

REQUEST FOR DMPC DECISION – PCD 30

Title: London Digital Security Centre (LDSC) grant variation

Executive Summary:

The LDSC is a unique, London-specific public-private partnership created by MOPAC to address cyber-security concerns raised by SMEs. The initial funding of £327k was recognised as developing the organisation to its current level; a second stage of MOPAC funding was not ruled out.

The LDSC is well placed to address the more ambitious remit relating to the Mayor's manifesto pledges around digital security and cybercrime. MOPAC will be supporting the Mayor's Chief Digital Officer and leading on the Mayor's cybercrime strategy. The LDSC will help to drive forward the Mayor's manifesto commitment to ensure Londoners and businesses have the information and resources they need to stay safe online.

So far the LDSC has proved its concept and has developed its business model; it is now at a critical stage where it is ready for full implementation. The imminent recruitment of both a new Head of the Centre and business lead who will drive forward an updated business plan and achieve longer-term self-sustainability for the centre. This plan will require a further tranche of investment from MOPAC.

Recommendation:

That DMPC agrees to vary the current grant agreement with the LDSC increasing the funding from £327k to a maximum of £527k and extending the grant term until March 2018.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature

Spivey Under

Date

25/7/16

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1. The LDSC is a unique, London-specific public-private partnership created by MOPAC to address key concerns raised by SMEs; SMEs have told MOPAC that they do not truly understand the capabilities of cybercriminals or how they commit offenses, and find it difficult to find clear guidance and support on how to keep themselves safe.
- 1.2. The LDSC has the potential to be more ambitious and address the Mayor's manifesto pledges concerning digital security, cybercrime and business connectivity. The GLA has agreed that MOPAC will lead on the Mayor's cyber-crime strategy; MOPAC will be utilising the LDSC to drive forward the Mayor's manifesto commitment to ensure Londoners and businesses have the information and resources they need to stay safe online.
- 1.3. The impact for victims of fraud is often devastating, whether they are individuals or businesses. Fraud and cyber-enabled fraud is both considerably under-reported and under-investigated. The LDSC works closely with Operation FALCON in the Met and with City of London police, the technology sector and businesses to provide a trusted, one-stop shop for cyber security advice for small businesses in our city.
- 1.4. LDSC is at a critical point in its development; the organisation is entering a new phase with greater scope for cooperation and co-working with CoLP and others and is ready to launch its business services offer and threat information model. Over the last year the LDSC has been designed and incorporated and a business service model has been built proving the concept; however there has been little income generated and the MOPAC grant income has therefore been the main source of funds. Costs are now better understood and this has allowed the LDSC Board to consider a segregated funding model which separates sales from engagement and threat information work.
- 1.5. In order for it to be successful, the LDSC needs to have the staff in place who are able to provide the right technical and threat expertise together with the skills to develop products which maximise sales and draw down other sources of funding to make the LDSC self-sustaining.
- 1.6. The grant agreement needs to be varied so that the total amount will be increased from £327k to a maximum of £527k and the grant period extended to March 2018. The varied agreement will include a cost recovery provision with the aim of recovering some of these extra MOPAC costs before March 2018 subject to the agreement of the LDSC board.

2. Issues for consideration

- 2.1. This proposal builds on the progress made to date and provides the opportunity for a full operational launch of its business services offer.
- 2.2. The LDSC will be able to recruit a new Head of LDSC, potentially on a term based and incentivised basis; along this a new Business Services lead will be appointed on secondment who will pursue robust marketing and sales plans together with plans for sponsorship and alternative sources of grant funding

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

ORIGINATING OFFICER DECLARATION:

	Tick to confirm statement (✓)
Head of Unit: The Head of Strategy and business planning has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: Legal advice has been obtained and is covered in the body of the report	✓
Financial Advice: The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
Equalities Advice: The Workforce Development Officer has been consulted on the equalities and diversity issues within this report.	✓

