



Finance Committee

Date: TUESDAY, 9 NOVEMBER 2021

Time: 1.45 pm

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

Members:

Deputy Jamie Ingham Clark (Chairman)	Tim Levene
Jeremy Mayhew (Deputy Chairman)	Oliver Lodge
Munsur Ali	Paul Martinelli
Rehana Ameer	Andrew McMurtrie
Randall Anderson	Deputy Robert Merrett
Nicholas Bensted-Smith	Hugh Morris
Deputy Roger Chadwick	Benjamin Murphy
Henry Colthurst	Susan Pearson
Graeme Doshi-Smith	William Pimlott
Alderman Professor Emma Edhem	James de Sausmarez
Alderman Sir Peter Estlin	Deputy John Scott
Alderman Prem Goyal	Ian Seaton
Michael Hudson	Sir Michael Snyder
Alderman Robert Hughes-Penney	Deputy James Thomson
Deputy Wendy Hyde	Mark Wheatley
Deputy Clare James	Deputy Philip Woodhouse
Alderman Alastair King	Deputy Catherine McGuinness (Ex- Officio Member)
Angus Knowles-Cutler	Christopher Hayward (Ex-Officio Member)
Gregory Lawrence	Deputy Tom Sleigh (Ex-Officio Member)

Enquiries: John Cater
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john.cater@cityoflondon.gov.uk

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

John Barradell
Town Clerk and Chief Executive

AGENDA

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 12 October 2021.
For Decision
(Pages 5 - 10)
4. **FINANCE COMMITTEE'S FORWARD PLAN**
Report of the Chamberlain.
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. **RISK MANAGEMENT - TOP RISKS**
Report of the Chamberlain.
For Information
(Pages 15 - 28)
7. **RENTAL INCOME UPDATE**
Report of the Chamberlain.

To Follow.
For Information
8. **BUSINESS PLAN UPDATE**
Report of the Chamberlain.

For Decision
(Pages 29 - 38)
9. **CENTRAL CONTINGENCIES**
Report of the Chamberlain.

For Information
(Pages 39 - 42)
10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

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

12. **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

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

To agree the non-public minutes of the meeting held on 12 October 2021.

For Decision
(Pages 43 - 48)

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

Report of the Town Clerk.

For Information
(Pages 49 - 50)

15. **BUDGET SPENDING REVIEW**

The Chamberlain to be heard.

For Information
(Pages 51 - 56)

16. **ADMITTED BODY STATUS FOR THE CITY OF LONDON CORPORATION'S
SUBSTANCE MISUSE PROVIDER**

Report of the Director of Community and Children's Services.

For Decision
(Pages 57 - 62)

17. **CIVIL PARKING & TRAFFIC ENFORCEMENT; OFF-STREET CAR PARKS
MANAGEMENT AND BARRIER EQUIPMENT REPLACEMENT; PROVISION OF
CCTV ENFORCEMENT CAMERAS; AND SUPPORT SERVICES FOR
COLLECTING PAYMENTS AND ISSUING NOTICES PROCUREMENT STAGE 2 -
CONTRACT AWARD**

Report of the Chief Operating Officer.

For Decision
(Pages 63 - 72)

18. **INSURANCE - PROPERTY PROCUREMENT STAGE 2 AWARD REPORT**

Report of the Chief Operating Officer.

For Decision
(Pages 73 - 78)

19. **NPCC CYBERCRIME PROGRAMME NATIONAL FRAMEWORK AGREEMENT FOR THE PROVISION OF CRYPTOCURRENCY STORAGE AND REALISATION SERVICES - INCREASE IN CONTRACT VALUE**
Report of the Commissioner of the City of London Police.
For Decision
(Pages 79 - 84)
20. **NON-PUBLIC APPENDIX FOR CENTRAL CONTINGENCIES**
Non-Public appendix to be read in conjunction with ITEM 9 (Central Contingencies).
For Information
(Pages 85 - 88)
21. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
Report of the Town Clerk.
For Information
(Pages 89 - 92)
22. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
23. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

Part 3 - Confidential Agenda

24. **IT DIVISION - MEMBER UPDATE**
Report of the Chief Operating Officer.
For Information

FINANCE COMMITTEE **Tuesday, 12 October 2021**

Minutes of the meeting of the Finance Committee held at Committee Room - 2nd Floor West Wing, Guildhall on Tuesday, 12 October 2021 at 1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)
Jeremy Mayhew (Deputy Chairman)
Randall Anderson
Nicholas Bensted-Smith
Henry Colthurst
Alderman Sir Peter Estlin
Alderman Prem Goyal
Michael Hudson
Alderman Robert Hughes-Penney
Alderman Alastair King
Angus Knowles-Cutler
Oliver Lodge
Deputy Robert Merrett
Benjamin Murphy
Susan Pearson
William Pimlott
James de Sausmarez

Officers:

John Cater	- Town Clerk's Department
Caroline Al-Beyerty	- Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Paul Wilkinson	- City Surveyor
Juliemma McLoughlin	- Executive Director, Environment
Sonia Virdee	- Chamberlain's Department
David Farnsworth	- Managing Director of Bridge House Estates
Jack Joslin	- Town Clerk's Department
Dionne Corradine	- Town Clerk's Department
Sean Green	- Chamberlain's Department
Sanjay Odedra	- Head of Media (Financial Services), Communications Team
Fiona Rawes	- Head of Philanthropy Strategy

1. APOLOGIES

Apologies for absence were received from Munsur Ali, Rehana Ameer, Deputy Roger Chadwick, Graeme Doshi-Smith, Alderman Professor Emma Edhem, Deputy Wendy Hyde, Deputy Clare James, Gregory Lawrence, Tim Levene, Paul Martinelli, Andrew McMurtrie, Hugh Morris, Deputy John Scott, Ian

Seaton, Deputy James Thomson, Mark Wheatley, Deputy Philip Woodhouse, Deputy Catherine McGuinness, Christopher Hayward, and Deputy Tom Sleigh.

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

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING

In response to a query, the Chairman asked the Committee clerk to clarify in the minutes that the IBNR Reserve Rate, referred to in the minutes (under item 7), had been calculated by agreement by the City Re Ltd Board in consultation with the auditors, as opposed to an actuarial projection.

RESOLVED – that the public minutes of the meeting held on 21st September 2021 be approved as an accurate record (subject to the amendment above).

4. FINANCE COMMITTEE'S FORWARD PLAN

The Committee received a Report of the Chamberlain outlining the workplan for the next five months.

