Clerk	For Decision
Report authors: John Cater, Senior Committee & Members Services Officer, Town Clerk's Department and Chris Bell, Commercial Director, Chamberlain's Department	

Summary

We are proposing to launch the Procurement (Finance) Sub Committee in July 2018. The aim of the Sub Committee is to scrutinise and approve all City Corporation and City of London Police procurement contracts above £2m on behalf of the Finance Committee (procurement contracts above £4m will continue to receive final approval at the Court of Common Council).

Recommendations

- a) Approve the establishment of the Sub Committee
- b) Approve the terms of reference and composition
- c) Approve the frequency of meetings
- d) Nominate up to six Members of the Finance Committee to serve on the Sub Committee.

Main Report

Implications and aims

This establishment of the Sub Committee would transfer the Grand Committee's remit to approve procurement contracts to the Sub Committee. It is felt that rather than a Grand Committee of 30+ members with a limited amount of time each month to carry out a deep dive review of a procurement contract, a smaller group, with more time to focus on the specifics and fine points of procurement contracts, would add more value as the decision maker.

The Finance Committee would retain its remit on overall procurement strategy i.e. items that cut across the Corporation (e.g. our approach to procurement after Brexit).

The aim is to give Members a forum to support officers to plan procurement effectively and drive value for money through the review of in scope procurement contracts.

Membership

The Sub Committee would be limited in number, we are requesting expressions of interest from any Members of the Finance Committee, but we would encourage those with a particular expertise or experience in Procurement to serve. We would also invite a Member from the relevant Spend Committee to attend meetings in a non-voting capacity (e.g. when considering a contract for cleaning at the Barbican, we would invite a Member of the Barbican Centre Board to attend the meeting)

Frequency of Meetings

Meetings would be scheduled monthly (excluding August) to reflect the average 1 or 2 procurement contracts reaching key stages each month (see appendix 1 for provisional schedule). The Sub Committee meetings would be confirmed in the calendar but could be cancelled if there wasn't business to discuss. (in practice, it is unlikely we would hold 11 meetings per year).

Next Step

The first meeting of the Sub Committee would be scheduled in July 2018. We would begin with an introduction to the Corporation's procurement framework and other overarching issues. This would be led by representatives of City Procurement.

Proposed Procurement Sub Committee Composition and Terms of Reference

Composition

- Chairman – to be proposed by the Chairman of the Finance Committee (if the Chairman of the Finance Committee does not intend to take up the position)
- Deputy Chairman – to be proposed by the Chairman of the Finance Committee (if the Deputy Chairman of the Finance Committee does not intend to take up the position)
- Chairman of the Finance Committee
- Deputy Chairman of the Finance Committee
- **Four** additional Members of the Finance Committee

Terms of Reference

- To scrutinise and be responsible for value for money on all City of London Corporation and City of London Police procurement contracts above £2m (total contract value, as per the current threshold) at key stages, including initial tender strategy to final contract award sign off.
- To consider and recommend all procurement contracts above £4m to the Court of Common Council
- To invite representative(s) from the relevant Spend Committee to attend meetings
- To provide officers with advice focused specifically on value for money, and consider lessons learned when major contracts are coming to an end (i.e. before the (re)tender process begins)
- To work with the Grand Committee to review and to monitor performance against the Chamberlain's Departmental Business Plan and related corporate initiatives in order to promote value for money and ensure compliance with the UK Public Contract Regulations and the Corporation's Procurement Code.
- The quorum for Procurement Sub-Committee meetings is three

Appendix 1: Provisional forward view of reports we anticipate coming for approval that would be of the nature expected to go through the new Sub Committee:

July 2018

- Housing Repairs, Maintenance and Void Services – Stage 1 strategy report
- Corporate Security (Manned Guarding) – Stage 1 strategy report
- Integrated Substance Misuse and Tobacco Control services – Stage 1 strategy report

September 2018

- Barbican Media Planning services – Stage 1 strategy report
- Supply of Gas and Electric – Award report
- Corporate Lift repairs and maintenance – Stage 1 strategy report

October 2018

- Integrated Substance Misuse and Tobacco Control services – Award report

November 2018

- Housing Repairs, Maintenance and Void services – Award report

December 2018

- Barbican Media Planning services – Award report

- Travel Management Services and Booking tool – Stage 1 strategy report
- Waste Collection, Street Cleansing and Ancillary Services – Award report
- Minor Works Intermediate Framework (2 lots) – Award report

January 2019

- Major Works Framework (4 lots) – Award report

March 2019

- Corporate Lift Repairs and Maintenance – Award report

April 2019

- Travel Management Services and Booking tool – Award report

June 2019

- Corporate Security (Manned Guarding) – Award report

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Committees	Dated:
Police Committee Finance Committee Policy and Resources Committee Resource Allocation Sub-Committee	24 th May 5 th June 7 th June 5 th July
Subject: Cyber Security Strategy	Public
Report of: Commissioner of the City of London Police Director of Economic Development	For Decision
Report authors: Charlie Morrison, Simon Horner	

Summary

The City of London's financial and professional services (FPS) industry faces a unique cyber threat, and as a sector designated as Critical National Infrastructure, there is a need to enhance its protection from future attack.

The City of London Police (CoLP) is an active, experienced player in this space, and now seeks to build on its expertise to develop and implement a new initiative, 'Cyber Griffin'. Modelled on its successful 'Project Griffin', it will help the Square Mile's FPS sector better self-protect itself against cyber-attack.

Being cyber secure as a financial services centre, is also essential if we are to maintain our competitive position. Other financial centres are launching initiatives of their own. We must use our own unique assets to create the strongest offer to businesses to help them be more cyber secure.

CoLP and the Economic Development Office (EDO) of the City of London Corporation (Corporation) therefore propose to partner to develop and deliver a cyber strategy incorporating:

- the Cyber Griffin initiative, which will include expert briefing, training and scenario planning to help businesses in the Square Mile defend against cyber-attack;
- a cyber security incident response exercise developed by the University of Bristol (Bristol) as well as tailored research;
- bespoke products and advice from the Global Cyber Alliance (GCA); and
- stakeholder liaison, promotion, and project management by EDO to optimise implementation of the strategy.

Recommendations

- 1) Policy and Resources Committee to agree in-principle to support and approve the cyber strategy.

- 2) Finance Committee to agree to uplift the City of London Police budget for the amount of £870k for 2018/19, and EDO's budget for the amount of £55k.
- 3) Resource Allocation Sub Committee are asked to approve an increase to the base budget of the City of London Police of £450k and EDO's budget for £55k, for 2019/20 for the initial launch and piloting of Cyber Griffin (over two years), to be drawn from City's Cash.
- 4) Police Committee to note the cyber strategy and provide a recommendation to support it to P&R and Finance Committee.
- 5) Note that pending the initial success of Cyber Griffin, CoLP and EDO will present a business case to seek long-term funding, to continue to deliver the strategy, beginning in 2020/21 Budget.