OFFICER APPROVAL**Chief Operating Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature



Date

25/7/16

- 2.3. This proposal is consistent with the Mayor's objective of developing a digital strategy; the LDSC will be utilised in his objective of tackling cybercrime
- 2.4. The people scheduled for recruitment will provide knowledge of and access to national fraud and cyber infrastructure and private sector info-sec expertise

3. Financial Comments

- 3.1. The variation in the grant agreement will be for up to a maximum of £200k in additional funding; some of these costs may be recoverable
- 3.2. This proposal represents extra charges to the MOPAC budget beyond the £400k previously allocated to business crime
- 3.3. Although the lead staff will be incentivised to deliver positive financial outcomes there are no absolute guarantees that the income targets will be achieved

4. Legal Comments

- 4.1. Under section 9 of the Police Reform and Social Responsibility Act 2011 MOPAC may make a Crime and Disorder Reduction Grant to any person if they are of the opinion that it will secure, or contribute to securing crime and disorder reduction within the Metropolitan Police District
- 4.2. Any cost recovery arrangement will need to be approved by the LDSC board

5. Equality Comments

- 5.1. The LDSC board has adopted an interim ethical framework which outlines equality and diversity provisions together with some ethical trading rules
- 5.2. The grant agreement terms and conditions require the recipient, if required, to demonstrate that they have acted 'in a fair, open and non-discriminatory manner' in regard to the procurement of goods and services in connection with the grant monies and the funded activities
- 5.3. The LDSC acts within the provisions of the Equality Act 2010

6. Background/supporting papers

- 6.1. Previous decisions in relation to funding the LDSC
 - 6.1.1. DMPC 2015 58
 - 6.1.2. DMPC 151 (Part 1)

REQUEST FOR DMPC DECISION – DMPCD 2015 58**Title: Business Crime Strategy – Establishment of the London Digital Security Centre (LDSC) and Business Crime Reduction Partnership funding****Executive Summary:**

The MOPAC Business Crime Strategy was established in 2014 and runs until 2016. The strategy lays out a series of objectives to reduce crime against businesses in order to assist in safeguarding the economic growth of London. Two key elements of this strategy are Business Crime Reduction Partnerships and the London Digital Security Centre.

Business Crime Reduction Partnerships can act as a focal points of contact for the business community and police. They deliver radio schemes to alert one another to threats, information portals to share data on known offenders and also report crime to the police without duplication and better coordination of work with private security.

The London Digital Security Centre is based on the Scotland model and delivers three main areas of work; manage a programme of roadshows to raise awareness of threats to businesses, especially SMEs; provide a service to assess a business' level of resilience to cyber threat; and provide alerts to businesses regarding cyber threats.

Establishing the LDSC is a key promise in MOPAC's business crime strategy. The LDSC will provide cyber-awareness training and skills to help small businesses protect themselves from online crime, in particular fraud, and show them how to protect their customer data securely. The Centre will be incorporated as a company limited by guarantee and MOPAC and the MPS will be two of the directors of the newly formed company. MOPAC is providing funding over the first two years of the Centre's operation; the Centre is intended to be self-funding thereafter.

The gross cost of delivering the above elements of the Business Crime strategy until March 2017 is circa £750k. MOPAC will contribute upto £400k to pump prime and fund initial operating costs. From April 2017 both LDSC and the BCRP are anticipated to be self-financing.

