

Committee(s): Economic & Cyber Crime Committee	Dated: 13/05/2022
Subject: Innovation & Growth – Update of Cyber & Economic Crime related activities	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1, 6, 7
Does this proposal require extra revenue and/or capital spending?	No
What is the source of Funding?	NA
Report of: Innovation & Growth	For information
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Summary

The core objective of Innovation & Growth (IG) is to strengthen the UK’s competitiveness as the world’s leading global hub for financial and professional services (FPS). This includes promoting the strengths of the UK’s offer and enhancing the UK’s position as a leader in FPS technology and innovation.

As the national lead force for fraud and cyber, the City of London Police (CoLP) plays a significant role in helping to build a resilient and secure eco-system in which both individuals and businesses across the UK can operate safely. This goes to the heart of the UK’s competitiveness and so the work of IG and CoLP aligns.

The following report summarises the activity that has been taking place across IG in relation to cyber and economic crime. It also highlights areas of cross-team working between IG and CoLP. Finally, the report puts forward a proposal for a new cyber project focused on supporting cyber security innovation to tackle emerging threats to business. This project will build on the recent work conducted by IG with Microsoft to support collaboration between FPS and cyber technology companies. Operating as a partnership between IG and CoLP, the project’s main objective would be to strengthen the UK’s cyber security credentials. This will be achieved by bringing innovative cyber security products to market and providing thought leadership on how to tackle emerging cyber threats to business.

Links to the Corporate Plan

1. The activities set out in this report help deliver against the Corporate Plan’s aim to support a thriving economy. This includes outcome 6c - to lead nationally and advise internationally on the fight against economic and cybercrime. It also supports outcome 7, positioning the UK as a global hub for innovation in financial and professional services.

Main Report

Innovation & Growth activity

[Digital Sandbox partnership with Microsoft](#)

2. In 2021 the City Corporation and Microsoft started exploring a joint challenge on the Digital Sandbox. We then co-hosted several workshops in late 2021 with financial services institutions. These were designed to identify a topic within the theme of cyber security where there was a joint interest across the financial services partners in developing technology solutions. A use case was agreed in February 2022 to focus on technology to support assessing, continuously monitoring and mitigating risks across the supply chain. Technology companies were invited to apply to participate in the Challenge. Five companies were selected – Risk Ledger, Orpheus Cyber, CyNation, arx Partners and Conatix.
3. Like the previous activities hosted on the Digital Sandbox platform, the primary aim of the Challenge was to foster collaboration between financial institutions and technology companies. In this case the collaboration was centred around addressing today's cyber security challenges and boosting the impact of measures to tackle cybercrime. By nurturing innovation in an increasingly important field, the Challenge sought to help UK business to lead from the front in adapting for the future. Specifically, the Challenge was designed to:
 - (i) Cut across silos between traditional sectors and revitalise the ecosystem.
 - (ii) Challenge organisations to work together on defining and solving a widespread problem statement; and
 - (iii) Use the opportunities afforded by the Challenge, including the Digital Sandbox platform, to accelerate tech development so that it is market ready.
4. The Cyber Innovation Challenge operated on a closed basis with three financial services institutions engaging in weekly meetings with at least three of the five tech companies. These institutions included Nationwide and Hiscox. The weekly discussions formed a six-week sprint during which the participants had focused conversations to explore the solutions and how they could be developed to better meet the needs of the financial services sector. During this period the tech companies also had group collaboration sessions to provide them with further insights from across the cyber security eco-system. These included sessions with UK Finance, Osney Capital, London & Partners, Department for International Trade, Microsoft and City of London Police.
5. The Challenge culminated in a final presentation session bringing together all the participants. This provided the technology companies with a chance to present their solutions and explain how they had developed due to participating in the Challenge.
6. Initial feedback from the Challenge has been very positive. Successful outcomes include pilots that are now being conducted between some of the tech companies and the FS partners, improvements in the solutions that have been made because of the discussions that took place and ongoing exploration of possible partnerships between the tech companies themselves. All those involved in the Challenge who responded to the survey confirmed that they would recommend participating in the programme. All of those tech companies who completed the survey also confirmed that their involvement in the Challenge accelerated product development.
7. A public event to build out discussions around the use case and showcase the solutions that have come through the Challenge is being co-hosted by the City Corporation and Microsoft at Guildhall on 25 May. Officers in IG are in the process of preparing a full evaluation of the Challenge to review its success in meeting the

objectives set. This will also help inform any future iterations of this kind of Challenge.

Innovation & Growth/City of London Police cross-team working

8. We continue to use this report to review those activities which demonstrate the benefits of IG and CoLP collaboration. At the same time, IG is always alive to opportunities to promote the activity of CoLP and support their work as part of our wider stakeholder engagement.

Collaboration

9. Cyber Security Innovation Challenge – As referred to above, CoLP hosted a collaboration session for the tech companies involved in the Challenge. This provided the tech companies with an opportunity to better understand CoLP's role as national lead force for cyber. CoLP will also be represented on a panel as part of the 25 May event promoting the Challenge. As this event is aimed at a primarily business audience it will provide a good opportunity for CoLP to engage with the business community.