The Chamberlain confirmed that the City's Cash Financial Statements, which were listed as being submitted to the Finance Committee in November, will, after further discussions with the external auditors, now come to the Committee's December meeting (although it will be considered at the November meeting of the Audit & Risk Management Committee).

RESOLVED – that the Committee noted the Report.

5. REPORT OF THE WORK OF THE SUB-COMMITTEES

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

RESOLVED – that the Committee noted the Report.

6. RISK MANAGEMENT - TOP RISKS

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

In response to a query about the City's approach to Business Rates reform, the Chamberlain responded that we were working with other authorities across London on the issue of bricks-and-mortar companies versus online retailers; however, this was a work-in-progress and a workable solution to this complex problem had yet to emerge. A resolution (including a potential online sales tax) was likely to be some years away.

Separately, a Member asked about the implications, post-pandemic, of a shift in the property profile in the City from commercial to residential. The Chamberlain responded that, with regards the City's own property portfolio, no policy shift was currently being considered, as to the wider implications, if the status of

premises are changed, then the City would see a reduction in the rate payer base and consequent reduction in business rate income. For newly mixed mode properties (i.e. where there was a mix of residential and commercial), the Valuation Office would need to calculate the floorspace dedicated to commercial activities to identify the resultant rateable value.

In response to a query, the Chairman clarified that this iteration of the Risk Report was the standard monthly abbreviated version; Risk Flightpaths were included in the longer quarterly Reports.

RESOLVED – that the Committee noted the Report.

7. **Q2 BUDGET MONITORING**

The Committee received a Report of the Chamberlain concerning revenue budget monitoring to August 2021.

In response to a query regarding the extent of the reduction in rental income due to the pandemic, the Chamberlain, whilst emphasising that the contingencies put in place to mitigate the reductions had yet to be exhausted, proposed that a Report come back to the Committee outlining the long-term outlook for rental income post-pandemic. The Chairman welcomed this suggestion and asked that the Report was worked up in consultation with the Property Investment Board (PIB).

In response to a query, the Chairman asked that, in the interests of clarity, future iterations of this Report included reference in the annex to those City institutions which operate with a reserve fund (e.g. the independent schools and GSMD).

In response to a query concerning the progress made by departments on securing their savings target, the Chairman emphasised that several departments had only recently appointed new chief officers, and, whilst progress was being made, they would need time to finalise their plans. The Chairman reassured Members that all departments were timetabled to submit their reports by the end of the year. The Chief Operating Officer added that officers were working as quickly as they can on this, however, with the recent structural and leadership changes, a lot of work and consultation was still required over the coming weeks before we could come to a final, fully worked through set of proposals for Members to consider.

RESOLVED – that the Committee noted the Report.

8. **CENTRAL CONTINGENCIES**

The Committee received 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.

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

There were no questions.

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

There were no urgent items.

11. **EXCLUSION OF THE PUBLIC**

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

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

The non-public minutes of the meeting held on 21st September 2021 were approved as an accurate record.

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

The Committee received a Report of the Town Clerk which advised Members of the key discussions which had taken place during non-public sessions at recent meetings of the Committee's Sub-Committees.

14. **IMPLEMENTING THE OUTCOMES OF THE CHARITY REVIEW AND STRENGTHENING THE COORDINATION OF PHILANTHROPIC GIVING ACROSS THE CITY OF LONDON CORPORATION**

The Committee considered a Report of the Managing Director of Bridge House Estates & Chief Charities Officer concerning the Corporate Charities Review (CC Review).

15. **CONFIDENTIAL APPENDIX TO CENTRAL CONTINGENCIES REPORT (ITEM 8)**

The Committee noted the non-public appendix to ITEM 8 (Central Contingencies).

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

Members considered three non-public questions relating to the work of the Committee.

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

The Committee considered two items of urgent business relating to 1 Alie Street E1 (see 17a) and Microsoft Office Licencing.

17.1 **Delegation request - City Fund - Sale of 1 Alie Street, E1 (LATE PAPER)**

The Committee considered a Report of the City Surveyor concerning the sale of 1 Alie Street E1.

18. **CONFIDENTIAL MINUTES**

The confidential minutes of the meeting held on 21st September 2021 were approved as an accurate record.

The meeting ended at 3.00 pm

Chairman

Contact

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Officer:

John

Cater

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FINANCE COMMITTEE – WORK PROGRAMME 2021/22 – changes to the October iteration highlighted in yellow

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Budget Setting Process & Medium-Term Financial Planning		Capital Funding- Prioritisation of 2022/23 Annual Capital Bids Autumn Budget- local government The Finance Committee's Estimate Report		City Fund Budget Report & MTFP Strategy City's Cash Budget Report & MTFP Strategy BHE Budget Report & MTFP Strategy	
Effective Financial Management Arrangements for The City Corporation		Capital Projects- Forecasting	Capital Projects- Forecasting Q3 Budget monitoring		
Financial Statements		City fund and pension fund statement of accounts	City's Cash Financial Statements Open Spaces and sundry trust annual reports and financial statements		
Finance Committee as a Service Committee	Central Contingencies Risk Management - Monthly Report IT Division Q Update CHB 22-23 Business Plan	Central Contingencies Risk Management – Quarterly Report FSD Quarterly Update	Central Contingencies Risk Management - Monthly Report City Procurement Q Update	Central Contingencies Risk Management – Quarterly Report IT Division Q Update	Central Contingencies Risk Management - Monthly Report FSD Quarterly Update

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Committee(s)	Dated:
Finance Committee	9 November 2021
Subject: Report of the Work of the Sub-Committee(s)	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	Y/N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Town Clerk	For Information
Report author: John Cater, Committee Clerk, Finance Committee	

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 12 October 2021:

Procurement Sub (Finance) Committee – 20th October 2021

N/A

Efficiency and Performance Sub (Finance) Committee– 25th October 2021

Securing 'Flightpath' savings and understanding service impacts: 2021/22 progress

The Sub Committee received a report of the Chamberlain providing Members with an update on the identification of the permanent savings to meet the 12% budget reduction and fundamental review savings already applied to 2021/22 budgets.

Members noted that the while the report was different to the one due to be considered by the Establishment Committee, there would be some crossover as both departments had managed their savings around reorganisations.

Members also received an update from the Town Clerk on TOM implementation.

Digital Services Sub-Committee – 4th November 2021

DSSC Meeting will take place after the publication of the Finance Agenda pack. An update will be provided at FC meeting on 09/11.

Recommendations

The Committee is asked to note the report.

John Cater

Senior Committee Services Officer, Town Clerk's Department

john.cater@cityoflondon.gov.uk

Committee(s)	Dated:
Finance Committee	9 November 2021
Subject: Chamberlain's & Chief Operating Officer's Departmental Risk Management – Monthly Report	Public
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Chamberlain & Chief Operating Officer	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 and Chief Operating Officer's departments.