Recommendation:

The DMPC is asked to approve

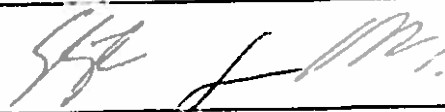
1. The creation of the London Digital Security Centre,
2. MOPAC's participation as a director of the newly created corporate body,
3. A budget of up to £400k for Business Crime strategy costs including LDSC and Business Crime Reduction Partnership (BCRP) costs over the current and next financial year.
4. The award of a grant to the LDSC to be delegated to the COO to enable the set up and initial operating costs, the final value to be within the approved budget and
5. Funding of the Southwark BCRP for £54,000 in 2015/16 and £18,100 for 2016/17 from within the £400k budget.
6. Award of a grant to the Safer London Business Partnership to enable the set up and initial operating costs of the Southwark BCRP as set out above

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature



Date

14th May 2015

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1. The MOPAC Business Crime Strategy identified the continuing and worrying vulnerability of businesses to online crime and fraud, as well as the confusing and fragmented array of literature and initiatives meant to help businesses to protect themselves. As part of the response to this, the strategy set out to establish a 'Business Crime Resilience Centre' to raise awareness amongst smaller and medium sized businesses of online crime and the latest fraud and trends and scams so that they do not fall victim to these insidious crimes.
- 1.2. The new centre will be called the London Digital Security Centre (LDSC); it will not be part of MOPAC and will have its own legal status as an independent company limited by guarantee.
- 1.3. Current BCRP provision around London is patchy. MOPAC will work with the MPS, using data on business crime hot spots, to offer support in setting up BCRPs in Southwark. This will be co-ordinated using the Safer London Partnership umbrella model, which already has success in rolling out BCRPs in other London boroughs with high levels of business crime.

2. Issues for consideration

- 2.1. The LDSC has the potential to deliver outcomes that neither MOPAC, industry or law enforcement can easily achieve on their own, reducing the impact of cyber crime on small and medium-sized businesses (SMEs).
- 2.2. The LDSC will be an independent company where MOPAC will be represented as a one of seven directors (others include the MPS, the NCA and RBS). This is desirable for a number of reasons, not the least of which is the ability to raise money through donation and the supply of services, and to reach out to thousands of SMEs across London.
- 2.3. With independence also comes a risk that the LDSC may take actions that are not consistent with MOPAC's objectives. MOPAC's recourse will be to remove any funding and to resign as a director of the company. This would present a reputational risk but should be regarded as of low likelihood.
- 2.4. MOPAC is supporting the LDSC with funds during its first two years but this is due to be replaced by other income streams. Sustainability may be seen as a concern initially, however there is a high level of interest and buy-in from private industry and longer term funding should not be a problem.
- 2.5. The BCRP set up in Southwark will generate income that will be received by Safer London Partnership during the funded term. It is important that the Safer London Partnership works towards a sustainable model that is self funded after this term.

3. Financial Comments

3.1. The gross costs anticipated to deliver the above elements of the Business Crime Strategy is circa £750k. MOPAC has created a budget from within its existing resources to deliver the business crime strategy. The budget of £400k which will be used to fund the LDSC, BCRPs and other business crime strategy objectives as appropriate.

3.2. London Digital Security Centre

3.2.1. The LDSC will be part funded by MOPAC and industry (through donations) with additional income generated through the provision of subsidised services available to businesses.

3.2.2. MOPAC will make a contribution via a grant for the set up and initial operating costs of the LDSC. These costs are to be finalised and are dependent on industry donations and generated income. The LDSC will be made aware of the time (to 31 March 2017) and cash limited nature of the financial support MOPAC will provide.

3.3. Southwark BCRP

3.3.1. It is proposed that Southwark Safe Business Partnership will be part funded by MOPAC.

3.3.2. Expenditure and income projections are estimated at:

	Jul 2015 – Mar 2016	Apr 2016 – Mar 2017
Expenditure (including one-off set up costs in 2015/16)	£84,018	£78,114
Income	£30,000	£60,000
Gross requirement funded by MOPAC	£54,018	£18,114

3.3.3. The target set for the incoming BCRP manager is to have at least 90 businesses signed up to the BCRP by June 2016, and 150 during 2016/17, across 5 town centres.

3.3.4. The achievement of these income levels will mean that the Southwark BCRP will be self-financing by April 2017.

4. Legal Comments

4.1. Advice has been sought from TfL legal in relation to the incorporation of the LDSC. Company articles and memorandum of association have been discussed and approved in consultation with them. The company will be established with the support of Eversheds LLP.