Links to the Corporate Plan

This proposal primarily maps to Outcome 12 of the Corporate Plan – Our spaces are secure, resilient and well-maintained. In particular, this links to the theme of building resilience to natural and man-made threats ['fraud and cybercrime'] by strengthening, protecting and adapting our infrastructure, directly and by influencing others under the aim of shaping outstanding environments.

This proposal also supports the CoLP Corporate Policing Plan 2018-2023 – Developing a world class digital policing environment, supporting safety by design and leading the delivery of a safe place to live, work and visit.

Main Report

1. Recent cyber-attacks, including Wannacry and NotPetya, demonstrated the growing threat of cyber-crime posed to the UK. A recent Government survey showed 43% of UK businesses identified cyber security breaches or attacks in the last 12 months, representing 42% of micro/small businesses and 65% of medium/large businesses.¹
2. The costs of cyber-crime are significant. In the year ending March 2016, City of London businesses lost over £45 million due to online crime based on National Fraud Intelligence Bureau records.² In 2011, the Government estimated cyber-crime undertaken for financial gain cost the UK economy £27 billion every year, although the real impact is likely to be much greater.³ Although the effect on citizens and Government is considerable, most of the impact is borne by business.
3. The financial services sector is the most vulnerable to cyber-attack. IBM X-Force reported that in 2016, the average financial services client organisation monitored by IBM Security Services experienced 65% more attacks than the average client organisation.⁴
4. These figures reflect the need for proactive, robust cyber defence to protect the City's FPS sector, which has been designated as Critical National Infrastructure.
5. CoLP is already developing the City of London's cyber resilience and now proposes to build on this extensive expertise to develop and implement a cyber strategy incorporating:
 - A. the Cyber Griffin initiative (see [8] to [11] below);
 - B. a cyber security incident response exercise developed by the University of Bristol (Bristol) as well as tailored research (see [12] below);
 - C. GCA developed technical and subject matter specific products and materials, customised for the FPS sector (see [13] to [14] below); and
 - D. an EDO resource to manage implementation (see [15] to [16] below).
6. Following the two-year pilot, CoLP and EDO anticipate the strategy, particularly the Cyber Griffin model, will eventually be scaled beyond the Square Mile – across London, the UK and beyond. Ultimately the strategy will grow the City of

¹ Department for Digital, Culture, Media & Sport, Ipsos MORI and University of Portsmouth, *Cyber Security Breaches Survey 2018*, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/701840/CSBS_2018_Infographics_-_General_Findings.pdf (accessed 2 May 2018).

² City of London Police, 'Over £45 million lost by businesses in the City of London to online crime in the last year', *City of London Police* [website], 13 June 2016, <https://www.cityoflondon.police.uk/advice-and-support/fraud-and-economic-crime/nfib/nfib-news/Pages/Over-45-million-lost-by-businesses-in-the-City-Of-London.aspx>, (accessed 2 May 2018).

³ Cabinet Office and Detica, *The Cost of Cyber Crime: A Detica report in partnership with the Office of Cyber Security and Information Assurance in the Cabinet Office*, February 2011, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/60943/the-cost-of-cyber-crime-full-report.pdf (accessed 3 May 2018).

⁴ Ponemon Institute LLC and Accenture, *2017 Cost of Cyber Crime Study*, October 2017, https://www.accenture.com/t20171006T095146Z_w_us-en/_acnmedia/PDF-62/Accenture-2017CostCybercrime-US-FINAL.pdf#zoom=50 (accessed 3 May 2018).

London's brand as a global leader in cyber innovation, as well as creating opportunities to monetise it directly.

7. The pilot scheme, to be funded for two years, will focus delivery within the Square Mile. Development of the strategy beyond the two-year pilot and beyond the Square Mile will be subject to a business case and funding strategy later in 2019/20.

A. Cyber Griffin

8. Cyber Griffin will be implemented using the Project Griffin delivery model and will aim to prepare the Square Mile's business community for cyber-attacks by focusing on effective defence. Further detail about the Project Griffin initiative is at Annex 1.
9. Cyber Griffin will offer the following key services for free to businesses in the Square Mile:
 - **Base Line Briefing:** monthly open attendance briefings designed to build defender skills in key areas.
 - **Base Line Incident Response:** including table-top exercises developed by Bristol, in which cyber security decision making is evaluated and red flag exercises which examine readiness in real time response conditions and teach key police decision making skills.
 - **Cyber Advisory Group:** an assembly of senior professionals in cyber security, which meets regularly to advise third parties on best practice and appraise new approaches to cyber-threats.
10. CoLP expects significant demand from businesses in the Square Mile for the services offered by Cyber Griffin because in CoLP's experience:
 - cyber security is a leading business concern, but the area is experiencing an extreme shortfall in cyber security personnel;
 - cyber security support is extremely expensive, so access to the free services offered by Cyber Griffin is likely to be popular; and
 - the Cyber Griffin services were developed by consulting with businesses on their priority needs and as a result, some businesses have already signed up to the services to be offered. It is anticipated that, as the initiative is publicised, others are likely to share this interest.
11. By offering its services for free, Cyber Griffin will allow businesses in the Square Mile to:
 - to train their staff on key cyber security areas every year;
 - access the latest local and global intelligence while building inter-industry ties and closing intelligence gaps through knowledge pooling; and
 - improve the efficiency and quality of their cyber incident responses.

Further detail about the content, delivery and impact of the Cyber Griffin programme is at Annex 2.

B. Bristol University incident response exercise and research

12. As part of the Base Line Incident Response exercise, Cyber Griffin will offer a premium table-top simulation exercise. Bristol University will be engaged to:

- develop the new table-top exercise, building off its successful ‘Decisions and Disruptions’ cyber security incident response exercise, to help organisations simulate and ultimately plan for an unfolding attack at board level and within teams; and
- use insights from its analysis of the exercise to prepare presentation materials to support CoLP briefings, generate practitioner reports, and develop academic articles to inform the wider community about how best to respond to future attacks.

Further detail on the Bristol offering is at Annex 2.

C. GCA

13. GCA, a not-for-profit entity founded by CoLP, the New York District Attorney and the Centre for Internet Security, is focused on uniting global communities against cyber risk.

14. Under the cyber strategy, GCA will amplify its engagement with the City of London’s FPS sector by producing a suite of tailored products and services. These technical and subject matter specific materials will support the frontline training delivered through Cyber Griffin and will include:

- online best practice guides and other material, which could be co-branded by GCA and the City of London Corporation;
- cyber workshops and webinars; and
- a business ‘toolkit’ targeted at FPS suppliers and customers, including cyber good practice advice and tools to enhance cyber protection.

Further detail about GCA’s offering is at Annex 3.