There are currently no red risks on the Corporate Risk Register within the responsibility of the Chamberlain and one red risk on the Corporate Risk Register within the responsibility of the Chief Operating Officer. There are no RED risks on the Chamberlain's department risk register and one RED risk currently listed on the Chief Operating Officer's departmental risk register. At the time of drafting, no triggers for CR35 have been tripped to date. However, the latest position on income risks-property rents and business rates, will reported to this Committee. That report will conclude whether the mitigations in place remain adequate.

The Chamberlain's and Chief Operating Officer's Senior Leadership Teams continue to monitor closely the progress being made to mitigate all risks on the risk register (appendix 1).

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. As we transition into the target operating model the Chief Operating Officer has taken over the management of

the IT division and City Procurement from the Chamberlain, so this report has been written jointly by both departments.

Current Position

1. This report provides an update on the current risks that exist in relation to the operations of the Chamberlain's & Chief Operating Officer's departments. It is to be noted that there are currently no RED risks on the Chamberlain's risk register, however close monitoring continues for all risks. As of this update CR35 Unsustainable Medium-Term Finances risk has remained with a risk score of 12 (amber). There has been no event to cause a trigger (as agreed by this committee) to increase this score. This risk continues to be closely monitored over four main areas against agreed triggers highlighted below.

Business Rates

Triggers:

- Change to business rate reset a further deferral will result in a positive impact.
- Shift from commercial to residential.
- Reduction in Rateable Value.
- Changes to methodology in business rate calculations.
- Alternative funding sources e.g. sales tax.

Spending review

Trigger:

- Any changes to funding arrangements below the baseline.

Rental Income

Trigger:

- Increase in loss of income over £5m p.a. over and above contingencies already in place, such as Turnover Rents. An update on the position will be provided to this Committee in a separate paper.

Achievement of savings flightpath (including Fundamental Review and 12%)

Triggers:

- Delays/Reduction to 12% savings.
- Delays/Reduction to fundamental review savings.

2. The Chief Operating Officer's Department has 2 RED risk on its risk register. The current position is provided below.

CR16 Information Security (formerly CHB IT 030) (Current Risk: Red – Previously Amber)

3. This risk has been increased to a Red risk due to malware being regularly delivered to the City Corporation via email which is not being captured by the current security products. Following the agreement of this committee to upgrade our MS licences from E3 to E5 the team are working to implement this change which will help to mitigate this risk.

4. The IT team have conducted an IT Health Check, the results of which have been received and a Remediation Action Plan (RAP) has been developed. Remediation activities have commenced.
5. Work on a simulated cyber-attack is also being planned with the IT Security Team for completion by the end of the calendar year.

CHB IT 031 IT Revenue Budget (Current Risk: Red)

6. The IT team have made good progress on meeting the saving from the Fundamental Review and around £400k from the 12% saving target, there is still an unachieved target of circa £1m to be found. Due to timing of the TOM, IT has not been unable to make any savings in this area. Contract negotiations are ongoing with key suppliers where appropriate. Further savings could have an impact on the provision of the IT service.
7. A governance process is in place enabling tracking and corrective action to be taken. A review of the plan is required to be actioned every 2 weeks.

Conclusion

8. Members are asked to note the actions taken by Chamberlain's Department and Chief Operating Officer's Department to manage all risks. Actions aim to continue monitoring and reducing the risk level and will be reported on at future Finance Committees.

Appendices

- Departmental Risk Register

Background Papers

Quarterly Reports to Finance Committee: Finance Committee Risk

Hayley Hajduczek

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Chamberlain's Department

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CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Hayley Hajduczek

Generated on: 26 October 2021

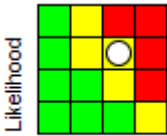
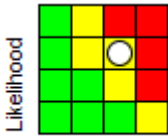



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR23 Police Funding Page 18	<p>Cause: Reduction in government funding, workforce costs and growing demand in Policing services leading to pressures for the City Fund -Police.</p> <p>Event: Reduction in government funding. Failure to deliver VfM savings. Budget deficit forecast for next 5 years requiring action to balance the budget</p> <p>Effect: Potential impact on security and safety in the City as need to make savings, prioritise activity, review funding City of London Police will be unable to maintain a balanced budget and current service levels as reflected in their Medium Term Financial Plan.</p>	<p>Likelihood</p> <p>Impact</p>	12	<p>The inherent Police MTFP pressures have grown in respect of Action Fraud extension and re-procurement and for the known or expected reduction in grants for Counter-Terrorism, TFL and Bank of England.</p> <p>CoLP and Police Authority are assessing mitigation opportunities for Police Authority Board and Budget Bilateral in October 2021, with a further update to follow in January 2022 which will take account of the Spending Review outcomes and 22/23 police funding settlement for CoLP.</p> <p>This will enable a more informed update of CR23 to be undertaken for November 2021, including assessment of the whether or not it can be amalgamated with CR35, with the specific Police MTFP risk being</p>	<p>Likelihood</p> <p>Impact</p>	12	31-Jan-2022	

21-Nov-2016 Caroline Al-Beyerty; Ian Dyson				devolved to the Police Authority risk register. 26 Oct 2021				Constant
							Accept	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR23g	Implement sustainable medium-term financial settlement for CoLP: - Revenue position, Capital financing	Loan based capital financing model implemented for 20/21. Balanced budget set for 21/22. Joint CoLP / Police Authority review of the opportunities within the CoLP budget to mitigate significant new pressures to be presented to October 2021 Police Authority Board and Budget Bilateral, alongside assumed reinstatement of £2.3m Business Rate Premium funding in 22/23. This will enable a more informed assessment of the risk to be provided in November 2021. Further update then to be provided in January 2022, taking account of Spending Review outcomes and 22/23 Police Funding Settlement for CoLP.	Alistair Cook	26-Oct-2021	31-Jan-2022