Promotion of CoLP activity

10. Officers in IG have been supporting CoLP ahead of a planned business breakfast briefing on 9 May. This has included reaching out to cyber and other business contacts to attend. The IG events team has also been supporting on logistics for the briefing.

Future Cyber Project

11. At the last Economic and Cyber Crime Committee meeting IG was asked to prepare a proposal for a future cyber project for consideration by this Committee. The aim of the project is to strengthen the UK's cyber security credentials by combining CoLP's strengths as national lead force for cyber with IG's FPS and innovation networks. Building on our work with Microsoft and the Cyber Innovation Challenge we are keen to explore a project that will support cyber security innovation to tackle emerging threats to business.
12. FPS remains one of the most targeted sectors for cyber attacks and these threats are constantly evolving. As the forms of attack become more innovative, there is an ever-increasing need for more innovative solutions aimed at the FPS market. There are many who are already working hard to develop products in this area. These range from across the FPS sector, BigTech and other fintech and cybertech specialists. However, there is significant scope to bring better products to the FPS market more quickly by supporting collaboration across these sectors.
13. Given CoLP and IG's aligned interests in supporting business we can see the benefits of partnering on delivery of a project in this area. Therefore, we propose to run an enhanced version of the Cyber Innovation Challenge to support collaboration and strengthen the pipeline of cyber security products aimed at FPS. The Challenge would consist of the following phases of activity:
 - (a) **Initial partnership discussions** – the primary partnership driving forward the Challenge will be that between IG and CoLP. However, it would be worth exploring whether there are any other partners who either IG or CoLP would like to approach to bring in any broader expertise to the overall Challenge.

- (b) **Objective setting** – IG, CoLP and any other partner will need to agree the objectives of the Challenge and how these will be assessed. From an IG perspective, key objectives will include accelerated product development, new partnerships and providing thought leadership on a topical issue. CoLP's objectives may be linked to increasing awareness of their role as national lead force and building out new business contacts, as well as providing thought leadership on key cyber security issues.
- (c) **Challenge setting** – it is vital that the Challenge addresses an issue which resonates with businesses. Selecting a focus for the Challenge will start with discussions between CoLP and IG of those emerging cyber security threats to business that they are each aware of. CoLP and IG would then co-host several workshops bringing together those active across the cyber security space. This will include representatives from FPS, BigTech and cyber security companies, but also from Government, relevant trade associations and academia. At the end of the workshops the Challenge topic would be refined and finalised.
- (d) **Challenge timetable development** – once the focus for the Challenge has been confirmed IG and CoLP will work together to build out a realistic timetable and programme of activity for the Challenge. Based on the feedback from the recent Cyber Innovation Challenge with Microsoft we would recommend running the Challenge over a 10-week period. The activity will consist of regular 1:1 sessions between tech and industry participants to work together on developing the solution. There will also be collaboration sessions led by key individuals and organisations active in the cyber security space to provide additional insight to those developing solutions. The Challenge will complete with a public showcase of the solutions that have been developed.
- (e) **Industry participant confirmation** – to build out collaboration around the Challenge it is important to have a small number of very engaged industry participants. These partners will each be asked to sponsor at least two tech companies that are participating in the Challenge and work with them during regular 1:1 sessions to develop their solutions.
- (f) **Technology participant applications** – we would suggest running a competitive process for bringing in tech participants to the Challenge. This would be open to any companies that are in the process of developing a solution that responds to the Challenge topic. Applications can be judged against several criteria including the solution's relevance to the use case, how innovative the approach is and the potential for the Challenge programme to support and accelerate development of the solution. This process would be run jointly by IG and CoLP, bringing in other third-party expertise to support where required.
- (g) **Challenge finalisation and delivery** – once the industry and technology participants are confirmed then the Challenge programme can be finalised. CoLP and IG will take joint responsibility for delivering the programme. IG will be able to support based on experience running similar Challenges previously. CoLP's involvement will be key in terms of providing insight from their role as national lead force for cyber and exploring what data or other assets and information they may be able to share to support participants in the Challenge.

(h) **Challenge evaluation** – this will provide an opportunity to reflect on the Challenge and the extent to which it has met the objectives set at the outset.

14. There are differences between the recent Microsoft Challenge and the proposed Challenge. First, the partnership between IG and CoLP would be central to the Challenge, rather than CoLP playing a purely supportive role. Therefore, to take this proposition forward will require commitment from both parties to commit the necessary time resource to making it a success. Secondly, we would also look to have more input on this Challenge from other BigTechs and public sector interests from Government and regulators. Thirdly, the timeframe for development and delivery of the Challenge would be lengthened to allow more space for product development and data access to support this.

15. In terms of timeframe, if this proposal has the support of the Committee and CoLP then we could look to have initial discussions around partners and objective setting in June/July with a view to setting the Challenge, bringing in industry partners and running the tech application process in Q3/4 2022. The Challenge would then take place in Q1 2023.

Conclusion

16. IG is keen to explore ways to engage with CoLP. Collaborating on a significant project that aligns interests between the two teams will strengthen the working relationships already in place. It is also an excellent opportunity to pool our respective strengths and resources to support the UK's competitiveness at the forefront of cyber security.

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