D. EDO

15. The Cyber Griffin proposal supports the aim of the Government’s National Cyber Security Strategy for 2019 to 2021 to make the UK secure and resilient to cyber threats by equipping citizens and businesses with the knowledge and ability to defend themselves against cyber-attack. EDO can engage with its government contacts to ensure continued alignment on cyber outcomes. EDO can also provide strategic, communications and project management support to help grow the Cyber Griffin brand and promote uptake by businesses through EDO’s extensive network of senior professionals.

16. As Cyber Griffin develops as a service and as a brand, EDO can continue to support its growth beyond local service delivery, to wider markets in London, the UK and overseas.

Funding request

A. Cyber Griffin

17. The Cyber Griffin programme is currently only supported by one CoLP staff member, which severely limits the reach of the initiative.

18. CoLP therefore requests funding to engage and train additional officers to roll out Cyber Griffin and enable the purchase of necessary IT equipment. The funding requested for this element of the strategy is:

- **£400,000** to recruit five Cyber Security Advisers (CSAs) at Constable or Private Constable level to deliver the Cyber Griffin programme (further detail on the role of CCTAs is at Annex 2);
- **£245,000** for a full suite of training for the five new and one existing CSAs officers; and
- **£20,000** for IT equipment,

amounting to a total of **£665,000**.

B. Bristol incident response exercise and research

19. CoLP requests one-off funding of **£105,000⁵** for Bristol to provide the table-top exercise and research for Cyber Griffin outlined at [12] above. CoLP will own the intellectual property this generates.

C. GCA

20. CoLP requests one-off funding of **£150,000** for the GCA to provide the materials supporting Cyber Griffin outlined at [13] to [14] above.

D. EDO resource

21. EDO requests a dedicated Grade E Policy Advisor. The estimated gross salary for this resource is **£55,000**.

E. Total

22. The following table outlines the total funding requested:

Item	Funding request	Funding request
	2018/19	2019/20
	£'000	£'000
Five CSAs, training and equipment	665	400

⁵ This estimate is provisional, and subject to finance approval from Bristol.

Item	Funding request	Funding request
	2018/19 £'000	2019/20 £'000
Bristol wargame and research	55	50
GCA	150	-
EDO resource (estimated gross salary including pension and national insurance costs)	55	55
Total	925	505

23. The funding strategy for this Cyber Griffin pilot is to increase the City of London Police's local risk budget and EDO's local risk budget, from City's Cash for the amounts set out in the table above. This budget will be ring-fenced to provide the Cyber Griffin trial.

Governance and Reporting

24. The success of the cyber strategy, for the duration of the pilot program, will be measured by the number of businesses that successfully complete the Cyber Griffin programme. Running at full capacity, for year 1, we could service up to 100 businesses with the Cyber Griffin program, not including those who simply receive the briefing.

25. We also want to ensure that we deliver a product of the highest quality, so we will survey those businesses, at the time of completion of the Cyber Griffin programme, and six months after, to measure what difference it has made to their confidence in cyber security. This survey has already been designed and tested.

26. To report against progress for the strategy, we will set up a joint steering group co-chaired by EDO Director and the Police Commissioner, with P&R Chair, Police Committee Chair, and one additional member from each committee.

27. A further business case will then be presented to assess the performance of the trial period and seek any further funding required on an ongoing basis, incorporating alternative funding sources and/or monetarisation, during 2019/20 to fund the ongoing operation of Cyber Griffin from 2020/21 should the pilot be extended into business as usual.

Corporate and strategic implications

28. In addressing the emerging cyber threats facing the City of London, this proposal directly contributes to the achievement of a number of outcomes from the Corporation's Corporate Plan. By building resilience within the City to 'fraud and cybercrime' the proposal primarily maps to Outcome 12 – Our spaces are secure, resilient and well-maintained, under the theme of 'build resilience to natural and man-made threats by strengthening, protecting and adapting our infrastructure, directly and by influencing others'.

29. This proposal also enables the Corporation to assert national leadership and advise internationally on the fight against cyber-crime, helping to promote the City's world class legal and regulatory framework. This maps to Outcome 6 – We have the world's best legal and regulatory framework and access to global markets.
30. It also ensures the City remains a global hub for FPS innovation by supporting businesses in preparing for technological transformation of the economy and because participation in Cyber Griffin could be a competitive advantage for City firms (Outcome 7 – We are a global hub for innovation in financial and professional services, commerce and culture). Recent research indicates some firms are already considering how their cyber investment could be a value-add for their customers, either as a market differentiator or the basis for enhanced security-based products and services.⁶
31. More broadly, the proposal will help maintain the competitiveness of the City's FPS offering, when faced with the innovative cyber protection initiatives being launched by its competitors. For example, Mayor de Blasio of New York City recently launched NYC Secure, which includes a free smartphone app which issues warnings when suspicious activity is detected on mobile devices and new protections for the public WiFi network, becoming the first city to provide such services for free (Outcome 9 – We are digitally and physically well-connected and responsive, Outcome 10 – We inspire enterprise, excellence, creativity and collaboration and Outcome 1 – People are safe and feel safe).

Conclusion

32. CoLP seeks to emulate its success with Project Griffin in combatting the cyber threat currently facing the City of London's FPS sector. The proposed strategy, combining the people-focused Cyber Griffin initiative backed by cutting edge table-top exercises and data analysis, and GCA's product offering, represents a holistic approach to deterring and defending against cyber-attacks. By partnering with CoLP, EDO can amplify the positive impacts on the City's cyber environment.
33. The initiatives in the proposed strategy will enable FPS businesses in the Square Mile to build their cyber readiness and resilience through free access to innovation, cyber advice, products, services and skills.
34. Ultimately, this model is designed to be scalable beyond the Square Mile to wider London, the UK and the rest of the world. This will contribute to the creation of a globally significant brand in cyber security, cementing the City's position and enhancing its reputation as a leader in this vital field.

⁶ TheCityUK and Marsh, *Governing Cyber Risk: a guide for company boards*, 25 April 2018, <https://www.thecityuk.com/assets/2018/Reports-PDF/Governing-cyber-risk-report.pdf> (accessed 2 May 2018).