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR35 Unsustainable Medium Term Finances <div>Page 20</div>	Causes: Anticipated decline in public sector funding (local government and Police), increasing demands (revenue and capital) and an ambitious programme of major project delivery threaten our ability to continue to deliver a vibrant and thriving Square Mile Normal course of business unable to function due to COVID 19 restrictions BREXIT compounding market uncertainty and exacerbating the economic downturn. Major contraction in key income streams and increase in bad debts. In particular that lower occupancy levels in city properties reduce investment property income over the medium term. Police Transform programme fails to realise the budget mitigations anticipated Reduction in the value of investments- property and securities- reduces available capital for major project financing. Event: Inability to contain financial pressures within year (2020/21) and compensatory savings and/or income generation to meet the Corporation's forecast medium term financial deficit will not be realised. Effects: Additional savings over and above those identified through the Fundamental Review to meet this challenge are required and/or closure in some areas reserves are utilised and/or services stopped. The City Corporation's reputation is damaged due to failure to meet financial objectives or the need to reduce services / service levels to business and community. Being unable to set a balanced budget which is a statutory requirement for City Fund. Spend is not aligned to Corporate Plan outcomes resulting in suboptimal use of resources and/or poor performance. Capital projects stalled due to COVID restrictions.	 Likelihood Impact	12	<ul style="list-style-type: none"> The risk score is being maintained at amber 12. The proposed triggers agreed by May finance committee have been added to the actions listed below. None of these have been triggered in September 21, close monitoring will continue. A briefing paper, including recommendations on the MTFP was presented at the RASC away day, on 13th July, further questions were presented to RASC away day on 30th September. Monthly monitoring is being undertaken by the finance units to monitor the delivery of TOM and FR savings through 21/22 and across the MTFP (Overall savings update and Deep Dive Reports are scheduled to be presented to E&P Sub Committee. In addition, an establishment tracker against TOM savings, the impact of flexible retirement policies and translation of vacancies into post permanent savings; alongside costs of the scheme is presented and scrutinised by the Establishment Committee. Furthermore, a paper is being prepared on rental income which will be presented to this Committee in December. 	 Likelihood Impact	12	31-Mar-2022	 Constant
							Accept	

Caroline Al-Beyerty	Stakeholders experiencing reduced services and service closures.						
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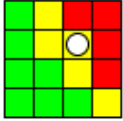
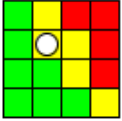
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR 35a	A reduction in key income streams and increase in bad debt	This is being monitored monthly, with action being taken to reduce spend where possible. Budget forecast for 21/22 includes reduced income, with recovery profiled across the medium term. In addition, Chief Officers are working with tenants on a payment plan to mitigate potential issues when the moratorium is lifted in March 2022.	Sonia Virdee	27-Oct-2021	31-Mar-2022
CR 35b	To reduce strain on cash flow.	<ul style="list-style-type: none"> The Corporation remains very liquid and the outlook for near term cash flows is robust. Cash flowing modelling over the medium term is being carried out during this quarter for City's Cash and City Fund in line with the MTFP preparations. 	James Graham; Sonia Virdee	27-Oct-2021	31-Mar-2022
CR 35c	Increased expenditure related to COVID measures- maximise recovery from government <i>Triggers:</i> <ul style="list-style-type: none"> Any changes to funding arrangements below the baseline 	<ul style="list-style-type: none"> Maximising recovery from government- spend is being coded and monitored. Total claim of £11.9m for 20/21 lost fees & charges income on City Fund. This scheme has been extended to cover Q1 of 21/22 and a claim has been made for £3.2m. Furloughing workers where appropriate has been done recovering £6.6m to end of June 21. 	Neilesh Kakad; Sonia Virdee	27-Oct-2021	31-Mar-2022
CR 35d	Inability of occupiers to pay rates as their income falls as business models are damaged. A reduction in demand for office space in the square mile, leading to lower occupation and business rate income. The Corporation is currently benefitting from growth in business rates retained income of c£40m. Non-payment of rates across London leading to difficulties in meeting cash flow payments as host of the pool. <i>Triggers</i> <ul style="list-style-type: none"> Change to business rate reset (further deferral will result in a positive impact). Shift from commercial to residential (hot off the press). Reduction in Rateable Value (the risk is minimal). Changes to methodology in business rate calculations. Alternative funding sources e.g. sales tax. 	<ul style="list-style-type: none"> Monthly monitoring in place. The impact of COVID-19 has been to lower the collection rate for business rates. Collection had improved to within 3% of pre covid levels. However, with the end of the enhanced retail relief in August the collection rate has dipped. The 21/22 collection rate is now 4.5% down on the pre-covid collection rate. The Govt is also allowing authorities to spread the impact of 20/21 business rate deficits over 3 years and introduced a tax compensation scheme, for which CoL will receive £8.3m. Residual collection fund deficit will need to be factored into the MTFP. Business Rate appeals linked to COVID have been ruled out due to Govt legislation, but we are seeing an increase in appeals on other grounds. Impacts will continue to be monitored. 	Phil Black	26-Oct-2021	31-Mar-2022
CR 35e	Impact on investments: securities/property <i>Triggers:</i>	<ul style="list-style-type: none"> The values of the three main financial investment portfolios have continued to grow over the course of Q3, albeit at a slower pace. Asset allocation and investment performance is reviewed by the Financial Investment Board at each meeting. 	Nicholas Gill; James Graham	27-Oct-2021	31-Mar-2022

	<ul style="list-style-type: none"> • <i>Increase in loss of income over £5m p.a.</i> 	<ul style="list-style-type: none"> • COL's Pension Fund contributions are fixed until 2023, providing some protection, whilst the diversified asset allocation strategies and use of active management across all three funds should continue to deliver some stability if general market moves become extreme again. • The total value of the investment property portfolios equates to £4.1bn (a decrease of circa 4% from last year, largely attributable to the Corona virus pandemic). • The House Fund, Bridge House Estates, City's Estate and City Fund all outperformed the MSCI benchmark return and universe return over a 3, 5, 7, 10 and 27 year period. • The total annual rental income from the investment property portfolio for 2021/22 is estimated to increase to £122.187m (June 2021 quarter estimate) from £121.787m (March 2021 quarter estimate). Over the 4 year forecast period the total rents are expected to increase to some £136.257m. • The investment property portfolio vacancy rate as at 1st June 2021 represents 3.45% which is lower than the City and West End vacancy rate of 7.3% (as reported by JLL). There was a slight increase of 19,774 sq.ft. in vacant space from 1st December 2020 to 1st June 2021. • The total arrears for the investment property portfolio as at June 2021 quarter day -1 stand at 13.52% or £24.635m (against a target of 1%). The Government Moratorium against taking enforcement action for non payment of rent etc has been extended through to March 2022, making recovery difficult. The latest arrears as at June quarter day plus 70 days show a slight fall at 13.35% or £23.83m (against estimated annual billing of £178.4m). 			
CR 35f	Impact on the MTFP	<ul style="list-style-type: none"> • Lower investment income modelled into MTFP, plus one year retention of business rate growth anticipated in 22/23. • Sums to mitigate risk are being held in Reserves- £30m on City Fund and £20m on BHE. Already drawing down on City's Cash Financial Investments by £530.6m across the planning horizon to 2024/25 (which is sustainable given modelling of balance sheet recovery). Further modelling sees an increase upto £709m between 2021/22 to 2025/26. • Update on MTFP was presented to the RASC Away Day on 13th July and 30th September. 	Caroline Al-Beyerty; Sonia Virdee	27-Oct-2021	31-Mar-2022
CR 35h	<p>To implement the Fundamental Review project plan-TOM</p> <p><i>Triggers:</i></p> <ul style="list-style-type: none"> • <i>Delays/Reduction to 12% savings.</i> • <i>Delays/Reduction to fundamental review savings.</i> 	<ul style="list-style-type: none"> • An exercise is being undertaken and will continue throughout 21/22 to monitor the achievement of TOM & FR savings across the corporation. • Deep-dive reports on departments savings will be reported to E&P committee, deep dives will align with the TOM waves. • Monthly TOM tracker reported and scrutinised by Establishment Committee commencing September 21. • Bilateral meetings held with Service Committee Chair/men and Chair/men of Policy & Resource and Finance Committee and their deputies to ensure savings are being achieved across the board. 	Chrissie Morgan; Sonia Virdee	27-Oct-2021	31-Mar-2022