5. Equality Comments

- 5.1. There are no relevant equality considerations for MOPAC or the MPS.
- 5.2. The LDSC will not be a public body but will be subject to the provisions of the Equality Act 2010

6. Background/supporting papers

- 6.1. Draft articles available but not attached.

Public access to information

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Is the publication of this form to be deferred? NO

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:**Head of Unit:**

Dan Hales has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Legal Advice:

The TfL legal team has been consulted on the proposal.

✓

Financial Advice:

The Head of Strategic Finance and Resource Management has been consulted on this proposal.

✓

Equalities Advice:

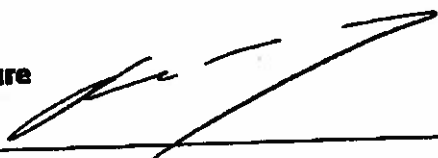
The Workforce Development Officer has been consulted on the equalities and diversity issues within this report.

✓

OFFICER APPROVAL**Chief Operating Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature



Date 14 May 2015

MOPAC

MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME**REQUEST FOR DMPC DECISION – DMPCD 2015 151****Title:** Approval of London Digital Security Centre grant agreement**Executive Summary:**

The Mayor's Business Crime Strategy identified the lack of take up of protective security and prevention advice especially by small and medium-sized businesses. In response to this, MOPAC established the London Digital Security Centre (LDSC), an independent not for profit business limited by guarantee. The LDSC provides advice and training to small and medium-sized businesses so that they can protect themselves against cyber risks and threats. The budget for business crime (including funding for the LDSC) was approved in DMPC decision DMPCD 2015 58. This decision relates to signing of the grant agreement with the LDSC.

Recommendation:

DMPC is invited to sign the grant agreement on behalf of MOPAC and authorise the schedule of payments contained therein.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval

Signature**Date**

10/12/2015

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1. This grant agreement provides the London Digital Security Centre (LDSC) with funds over the period to March 2017. These funds are limited to a maximum total of £327,900 and payments will be adjusted for any costs incurred by or settled by MOPAC during the grant period.
- 1.2. Unusually, DMPC is being asked to sign the agreement on behalf of MOPAC because the COO occupies a position of the board of the LDSC and to avoid any potential conflicts of interest.

2. Issues for consideration

- 2.1. The creation of the LDSC is a principal objective of the Mayor's Business Crime strategy

3. Financial Comments

- 3.1. The total budget available for 2015/16 – 2016/17 will be £327,900. Of which £145,297 relates to costs that MOPAC will meet directly and the remaining balance of £182,603 will be paid in the form of a grant as set out in the grant agreement. An analysis of the funds being made available in the grant is at page 20 of the grant agreement (the grant agreement is at Appendix A). At the end of the grant period it is intention that the LDSC will be self funding.

4. Legal Comments

- 4.1. The grant agreement contains standard MOPAC terms and conditions

5. Equality Comments

- 5.1. The LDSC is a company limited by guarantee but will be part-funded by MOPAC until March 2017
- 5.2. The LDSC board has approved an ethical standards framework which meets with MOPAC's approval

6. Background/supporting papers

- 6.1. Grant agreement – for DMPC's signature (see Appendix A)

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of **this** form to be deferred? NO

If yes, for what reason:

Until what date (if known):

Is there a **part 2** form – YES

If yes, for what reason: Commercial Confidentiality

ORIGINATING OFFICER DECLARATION:

		Tick to confirm statement (✓)
Head of Unit: Dan Hales has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.		✓
Legal Advice: Legal advice is not required.		✓
Financial Advice: The Head of Strategic Finance and Resource Management has been consulted on this proposal.		✓
Equalities Advice: The Workforce Development Officer has been consulted on the equalities and diversity issues within this report.		✓