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Annex 1: Background

1. In 2004, the City of London Police (CoLP) faced sustained terror threats. The City was a high value target and a terrorist incident would have been likely to overwhelm police resources. The situation forced a change in police approach and resulted in the launch of 'Project Griffin' in April 2004. The initiative was designed to help the financial sector better self-protect against terror threats.
2. Essentially, Project Griffin seeks to recruit the community to combat the terror threat. CoLP's highly trained Counter Terrorism Security Advisers (CTSAs) educated City workers on counter terrorism measures, trained security staff working in the City to support CoLP critical incident responses and established lines of communication to make the community CoLP's 'eyes and ears'.
3. Project Griffin's extraordinary success at developing a community-based protection network has resulted in the model being adopted nationally and overseas.
4. The National Counter Terrorism Security Office (NaCTSO) has since developed a complementary programme, 'Project Argus', a multimedia simulation posing questions and dilemmas for participants working in syndicates. Project Argus aims to raise firms' awareness of the terrorist threat and provide practical advice on preventing, handling and recovering from an attack. The initiative highlights the importance of being prepared and having necessary plans in place to help safeguard staff, visitors and assets.
5. The successful implementation of Projects Griffin and Argus relied on the expertise of CTSAs, who are specially trained and tasked by NaCTSO. CTSAs' high level of technical knowledge, has enabled them to deliver effective counter terrorism briefings, advice and presentations to participants and to develop innovative new counter terrorism techniques, such as behaviour detection. CTSAs remain the backbone of CoLP's successful counter terrorism projects.
6. CoLP's experience with Project Griffin suggests a community-based approach will be more effective at promoting cyber resilience in the City of London than current efforts focused on media campaigns and non-technical briefings to audiences on invitation.

Annex 2: Cyber Griffin

A. Overview and impact

1. The Cyber Griffin programme encompasses three operational deliverables – base line briefing, base line incident response and a Cyber Advisory Group – underpinned by a team of specialist Cyber Security Advisers (CSAs) to run these services.
2. Cyber Griffin will be implemented using the Project Griffin delivery model (see Annex 1) and will aim to prepare the Square Mile's business community for cyber-attacks by focusing on effective defence. It will involve the deployment of a comprehensive cyber briefing and training agenda, including a table-top exercise developed by the University of Bristol.
3. While initially restricted to businesses in the Square Mile, CoLP's Project Griffin experience suggests the strategy could, over time, be reproduced and scaled in the wider London area, the UK and ultimately at a global level.
4. Such a cohesive, well-rounded, strategic response to the cyber threat could position the City of London at the forefront of the global response to cyber-terrorism, a first adopter of innovative, cyber defence initiatives and a safer and more attack-ready ecosystem in which to do business.
5. Key stakeholders – including the National Cyber Security Centre (NCSC), the Department for Digital Culture Media and Sport, HM Treasury, Bank of England, cyber security product and service providers, Royal Holloway University London and Queens University Belfast – have expressed support.
6. A failure to develop the City of London's cyber security offering will risk the financial and professional services (FPS) sector remaining more vulnerable to cyber-attacks than it otherwise would be, and unable to respond as effectively in the event of an attack. The City will also languish behind other jurisdictions in growing a cyber ecosystem as part of its financial services offer.

B. Operational deliverables

7. Cyber Griffin will offer a comprehensive cyber training suite to businesses, comprised of:
 - **Base line briefing:** monthly open attendance briefings designed to build defender skills in key areas. The briefings would be based on NCSC's '10 Key Areas of Cyber Security' (2017), applying a modular approach which provides a standard level of education and allows attendees to be certified when they attend a core briefing.
 - **Base line incident response:** an exercise comprising three grades, including an informal consultation in which companies discuss their procedures and readiness with trained officers, table-top exercises in which cyber security decision making is evaluated (see [10] to [13] below), and red flag exercises which examine readiness in real time response conditions and teach key police decision making skills.

- **Cyber Advisory Group:** an assembly of senior professionals in cyber security, including but not limited to police officers, which meets regularly to advise third parties on best practice and appraise new approaches to cyber-threats, thereby assisting businesses and sharing knowledge.
8. These services will be delivered by CoLP's CSAs. Like Project Griffin's Counter Terrorism Security Advisers, CSAs will be given advanced technical training from a range of sources, to enable them to deliver these services to a high standard.
 9. CSA training will be delivered on a continual basis, to ensure CSAs remain at the forefront of the evolving cyber threat environment. This extensive training reflects the importance of CSAs to building the credibility of the programme.

C. Premium training tools, research and analysis

10. As part of the Base Line Incident Response exercise, Cyber Griffin will offer a premium table-top simulation exercise.
11. The University of Bristol (Bristol) will be engaged to:
 - develop the new table-top exercise, building off its successful 'Decisions and Disruptions' cyber security incident response exercise, to help organisations simulate and ultimately plan for an unfolding attack at board level and within teams; and
 - use insights from its analysis of the exercise to prepare presentation materials to support CoLP briefings, generate practitioner reports, and develop academic articles to inform the wider community about how best to respond to future attacks.
12. Bristol's Cyber Security Group has a long track record of collaborating with law enforcement on cyber security issues. The group combines academic rigour with real world impact. It recently worked with the FALCON unit of the London Metropolitan Police, which adopted the Decisions and Disruptions wargame to educate business leaders on how to protect their companies from cyber-attacks.
13. The Bristol initiative will include:
 - engaging Professor Awais Rashid, head of the Bristol Cyber Security Group, to commit 2.5% of his time to the project over 24 months;
 - engaging Dr Ben Shreeve to work on the initiative at 40% capacity over 24 months;
 - designing, testing and running multiple iterations and conducting rigorous analysis to determine the effectiveness of the new table-top exercise;
 - travelling to CoLP for development of the table-top exercise and data collection;
 - transcribing recordings from the exercise for subsequent analysis; and
 - disseminating results at national and international conferences.

D. Outcomes

14. In the first year of the programme, it is expected Cyber Griffin will have:

- CSAs will have completed their initial specialist training giving them the required skills to deliver Cyber Griffins three operational deliverables, although they will not yet be deemed experts.
- Regular, well attended, cyber threat briefings will be in place and accessible to anyone who works in the Square Mile.
- The first grade of the base line incident response deliverable will be in place, allowing any business in Square Mile to consult with a trained officer to establish the best practice business planning required before an effective cyber incident response can be achieved.
- The second grade of the base line incident response deliverable will be in place, with CSAs regularly running a table-top exercise designed to teach business executives key cyber incident response concepts.
- The third grade of the base line incident response deliverable will be in development. Exercises designed to test business incident response readiness in live time with training on police decision making and logging will have been created.
- The Cyber Advisory Group deliverable will be in place, comprising of experts chosen for their representation of different areas of cyber security and chaired by CoLP. The Group will be available to provide businesses in the Square Mile with reliable, neutral specialist advice.

15. If the programme is supported for four years it is expected CSAs will be leading experts in their field, new incident response exercises (underpinned by Bristol research) will have been created and delivered and the three operational deliverables and the training required to achieve them will be able to be packaged and scaled outside the City of London.