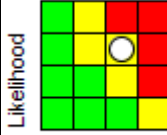

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<div>CR16 Information Security (formerly CHB IT 030)</div> <div>Page 23</div> <div>10-May-2019</div> <div>Emma Moore</div>	<p>Cause: Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information.</p> <p>Event: The City Corporation does not adequately prepare, maintain robust (and where appropriate improve) effective IT security systems and procedures.</p> <p>Effect: Failure of all or part of the IT Infrastructure, with associated business systems failures. Harm to individuals, a breach of legislation such as the Data Protection Act 2018. Incur a monetary penalty of up to €20M. Compliance enforcement action. Corruption of data. Reputational damage to Corporation as effective body.</p>	<div><div>Likelihood</div><div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div>	16	<p>We are seeing regular malware being delivered by email every week which is not being captured by the current security products. We have had agreement to upgrade our MS licences from E3 to E5 which will help mitigate this.</p>	<div><div>Likelihood</div><div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div>	8	31-Mar-2022	<div><div></div></div>
				<p>The Results of the IT Health Check have been received and a Remediation Action Plan (RAP) has been developed. Remediation activities have commenced.</p>				
				<p>Work on a simulated cyber attack is being planned with the IT Security Team for completion by the end of the calendar year.</p>				
				18 Oct 2021			Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR16k	Final stages of completing information security projects which will mean that we can assure Members that the City of London Corporation has implemented all the national government recommended security practices and technology achieving a maturity level of 4.	With the agreement of the E5 business case by Members the improvements to our security stance can now begin with resources procured to support implementation	Gary Brailsford-Hart	18-Oct-2021	31-Dec-2021
CR16l	Gain assurance on understanding and mitigating our security vulnerabilities	The Results of the IT Health Check have been received and a Remediation Action Plan (RAP) has been developed. Remediation activities have commenced.	Matt Gosden	18-Oct-2021	30-Nov-2021

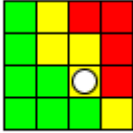
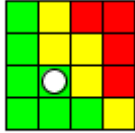
		Some vulnerabilities have critical dependencies and are complex to deliver. Therefore the completion of these has been moved to the end of November.			
CR16m	Work on a simulated cyber attack is being planned with the IT Security Team	<p>The COLP IMS Team are developing and will implement two activities toward the end of the calendar year:</p> <p>A Red Flag activity – A scenario-based exercise which simulates a Ransomware attack and tests our response to a similar incident.</p> <p>A White Hat activity – this is where we employ an Ethical Hacker to try to gain access to COL systems using typical hacking tools and techniques.</p>	Matt Gosden	18-Oct-2021	31-Dec-2021

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR29 Information Management <div>Page 25</div> <div>Apr-2019</div> <div>John Barradell</div>	Cause: Lack of officer commitment and investment of the right resources into organisational information management systems and culture. Event: The City Corporation's IM Strategy (2018-2023) is not fully and effectively implemented Effect: <ul style="list-style-type: none"> Not being able to use relevant information to draw insights and intelligence and support good decision-making Vulnerability to personal data and other information rights breaches and non-compliance with possible ICO fines or other legal action Waste of resources storing information beyond usefulness 	 Likelihood Impact	12	New business intelligence dashboards continue to be developed for improved decision making by the Corporate Strategy and Performance team • An updated An Information Management Asset register has been populated for the organisation. Plan being developed for moving unstructured data from Shared Drives to Sharepoint is being developed There is no dedicated resources to support Information Management and data analysis in the organisation. Unless resourcing is reviewed under the new TOM this situation will not change 18 Oct 2021	 Likelihood Impact	6	31-Dec-2021	
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR29a IM awareness	Ensure that CoL has the necessary awareness, tools and, skills to manage information effectively	Information Management Campaign successfully deployed. Work on the role of IM in the new TOM has begun with the TOM consultants.	Sean Green	18-Oct-2021	31-Dec-2021
CR29f IM Strategy implementation	Ensure officers can implement the data retention policy and data discovery requirements from GDPR	Gateway paper being prepared for the Data Discovery tool.	Sean Green	18-Oct-2021	31-Dec-2021

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB IT 031 IT Revenue Budget <div>Page 26</div> <div>10-May-2021</div> <div>Sean Green</div>	Cause: The IT Service is subject to a budget reduction of £1.2m in 21/22 or 12% having had this agreed in early March 2021. Event: The planned action programme does not deliver the required level of savings within the timeframe set by the City Corporation/Finance Committees Effect:. The IT budget will be overspent in 2021/22 The services provided by IT to the organisation will need to be descoped to save costs and this may have a downstream impact for the organisation to deliver successful outcomes in front line services.	 Likelihood	16	IT has made good progress on meeting the saving from the Fundamental Review and around £400k from the 12% saving target, there is still an unachieved target of circa £1m to be found. Due to timing of the TOM, IT has been unable to make any savings in this area. Contract negotiations are on going with key suppliers where appropriate. Further savings could have an impact on the provision of the IT service. A governance process is in place enabling tracking and corrective action to be taken. A review of the plan is required to be actioned every 2 weeks.	 Likelihood	12	31-Mar-2022	 Constant

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHB IT 031a	Complete review to quantify savings	£400k of savings have been identified, with £800k full year impact for the next FY if the savings are achieved . There are a number of savings that are awaiting negotiation and review both internally and with suppliers. Given the cost pressures on the IT budget in particular with Compute and Storage the savings have been consumed in the financial year and the net in year saving is only £100k. There is some areas of one off savings that we are now exploring with Finance colleagues.			Kevin Mulcahy	18-Oct-2021	31-Mar-2022
CHB IT 031b	Prepare and execute the IT savings plan for 21/22 with agreement from relevant stakeholders in the organisation	A dedicated Project Manager and Capacity Manager has been employed to develop and drive forward the IT savings for the Corporation. This is profiled and is being discussed at monthly meetings with the Chamberlain.			Kevin Mulcahy	18-Oct-2021	31-Dec-2021

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB IT 004 Business Continuity 30-Mar-2017 Sean Green Page 27	<p>Cause: A lack of robust infrastructure and restore procedures are not in place on aging infrastructure. Secondly, there is a lack of resilient or reliable Power services or Uninterruptable Power Supply (UPS) provision in multiple Comms rooms and datacentres in COL and COLP buildings.</p> <p>Event: The IT Division cannot provide assurance of availability or timely restoration of core business services in the event of a DR incident or system failure. There will be intermittent power outages of varying durations affecting these areas/buildings.</p> <p>Effect: The disaster recovery response of the IT Division is unlikely to meet the needs of COL leading to significant business interruption and serious operational difficulties.</p> <ul style="list-style-type: none"> • Essential/critical Systems or information services are unavailable for an unacceptable amount of time • Recovery of failed services takes longer than planned • Adverse user/member comments/feedback • Adverse impact on the reputation of the IT division/Chamberlain's Department 	 <p>Likelihood</p> <p>Impact</p>	8	All services have now been migrated into Azure. Agilisys BC/DR plan has now been provided and is being reviewed internally and will form the basis of the COL IT BCDR Plan. The GW5 has been sent for approval, the project is poised to start immediately. 18 Oct 2021	 <p>Likelihood</p> <p>Impact</p>	4	31-Oct-2021	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB IT 004k	RPO and RTO of Critical Apps	Find out the RPO/RTOs for all critical applications in Azure and match to Critical Apps and Services	Matt Gosden	28-Sep-2021	30-Nov-2021
CHB IT 004m	Repurpose GJR Comms Room	Review audit results, obtain quote from Red60, identify budget.	Kevin Mulcahy	28-Sep-2021	19-Nov-2021
CHB IT 004n	Produce IT-wide BC/DR Plan	The team are to develop an IT-wide BCDR Plan, including at least three critical services. This will be based on the Agilisys-specific plan which was delivered March 2021.	Matt Gosden	28-Sep-2021	30-Nov-2021
CHB IT 004O	UPS Project Delivery	Work is under way from by the supplier, and the hardware has been delivered, completion is expected by the end of October	Matt Gosden	18-Oct-2021	31-Oct-2021

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Committee:	Date:
Finance Committee	9 November 2021
Subject: Draft Chamberlain's Business Plan for 2022/23	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	Outcome 3, 5, 8, 10
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	Yes, within budget estimate
Report of: The Chamberlain	For Approval
Report author: Hayley Hajduczek, Business Support Manager	

Summary

This report presents for approval the Business Plan for the Chamberlain's Department for 2022/23.

Recommendation

The committee is recommended to:

- i) Note the factors taken into consideration in compiling the Chamberlain's Department Business Plan; and
- ii) Approve, subject to the incorporation of any changes sought by this Committee, the departmental Business Plan for Chamberlain's for 2022/23.

Main Report

Background

1. Business Plans for 2022/23 are being presented based on current departmental structures. These will be adjusted, alongside budgets, when any changes to these structures are implemented.
2. Business Planning will be reviewed as part of the Target Operating Model. Any proposed changes will be shared and agreed prior to implementation in future planning cycles'. For 2022-2023 Business Plans, we have adopted the same

templates and approach from 2021-2022. Chamberlain's Department is currently in the design phase tier 3 of the TOM so some changes may be required once the TOM is implemented in full.

Current Position

3. The Chamberlain's department are presenting its Business Plan ahead of Budget estimates to ensure members are happy with proposals for the coming financial year before the budget is set. The TOM design work will also take the Business Plan into consideration also to ensure the TOM is fit for purpose.
4. Business Plans are aligned to departments, so all financial information presented within the Business Plan reflects the departmental budget rather than the Committee budget. These figures will be added when the budget estimates are completed for the Chamberlain's department.

Proposal

5. The draft high-level summary Business Plan for Chamberlains Department is presented at **Appendix 1**.

Key Data

6. Key data is presented within the draft high-level summary Business Plan for Chamberlain's is presented at **Appendix 1**.

Corporate & Strategic Implications

7. Strategic implications – Strategic priorities and commitments are expressed in **Appendix 1**.
8. Financial implications – The draft high-level summary Business Plan at **Appendix 1** has been drawn up on the basis of a 12% reduction in the departmental budget compared to 2022/23.
9. Risk implications – Key risks managed by the department are included in the draft high-level summary Business Plan at **Appendix 1**.
10. Resource implications – Any changes to resources will be identified and delivered through the move to the Target Operating Model.
11. Equalities implications – The department has a separate Equalities and Inclusion Plan which aims to improve the department's Equalities position for employees. Where appropriate the department will complete Equality Impact Assessment for upcoming changes.
12. Climate Implications – Under the Climate action strategy the departments Corporate Treasury function is responsible for delivering Scope 3 emission actions related to our financial investments.

13. Security implications – There are no security implications to the proposals put forward in the Chamberlain's Business Plan.

Conclusion

14. This report presents the draft high-level summary Business Plan for 2022/23 for Chamberlain's. This committee is recommended to approve it.

Appendices

- Appendix 1 – Draft High-level summary Business Plan 2021/22 for Chamberlain's Department.

Hayley Hajduczek

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Chamberlain's Department

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Our aims and objectives are...

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

- Demonstrating the affordability and value for money of City finances through medium-term financial plans and annual budgets that are aligned with the Corporate Plan, robust business case, financial management and year-end accounting disciplines, and excellent professional advice.

The key enabling services we provide...

- Strategic financial modelling and advice
- Revenue and capital budgeting and management
- Collection of revenues
- Financial transactional services
- Financial Business Partnering services

Our major workstreams this year will be...

- Increasing our strategic impact, by providing insight and decision support through modelling of longer-term affordability and developing whole life costing of Major and other Projects
- Developing the Finance TOM underpinning CoL TOM
- Driving Process Standardisation & ERP implementation
- Increasing Financial Literacy & influencing Culture Change
- Inspiring Staff Development & new methods of Communication

The Corporate Plan outcomes we have a direct impact on are...