Annex 3: Global Cyber Alliance

1. Global Cyber Alliance (GCA), a not-for-profit entity founded by CoLP, the New York District Attorney and the Center for Internet Security, is focused on uniting global communities against cyber risk across sectors, implementing concrete solutions to mitigate and eradicate systemic cyber risks, and measuring and transparently reporting on the effect of its efforts.
2. GCA now has 206 members, including Barclays, BT and Verizon, across 23 countries. It has provided cyber advice to over 20,000 businesses in the UK alone via its partners.
3. GCA's current offering includes free public access to:
 - **DMARC:** an email system configuration and domain name system (DNS) record which assures users of the sender's authenticity, thereby eliminating email spoofing; and
 - **Quad9:** an internet immune system that stops users from accessing known criminal and malware sites by using DNS to block attacks, and which was recently deployed on New York's public wi-fi network.
4. Under the cyber strategy, GCA will amplify its engagement with the City of London's FPS sector by producing a suite of tailored products and services:
 - tailored website content for EDO, CoLP and GCA;
 - online best practice guides and other material, which could be co-branded by GCA and the City of London Corporation;
 - cyber workshops and webinars;
 - regular cyber themed events;
 - media and social media publications;
 - tailored online and offline video assets;
 - a pilot in collaboration with EDO on a Smart Cities 'Internet of Things' offering; and
 - a business 'toolkit' targeted at FPS suppliers and customers, including cyber good practice advice and tools to help businesses enhance their cyber protection.
5. CSAs will use GCA's tailored materials as part of their awareness-raising and training under Cyber Griffin, supported by GCA technical and subject matter experts as required.
6. GCA's cyber-defence products and services complement Cyber Griffin's people-focused, capability-building defence and deterrence activities. Together, they will provide a holistic cyber solution for businesses in the Square Mile.
7. CoLP Commissioner, Ian Dyson QPM, has expressed CoLP's conviction that mass deployment of GCA solutions across the UK and the world will have a significant impact on the reduction of cyber-crime and fraud.

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Committee(s)	Dated:
Finance Committee – For decision Policy and Resources Committee – For decision	05062018 07062018
Subject: Funding Request for Flood Risk and Other Environmental Resilience Work During 2018/19 and 2019/20	Public
Report of: Carolyn Dwyer, Director of the Built Environment	For Decision
Report author: Paul Beckett, Policy & Performance Director, DBE	

Summary

Managing flood risk is a statutory duty of the City of London Corporation as the Lead Local Flood Authority for the City of London. The Government accepted that this was a new burden resulting from the Flood and Water Management Act (2010) and until 2015/16 made a specific grant to local authorities to cover this additional cost. The Government has stated that it will maintain this grant funding at the same level in real terms until 2020 but, to increase local government financial flexibility, subsequent grants have been received as part of the local government financial settlement (Revenue Support Grant). The Government has stated that flood risk grants will be identified as visible lines in the settlement, and that this visibility will help support vital work undertaken to manage flood risk locally, striking the right balance between flexibility and clarity over expected levels of flood risk investment.

This report is seeking an allocation of part of the Government grant received to undertake flood risk management and other activities to improve the City's resilience to flooding in accordance with the statutory responsibilities under the 2010 Act. In particular, the funding will enable the City Corporation to make further progress on actions required by its City of London Local Flood Risk Management Strategy 2014. The funding bid is for £122,000 each year for 2018/19 and 2019/20. The funds will be principally used to continue with Sustainable Drainage System statutory assessments for all major developments, to fund a new fixed term post to hasten the preparation of Local Flood Risk Management Plans for specific parts of the City, and to improve future resilience of the City at a time of rapid social, economic, environmental and technological change.

Mitigating local flood risk through the preparation and implementation of appropriate flood risk management strategies and Sustainable Drainage System projects will increase the City's resilience and its attractiveness as a world leading international financial and business centre. Not undertaking this work will increase the local flood risks with potentially serious personal safety, commercial and reputational consequences if the worst were to happen.

Recommendation(s)

Members are recommended to:

- Approve a resource base increase of £122,000 funded from the Finance Committee contingency in 2018/19 and from the non-ring-fenced new burdens flood risk management element of Government Grant in 2019/20 for future resilience work in the City including measures to reduce the risk and impact of flooding.
- Finance Committee approval is subject to confirmation by Policy and Resources Committee

Main Report

Background

1. High profile flooding incidents during the past decade led to the Government reviewing national flood management arrangements. This resulted in the Flood and Water Management Act (2010) giving new powers and responsibilities to local authorities which have been introduced in stages. Each local authority was made the 'Lead Local Flood Authority' for its local area with responsibilities to assess local flood risks and to prepare strategies for mitigating those risks.
2. The City of London Corporation is the Lead Local Flood Authority for the City of London and the responsibilities of this new role are overseen by the Planning and Transportation Committee. Many departments have a role to play in managing flood risk and the work is coordinated through an officer group led by the Dept. of the Built Environment. DBE's planning service have led on key tasks such as the preparation and review of statutory flood risk assessments to improve our understanding of the flood risk the City faces. The conclusion was that the City is at relatively low risk of most types of flooding but some parts of the City are at relatively higher risk of surface water flooding during and after heavy rainfall.

Current Position

3. The statutory flood risk assessments informed the preparation and adoption of the City's Local Flood Risk Management Strategy (2014) which includes a new commitment to prepare Local Flood Risk Management Plans for those parts of the City that have a relatively higher flood risk. DBE's District Surveyor's division has also led on a new statutory task of assessing new major development applications for their flood risk mitigation measures (Sustainable Drainage Systems - SUDS). Such resilience activities have been funded to date by ring-fenced 'new burdens' Government grant but that source has recently been merged into the non-ring-fenced local government financial settlement. Therefore there is now a need to use some of the non-ring-fenced Government Grant to fund further progress on flood risk and related environmental resilience matters.

Options

4. The City Corporation is already committed to preparing Local Flood Risk Management Plans for relatively higher risk areas in accordance with its adopted City of London Flood Risk Management Strategy. The 'new burdens' funding being sought will enable these Management Plans to be prepared during 2018-2020 and will also enable Sustainable Drainage System statutory assessments to be carried out for all major developments. Both actions will be in fulfilment of statutory duties under the Flood and Water Management Act 2010. In addition some funding is proposed to progress wider sustainability aims including climate change mitigation and adaptation initiatives.
5. Not funding these 'new burdens' in the way proposed will delay preparation of Local Flood Risk Management Plans for relatively higher risk parts of the City until alternative funds are identified. This could adversely affect the resilience of those areas and their ability to recover quickly after the event. It could adversely affect people who live or work in such areas and the operation of local businesses.

Proposals

6. Existing staff resources within DBE's planning service and the previously ring-fenced Government Grant have been used to date to oversee preparation of the flood risk assessments, the management strategy and SUDS statutory assessments. However further funding is now needed to sustain the SUDS statutory assessments and to provide additional temporary dedicated staff and consultancy support to progress the required Local Flood Risk Management Plans. The new temporary fixed term post (to end March 2020) will be line managed by the existing Senior Sustainability Officer, who has responsibility for flood risk work within DBE. Additional work is also needed on environmental sustainability and resilience in order to address climate change implications.
7. Key components of the proposed additional funding are summarised in Table 1 below. They comprise funding for SUDS statutory assessments, funding for a new temporary resilience officer post to focus on the preparation and implementation of local flood risk management plans, expansion of existing sustainability and environmental resilience activities, and funding for consultancy support with flood risk management plan preparation, consultation and other resilience issues.