- Outcome 5: Businesses are trusted and socially and environmentally responsible
- Outcome 8: We have access to the skills and talent we need
- Outcome 10: We inspire enterprise, excellence, creativity and collaboration

Covid-19 related changes

The following areas of work were undertaken due to Covid-19:

- Financial impacting of C19 and more indicatively across medium-term, leading to triggers put in place to monitor the on-going impact and recovery stages.
- Processing of business grants and loans, and many unplanned payments. Reclaiming costs from Government where available.

The following are being delivered differently due to Covid-19:

- Increases in transactional thresholds and electronic transactions.
- Hybrid meetings and opportunities to strengthen collaborative working across departments.
- Culture shift to being paperless and use of SharePoint and Teams

Other changes planned

- Implementation of new ERP system across finance, HR, payroll and procurement
- Budget holder and project manager self-service.
- Integration / extension of transactional shared services.

New commitments

- Develop the head of profession role for Finance under the target operating model
- Support the Climate Action Strategy

Value for money

- Strengthening our focus on strategic priorities and top financial risks to the Corporation. Strengthening modelling capability for major projects. Increasing self-service and shared services. Driving other process efficiencies.

Plans under consideration

Plan	Time Scale
<i>Development of Finance TOM, including shape & size of Finance function) underpinning Corporation TOM</i>	By tier across 21/22
<i>Priority process improvements, including financial regs, self-service, automation, capital processes. Supporting ERP implementation</i>	Q4 21/22
<i>Upskilling of Finance staff to increase strategic and professional impact, and present in more visual and less tabular format</i>	Across 21/22

Our aims and objectives are...

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

- Managing the non property securities for Pension Fund City's Cash & Bridge House Estates. Providing treasury management function for the Corporation. Administering the Local Government Pension Scheme and Police Pension Scheme. Enhancing and protecting the organisation through the placement of insurance and providing advice on VAT matters.

The key enabling services we provide...

- Administration and oversight of the Local Government Pensions Scheme (LGPS) and Police Pension Scheme
- Insurance services for the Corporation
- VAT advice and financial appraisals
- Treasury management, banking and banking administration and management of non-property investments

Our major workstreams this year will be...

- Delivering climate commitments around our investments
- Implementing Pension scheme members self service online portal
- Providing VAT/SDLT and Insurance advice to support decision making of the major and other projects
- Replace the Paris income management system
- Developing an online toolkit for assessing insurance risks in contracts

The Corporate Plan outcomes we have a direct impact on are...

- *Outcome 5: Businesses are trusted and socially and environmentally responsible*
- *Outcome 8: We have access to the skills and talent we need*
- *Outcome 10: We inspire enterprise, excellence, creativity and collaboration*

What's changed since last year...

Covid-19 related changes

- The following areas of work were undertaken due to Covid-19:
 - Administration of the Covid Business Recovery Fund
- The following are being delivered differently due to Covid-19:
 - Treasury management operations now all done electronically
 - Paperless file management for insurance policy and claims administration
 - File management and provision of reports to City Revenues teams are now done electronically

Other changes planned

- Increased collaboration with insurers using automated work flows and shared information platforms.

New commitments

- Climate Action Strategy – We are responsible for delivering Scope 3 emission actions related to our financial investments.

Plans under consideration

Plan	Time Scale
Replace Paris income management system	June 2022
Member self-service (pensions online portal)	November 2022

Our aims and objectives are...

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

- Supporting the Chamberlain's department to deliver the best service possible to the wider Corporation.
- Championing equalities and inclusion throughout the department
- Effectively using the soft power of the Freedom of the City to support the City's strategic priorities such as diversity and sustainability.
- Positively impacting City of London's reputation with stakeholders and wider communities through enjoyable ceremonies; efficient processing of applications; and effective management of the Chamberlain's Court.

The key enabling services we provide...

- Business, project and operational support for the Chamberlain's department.
- End to end processing of the Freedom of the City applications and VIP Freedoms.

Our major workstreams this year will be...

- Implement the departmental Equality Diversity & Inclusion plan.
- Supporting the implementation of new ERP system across finance, HR, payroll and procurement.
- Providing support to the department as the new target Operating Model is implemented and transitions into business as usual.
- Implement a strategic review of the Chamberlain's Court aiming to align closely to Corporate Plan and cross departmental working while becoming more financially sustainable.
- Work to reduce the build-up of ceremonies that were not able to be carried out in person due to COVID-19. This work will be partially completed by attending Livery Halls whereby more Freemen are admitted together in a single ceremony. Produce further plans to reduce backlog numbers.

The Corporate Plan outcomes we have a direct impact on are...

- *Outcome 3: People have equal opportunities to enrich their lives and reach their full potential.*
- *Outcome 8: We have access to the skills and talent we need*
- *Outcome 10: We inspire enterprise, excellence, creativity and collaboration.*

What's changed since last year...

COVID-19 related changes

- Business Support are providing communications to the department on matters relating to the return to the office as we transition to a new normal and representing the department at the necessary meetings.
- As we recover from the pandemic and return to the workplace the Chamberlain's Court has put the following precautions in place in line with Corporation's cautious approach to the return:
 - Reduced the numbers of guests invited to each ceremony.
 - Reduced number of ceremonies in one day so that guests are less likely to pass one another.
 - Move to digital by default approach, specifically card only payments in Chamberlain's Court, streamlined application process with online payments, document verification undertaken virtually.
 - Continuing to be offer a virtual ceremony for those who prefer - this will remain into the future, making the Freedom more accessible.

Other changes planned

- Introduction of new software to manage freedoms administration providing the ability for statistical analysis as well as digitalising formerly manual processes. Users of the new system are to be provided with an enhanced experience when completing the application process. The system will provide increased resilience replacing an old heritage system which is no longer fit for purpose.
- Increased collaboration with our colleagues in Remembrancers and Innovation and Growth to better the service provided by the Chamberlain's Court.
- Increase pricing in line with inflation indices approved by Freedoms Application Committee.

New commitments

- Greater project support for the upcoming financial projects.

Value for money

- We are reviewing the operations of the CHB Court to find efficiencies.

Plans under consideration

Plan	Time Scale
Analysis of diversity of Freedom applicants to carried out when the new system is in place and allows for a survey to be offered during the process. A plan to be put into place following this to increase diversity of Freemen.	March 2022

Our aims and objectives are...

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

- Enhancing and protecting organisational value by providing independent and objective assurance as to the effectiveness of the arrangements for governance and risk management and the overall adequacy of the internal control environment.

The key enabling services we provide...