Table 1: Proposed Additional Funding for Environmental Resilience

Purpose	2018/19	2019/20
Sustainable Drainage System consultation assessments	£30,000	£44,000
Future resilience officer post (20 months fixed term to March 2020)	£32,000	£48,000
Expansion of existing sustainability and resilience activities	£10,000	£10,000
Consultancy support re flood risk, greening and resilience	£50,000	£20,000
Total	£122,000	£122,000

Corporate & Strategic Implications

8. Flood risk mitigation and other environmental resilience work will help deliver the aims and outcomes of the Corporate Plan 2018-2023 and the emerging Responsible Business Strategy. In particular, environmental resilience will advance Outcome 1 that 'people are safe and feel safe'. Sustainable drainage projects and other greening projects will also contribute to the delivery of Outcome 11 'clean air, land and water and a thriving and sustainable natural environment' and to Outcome 12 'spaces are secure, resilient and well-maintained'.

Financial Implications

9. The additional resources required to deliver essential flood risk mitigation measures and meet the City's statutory duties as the Lead Local Authority for flood risk in the City of London cannot be met from within the Director's existing local risk resources.
10. The Chamberlain has been consulted on this proposal and the risk was recognised in the Medium Term Financial Strategy. The allocation of £122,000 each year during 2018/19 and 2019/20 for future resilience work in the City will enable this important work to progress in a timely manner. The amount proposed has been related to City-specific resilience projects and temporary staffing needs as set out in paragraph 7, Table 1.
11. The proposed funding allocation of £122,000 is within the non-ring-fenced funds identified for flood risk and Sustainable Drainage (SUDS) matters in the local government financial settlement (Revenue Support Grant) which are £137,000 in 2018/19 and £140,000 in 2019/20.
12. As no specific funding allocation was made in the 2018/19 estimates, it is requested that the funding pressure is met from the Finance Committee contingency and an allocation is made in 2019/20 from the Government Grant non-ring-fenced flood risk and SUDS provision.

Health Implications

13. Flooding could adversely affect the health and wellbeing of those who live or work in areas that have a potential flood risk due to the flood itself or exposure to resultant pollution. The proposed flood risk mitigation work would provide some reassurance that measures are being taken to reduce the risk and to mitigate its effects.

Conclusion

14. The new burdens placed on the City of London Corporation by the Flood and Water Management Act (2010) need additional funding for the role of 'Lead Local Flood Authority' for the City of London to be carried out. The Government has

provided additional funding, initially as specific grant from DCLG and DEFRA, and since 2016/17 as visible lines in the local government financial settlement (Revenue Support Grant). Although this funding is no longer provided separately, it is intended that it will still be available where justified to fund the expected level of investment in environmental resilience including local flood risk management. Approval of this funding bid will enable the City Corporation to continue to meet its responsibilities as a Lead Local Flood authority and to strengthen the City's resilience in response to climate change.

Appendices - None

Background Papers

City of London Local Flood Risk Management Strategy 2014.
City of London Strategic Flood Risk Assessment update 2017
For both see <https://www.cityoflondon.gov.uk/services/environment-and-planning/sustainability/Pages/Flood-risk-in-the-square-mile.aspx>

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Committee(s)	Dated:
Finance Committee – For Information	05/06/2018
Subject: Chamberlain’s Department Risk Management – Monthly 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 most significant risks faced by the Chamberlain’s department.

There are currently no RED risks on the departmental risk register and two RED risks on the Corporate Risk Register within the responsibility of Chamberlain’s Department:

- **CR16 – Information Security**
- **CR23 – Police Funding**

The Senior Leadership Team continues to monitor closely the progress being made to mitigate these risks.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to 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.

Current Position

2. This report provides an update on the current RED risks that exist in relation to the operations of the Chamberlain’s department and, therefore, Finance Committee.
3. There are currently two RED risks on the Corporate Risk Register for which the Chamberlain’s Department is responsible and no RED risks on the departmental Risk Register:

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

This risk will be mitigated by the development of a new Data Retention Schedule (DRS) and policy, the scope of which has been widened to include IT systems. We expect these actions will reduce the risk score to Green status by end of July 2018.

CR23 – Police Funding (Current Risk: Red – no change)

The primary focus is on strengthening the financial capability and capacity to increase the level of assurance around police budgets and financial planning. A task group is being established to test the key assumptions underpinning the plans ahead of a more fundamental review of the medium-term plans in time for the 2019/20 budget setting.

The 2017/18 year-end underspend of £3.5m (previously reported as break-even) has increased the reserve balance to £7m, which should offset the underlying deficit in 2018/19 and leave a financing gap of £0.7m in 2019/20.

Conclusion

4. Members are asked to note the actions taken by Chamberlain's Department to manage both the Information Security and Police Funding risks.

Appendices

- None

Background Papers

Monthly Reports to Finance Committee: Finance Committee Risk
Report to Finance Committee 10 April 2018: Finance Committee Risk – Quarterly Report.

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Committee:	Dated:
Finance Committee	5 June 2018
Subject:	Public
Central Contingencies	
Report of:	For Information
Chamberlain	
Report author:	
Philip Gregory	

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 of £100,000 to support humanitarian disaster relief efforts both nationally and internationally.
3. The uncommitted balances that are currently available are set out in the table below. At the time of preparing this report there are no requests for funding elsewhere on the agenda.

2018/19 Contingencies – Uncommitted Balances at 16 May 2018				
	City's Cash £'000	City Fund £'000	Bridge House Estates £'000	Total £'000
General Contingencies	881	535	50	1,466
National and International Disasters	100	0	0	100
Uncommitted Balances	981	535	50	1,566
Requests for contingency allocations	0	0	0	0
Balances pending approval	981	535	50	1,566

4. The sums which the Committee has previously allocated from the 2018/19 contingencies are listed in Appendix 1.

Recommendation

5. Members are asked to note the contents of this report.

Appendices

- Appendix 1 - Allocations from 2018/19 contingencies

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2018/19 General Contingency – City's Cash

Date	Description	Responsible Officer	Allocation £	Balance £
	2018/19 Provision			950,000
	2017/18 Provision brought forward to fund allocations agreed in previous years			109,000
	Total Provision			1,059,000
21 Oct 2014	Up to £98,000 in phased match funding (in partnership with the Mercers' Company) for a biography of Sir Thomas Gresham (transferred £29,000 in 2014/15, £9,000 in 2015/16 and £1,000 in 2017/18)	TC	59,000	
12 Mar 2018 (Urgency)	Funding of £49,500 towards the replacement of a servery counter for the third floor Guildhall Club servery kitchen which will take place in 2018/19	CS	50,000	
8 May 2018	Joint funding of £18,477 towards the immediate work of restoring the priority works within the Gresham Music Collection	TC	19,000	
8 May 2018	Joint funding of £49,500 towards 2.5 additional posts and IT related equipment at Gresham College	TC	50,000	
	Total allocations agreed to date			178,000
	Balance remining prior to any requests that may be made to this meeting			881,000

2018/19 General Contingency – City Fund

Date	Description	Responsible Officer	Allocation £	Balance £
	2018/19 Provision			800,000
	2017/18 Provision brought forward to fund allocations agreed in previous years			60,000
	Total Provision			860,000
17 Feb 2015 and 19 Jan 2016	Funding of £142,000 and an additional sum of £80,000 towards an ongoing appeal regarding Greater London Authority Roads (transferred £84,000 in 2014/15, £20,000 in 2015/16, £23,000 in 2016/17 and £35,000 in 2017/18)	C&CS/CS	60,000	
6 th April 2018	Funding of £80,000 towards a building fire survey and cost of interim Fire Safety Advisor at the Central Criminal Court	TC	80,000	
8 May 2018	Funding of £185,000 towards an item only for Members attention	TC	185,000	
	Total allocations agreed to date			325,000
	Balance remaining prior to any requests that may be made to this meeting			535,000

2018/19 General Contingency – Bridge House Estates

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

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

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

Key to Responsible Officers:

CS – City Surveyor

TC – Town Clerk

C&CS – Comptroller and City Solicitor

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Committee(s)	Date(s):
Finance Committee – For Information	5 th June 2018
Subject: IT Division – Member Update	Public
Report of: The Chamberlain	For Information
Report author: Sean Green, IT Director	
Summary	
<p>This report updates Members on the work of the IT Division and the key areas of progress for the first quarter 2018.</p> <p>Members are asked to:</p> <p>Note the progress report on key strategic improvement projects and IT Service performance:</p> <ul style="list-style-type: none">i. Important updated IT Strategies for CoL and CoLP ready for sign off by senior officers and Member Committees in May.ii. Progress with the implementation of the new IT Operating Model for the IT Division to reflect the changes required because of new IT Strategy and Transformed IT Services – Target implementation by 18th June 2018.iii. Current 2018/2019 Q1 service performance achieved for both City of London Corporation and the City of London Police.	

Main Report

Background

1. The IT Division provides services to the City of London Corporation, City of London Police and London Councils. 5 main functions are provided from the in-house IT team: i) IT Finance and Performance Management, ii) Change and Engagement Management iii) Projects and Programmes Management, iv) IT Operations and Service Management and v) Police IT Services. This report updates on progress on Phase I IT Transformation and the updated IT Strategy for the City of London Corporation (CoL) and City of London Police (CoLP) and current performance of delivery against the service delivery KPI's set out in the Chamberlain's Business Plan in April 2018.

Phase 2 IT Strategy and Transformation Programme CoL and CoLP

2. The Phase I desktop platform has been delivered and is in live use, supported by the Operational Service teams in CoL IT Division and Agilisys. The Desktop Transformation Programme has successfully delivered a much-improved technology platform, and this has been achieved in an environment where there has historically been a lack of investment in the desktop estate.

3. A substantial rollout has been completed to 125 sites across greater London and beyond, including:
 - 2,600 PCs/laptops deployed with Windows 10 with 70% of users now on laptops.
 - Approximately 3,000 users migrated to Microsoft Office 365 and One Drive for Business.
 - Over 900 mobile devices using Microsoft Intune.
 - Cloud based CoL Intranet deployed using SharePoint online.
 - The CoL application portfolio rationalised from 1,300 to 330.
4. The Desktop programme is now in closedown with project documents being completed in line with the corporate gateway process.
5. Independent third-party assurance of the programme has been completed which acknowledged the ambitious nature of the programme. It also noted that business users interviewed were enthusiastic about exploiting the new technology to develop and transform their areas and were seeking leadership and guidance on how to do this. In addition the positive nature of collaborative working across the programme team was also highlighted.
6. A dedicated communication plan and change management strategy was put in place to support users during the transition. This consisted of a multi-channel strategy using web-based tools, self-learning, face to face training, email marketing and dedicated floor walkers. This approach appears to have been successful in managing demand to the Agilisys service desk during the transition.
7. The IT Strategy Design Principles for CoL and CoLP was agreed in 2017 by Officer and Member committees. A refresh of the Strategy documents for both organisations has been completed along with updated Transformation roadmaps. These should be signed off by relevant Officer and Member Committees during May 2018.
8. For the CoL the focus is on embedding the new service model and driving benefits from the investment. In addition, there is a need to upgrade and replace the remaining end of life components.
9. For the CoLP the initial focus will be to deliver a Phase I Transformation Programme with similar benefits to CoL while supporting the force to implement the requirements of national Police IT Programmes.
10. We are now moving from the Technology phase of the IT Strategy into the Digital and Information Management phase.
11. Funding to deliver the strategies will be subject to agreement of an appropriate funding strategy through the corporate governance process.

Implementing the IT Operating Model

12. The implementation of the agreed IT Strategy had implications for the current IT Organisational Model and how we operate going forward. The new IT Target Operating Model was agreed by the Establishment Committee in February 2018 with consultation completing on 6th April 2018. The IT Operating model has been designed based on what is known today of the business strategy for both the Corporation and the City of London Police and follows industry best practice in support of a multi-sourcing services based supply model.
13. The IT Operating model should be fully implemented on 18th June 2018.
14. In parallel a new Agilisys Service Operating Model (negotiated with Agilisys during the contract extension agreement) comes into effect from 1st June 2018.

IT Service Performance

15. There were 5 P1 incidents at COL and 0 P1s at COLP in the last quarter. Two of the P1s were for the Good mobile device management software, which has been decommissioned as part of Transformation and one was for London Councils due to a hardware failure. Initial discussions are underway to consider moving the London Councils local IT environment to IaaS to improve resilience. All incidents for Agilisys were resolved within SLA.

IT Service Performance (new KPI) (to be reviewed as part of the Agilisys contract extension)	Fixing Issues											
	P1 incidents fixed within 2hrs (98%)						P2 incidents fixed within 6hrs (98%)					
	Jan-18		Feb-18		Mar-18		Jan-18		Feb-18		Mar-18	
CoL	3	100%	0	100%	2	100%	0	100%	2	100%	1	100%
CoLP	0	100%	0	100%	0	100%	0	100%	0	100%	0	100%

16. All IT system availability targets (99%) were met, except LAN availability in February 2018 which was out of Agilisys control, due to power issues and hardware failure.