- Internal Audit – delivering a risk based programme of work that is aligned to organisational objectives, providing advice and guidance to improve the efficiency and effectiveness of the control environment
- Counter fraud and Investigations - Providing advice, guidance and support to minimise the risk of fraud, delivering a programme of proactive interventions and an investigation service

Our major workstreams this year will be...

- Preparation and delivery of an annual, risk based, Internal Audit Plan to inform the Annual Opinion on the Adequacy of the Internal Control Environment
- Maintain an effective Fraud Investigation function that is responsive to suspected and actual fraud.
- Reorganisation of the team to reflect TOM design principles, both within the team and embedded in the structure of the Internal Audit Plan

The Corporate Plan outcomes we have a direct impact on are...

- *Outcome 5: Businesses are trusted and socially and environmentally responsible*
- *Outcome 8: We have access to the skills and talent we need*

What's changed since last year...

Covid-19 related changes

- Internal Audit work largely continues to be undertaken virtually, utilising Microsoft Teams and SharePoint for the transfer of information
- Restrictions on undertaking certain Fraud Investigation activity, such as visits and interviews, have eased, although remain subject to risk assessment

Other changes planned

- The TOM presents an opportunity to build capacity within the team and create a better career path for Audit professionals
- The TOM also results in the transfer of Corporate Risk Management to the Department of the Deputy Town Clerk and Chief Executive, the professional relationship with Internal Audit remains

Plans under consideration

Plan	Time Scale
Development of the use of data analytics, subject to investment of time and budget	Pilot during 2022/23
Expansion of work in relation to the National Fraud Initiative (via NFI+)	April 2022

Our strategic commitments

- Support the strategic aims of the organisation through sound financial advice, in particular longer-term affordability and whole life costing of Major and other Projects.
- Develop the Head of Profession role for Finance under the target operating model.
- Advise on delivery of flightpath of organisational savings
- Improve shared services.
- Explore how the mechanism of the Freedom of the City can be best used to deliver corporate objectives such as Climate Action and Diversity.

Climate Action Strategy

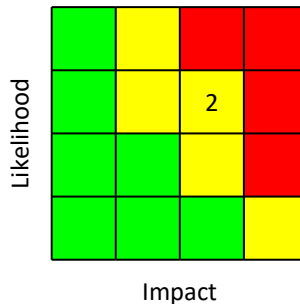
Areas for support:

- Action area 1: Corporate properties
- Action area 3: Capital projects
- Action area 4: Property investments

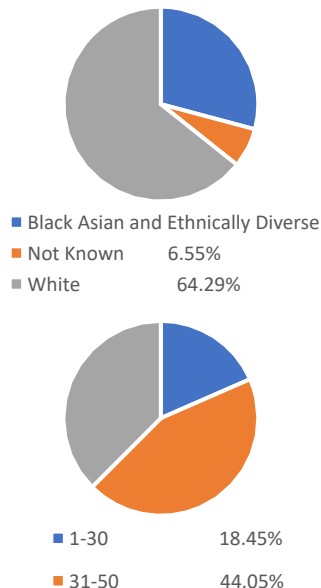
Our E D & I self assessment score

Monitoring and use of data and information	3
Completing Equality Analysis (EQIA) and tackling discrimination and barriers to inclusion	4
Target setting and mainstreaming equalities into performance systems	3
Using procurement and commissioning to achieve equality and cohesion targets	1
Engagement and partnership	4
Employment and training	3

Key Risks



Risk Title	Score
CR 23 Police Funding	12
CR35 Unsustainable Medium Term Finances	12



Key Performance Indicators

KPI	Target	Current Performance
Ratio of male to female staff in senior roles	50 / 50	Female 57.94% Male 42.06%
% business rates collected in-year	98%	35%
% commercial rents collected	98%	89%
% council tax collected in-year	98%	52.14%
% positive internal customer satisfaction (average – staff survey)	60%	55%
% staff who report good wellbeing (staff survey)	75%	67% (88% if including neutral responses)
% Audit plan delivered	100%	88%
% Budget variance	<1%	<1%
% key decisions with Tests of relevance / EQIA conducted	100%	New measure
% ED&I improvement plan delivered	TBC	New measure
% supply chain by spend with Paris-aligned net zero plans	TBC	New measure
% investment portfolio Paris-aligned	TBC	New measure
% invoices paid on time (30 day)	97%	93%
Initial Payment of Actual Retirement Benefits	5 Days	97.58%

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Committee(s): Finance Committee	Dated: 9 November 2021
Subject: Central Contingencies 2021/22	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: The Chamberlain	For Information
Report author: Amanda Luk, Senior Accountant, Financial Services Division	

Summary

This report has been produced to provide Members with an update on the Central Contingencies 2021/22 uncommitted balances.

Since the last report to Committee in October, joint funding of £276,000 from the City Fund and City's Cash Central Contingencies were agreed for a non-public item under urgency.

Recommendation(s)

Members are asked to:

- Note the Central Contingencies 2021/22 uncommitted balances.

Main Report

Background

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 £125,000 to support humanitarian disaster relief efforts both nationally and internationally.

Current Position

- The uncommitted balances that are currently available for 2021/22 are set out in the table below:

2021/22 Central Contingencies – Uncommitted Balances 25 October 2021			
	City's Cash	City Fund	Total
	£'000	£'000	£'000
Contingencies			
2021/22 Provision	950	800	1,750
2020/21 Brought forward	0	206	206
Total Provision	950	1,006	1,956
Previously agreed allocations	(620)	(595)	(1,215)
Pending recommended allocation	0	0	0
Pending request on the agenda	0	0	0
Total Commitments	(620)	(595)	(1,215)
Uncommitted Balances	330	411	741
National and International Disasters			
Total Provision	125	0	125
Previous allocations	(50)	0	(50)
Uncommitted Balance	75	0	75

- A contingency of £50,000 is held by Bridge House Estates (BHE). This is in case of a request for additional funding for a project that affects all three funds, enabling this Committee to consider the impact of the total request. The BHE Board would approve its portion of any such joint project. To date in 2021/22, there has been one joint funding request that affects all three funds, of which the BHE element is £31,000. All requests specific to BHE only are considered solely by the BHE Board.
- Since the last report to Committee in October, joint funding of £276,000 from the City Fund and City's Cash Central Contingencies were agreed for a non-public item under urgency.
- At the time of preparing this report, there are no requests for allocations from contingency funds elsewhere on the agenda.
- The sums which the Committee has previously allocated from the 2021/22 contingencies are detailed in Appendix 1.

Conclusion

8. Members are asked to note the Central Contingencies uncommitted balances.

Appendices

- Non- Public: Appendix 1 – Allocations from 2021/22 Contingencies

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