17. Customer Satisfaction for Jan to Mar 2018 with scores out of 7 (5.7 target) is as follows:

<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar -18</u>
5.85	5.71	6.23
6.73	6.6	6.82

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Committee(s):	Date:
Finance Committee	5 June 2018
Subject: City Procurement Efficiency and Savings Target 2018/19	Public
Report of: The Chamberlain	For Information
Report author: Chris Bell, Commercial Director, City Procurement	

Summary

The report is to advise members of the Efficiency and Savings target set for City Procurement; for the financial year 2018/19 of £6.52 million. This target figure includes a target of £852k of new savings to be generated within this financial year. The target represents a 5.41% average savings overall for this year's procurement programme. This has been calculated as an average annual savings based on spend information received from departments.

The target is devised on the contracts that are to be let and implemented during the financial year that have scope to make efficiencies or cost savings and to reflect savings already generated from procurement activity in previous years that guarantee savings within the existing financial year.

The process in setting the annual target looks at the contracts due for renewal in the target year, the baseline spend, the complexity and risk of the contract and which month the new contract will commence. This is then considered against industry benchmarks using the Corporation's Category experience database which shows indices of savings generated across public and private sector over the last 10 years for all sub-categories of spend. The target is defaulted to the highest savings target within the range for each project to ensure we are aiming at industry best practice levels.

It is to be noted that the set target has excluded projects that have been identified in departments annual efficiency programme; income generation; major works contracts and projects where teams are yet to define the baseline. A quarterly reconciliation report will to be presented and approved at this committee should the target need to be revised.

Recommendation(s)

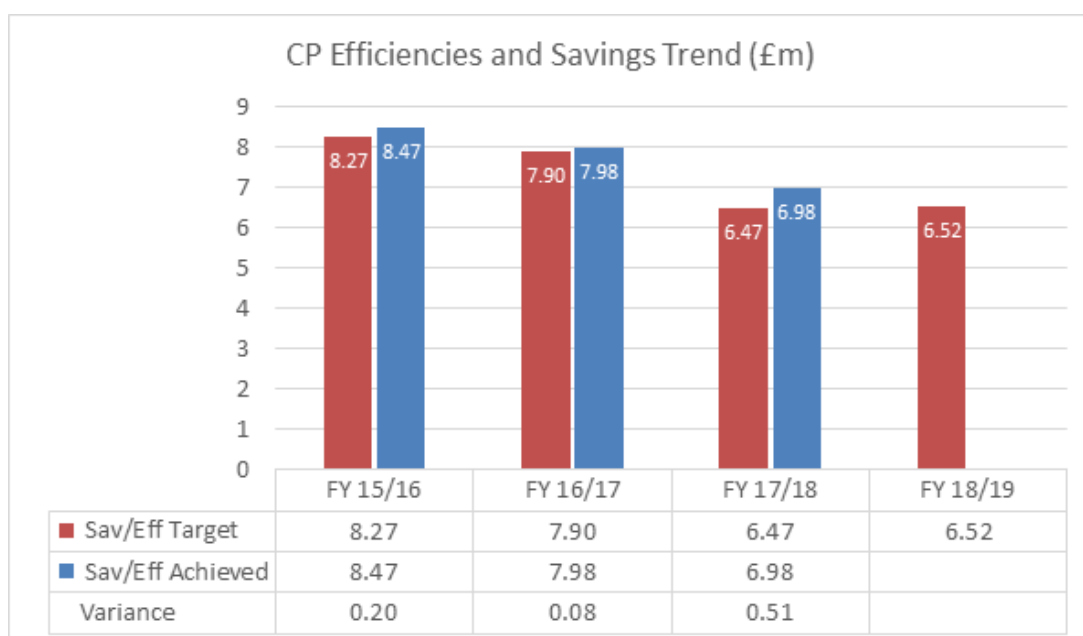
Members are asked to:

- Note the Procurement Efficiency and Savings target of £6.52 million for the financial year 2018/19.

Main Report

Background

1. City Procurement is set an annual savings target at the start of each year. This target is based on the contracts to be let during the financial year that have the potential to make efficiency or cost savings and contracts let in previous years that are generating guaranteed savings in the current year. Each contract is reviewed by the relevant Procurement Category Board to set the targets. Every contract target considers historic spend, scope changes, contract complexity, risk and industry savings benchmarks before setting a target.
2. This year's target is £6.52 million. Targets fluctuate year by year as it's based on the number and value of contracts to be procured within each year. Below is a table of our recent years Procurement Targets and Results.



The Annual Savings Target elements

3. The annual savings target is set using two types of in-year savings. Those are:
 - *Previously let contracts generating savings (known as run-rate)* – Savings already guaranteed for the current financial year from contracts let in previous years. This is for contracts that span different financial years and is typically for service contracts that are let for a 2-7 year period when the savings are spread across the life of the contract.
 - *New contracts let generating savings* – Savings targeted to be generated from new contracts let and commence during the financial year.
4. The procurement savings target is for competitive price savings and efficiencies generated by procurement interventions only and it's not inclusive of scope

changes/service downgrades or other operational decisions which are treated as local departmental savings.

Summary of Projects making up the 2018/19 target

5. The target of £6.52 million is derived from savings previously generated of £5.67 million and £852k in year savings from the 275+ procurement exercises planned to happen this year and represents an average savings of 5.41%.
6. Our savings targets have all been benchmarked using our Category experience database which collates industry savings data for each sub-category of spend over a 10-year period. Additionally, we have also put a 2% savings target on business as usual procurements to ensure all projects are considered fully in terms of efficiencies and savings.

Category	Number of projects (where a saving was identified)	FY 18/19 Savings Target (£)
Facility Services	19	363,311
Procurement Operations	200+	299,200
IT	39	117,585
Corporate Services	15	63,797
Dept. Child & Community Services (DCCS)	2	8,313
Subtotal In-Year savings (New FY 18/19 projects)	275+	852,206
On-going savings (for projects sourced in previous years)	43	5,668,935
Grand Total	318+	6,521,141

7. The new targeted in-year savings although only realising £852k within the current financial year would generate a total of approximately £6.15m in the next 5 years. This is caveated by the fact that it will only achieve this if the projects run to original plan within scope and the baseline spend is verified by Finance.

Cumulative Target

8. The £6.52 million target will be cumulative and will be targeted to achieve the following milestones throughout the year to ensure we are on target to achieve the total, these are:
 - End of Quarter 1 (30th June 2018) - £1.45 million
 - End of Quarter 2 (30th September 2018) - £3.12 million
 - End of Quarter 3 (31st December 2018) - £4.94 million
 - End of Year Target (31st March 2019) - £6.52 million

Conclusion

City Procurement has finalised its Sourcing Plan for 2018/19 by gathering information from all departments on potentially new tenders to be run, combined with the expiry of contracts from our corporate contract register. The target set is £6.52 million.

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