Efficiency and Performance Sub (Finance) Committee

Date: TUESDAY, 27 JANUARY 2015

Time: 1.45 pm

Venue: COMMITTEE ROOMS - WEST WING, GUILDHALL

7. **SERVICE BASED REVIEWS**

For Information
(Pages 1 - 8)

Item received too late for circulation in conjunction with the Agenda.

John Barradell
Town Clerk and Chief Executive

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Committee:	Dated:
Efficiency and Performance Sub Committee – For Information	27 January 2015
Subject: Service Based Review Roadmap	**Public**
Report of: Deputy Town Clerk	**For Information**

Summary

Under its terms of reference, the Efficiency and Performance Sub Committee is responsible for overseeing and monitoring the agreed programme of work arising from the Service Based Review.

This report presents the Sub Committee with the latest update in respect of the agreed Service Based Review projects and cross-cutting reviews in the format of a Service Based Review Roadmap (Appendix 1).

This format has been developed by the Corporate Programme Delivery Unit for reporting to the Service Based Review Steering Group, the Chief Officer Summit Group and Members.

Of the 16 projects currently being tracked by this Roadmap, 12 are rated as 'green', four as 'amber' and none as 'red'. The main report gives more detail on the individual projects and explanations for the 'amber' ratings.

Further updates will be provided at every meeting of the Sub Committee.

Recommendation

Members are asked to note the report.

Main Report

Background

1. Members agreed at the last meeting to receive an update report at every meeting showing progress on the delivery of Service Based Review projects and programmes, including any actions to address problems identified.
2. The same report also noted the establishment of the Corporate Programme Delivery Unit to work with Chief Officers to ensure that projects and programmes are delivered. The Unit has developed a range of standard templates and monitoring tools for use by officers conducting reviews, and a common reporting format, or "Roadmap". This format is also being used to develop Departmental Roadmaps, to record and monitor departmental improvement projects.

3. At officer level, progress is tracked by the Corporate Programme Delivery Unit and reported monthly to the Service Based Review Steering Group, chaired by the Chamberlain, and the Chief Officer Summit Group, chaired by the Town Clerk.

Departmental Budget Reductions

4. Since the last meeting of the Sub Committee, all Chief Officers have reported to their Service Committee(s) on their detailed proposals to meet the budget reduction figures agreed for each department by the Policy and Resources Committee in September 2014. The agreed reductions for 2014/15 and 2015/16 have also been taken into account as part of the revenue budget setting process. A full summary will be presented to the Policy and Resources Committee in February.

5. As noted at the last meeting the achievement of these reductions will be monitored through the usual local risk monitoring reports, initially by Chief Officers to their Service Committees, and in aggregate to the Finance Committee. Monitoring of the specific proposals will also be carried out by the Chamberlain's Heads of Finance. In order that the Sub Committee can monitor this aspect of the Service Based Review, it is proposed to report on the quarterly budget monitoring position, along with exception reports from the Heads of Finance on the implementation of individual proposals, commencing from the first quarter of 2015/16.

6. Proposals for 2016/17 onwards were also agreed by Service Committees, and Chief Officers are working on their implementation, assisted by the Corporate Programme Delivery Unit and the Heads of Finance. The Sub Committee will also be updated, on an exception basis, on progress towards full implementation of these proposals.

7. At noted at the last meeting, Members may wish to consider an appropriate escalation process if the Sub Committee, in monitoring the Service Based Review budget reductions, or the cross-cutting projects, established that they were not being fully delivered or there were significant risks around delivery. This could include, for example, inviting the responsible Chief Officer to set out what steps were being taken to get the savings and overall budget back on track.

Service Based Review Roadmap

8. Attached as Appendix 1 to this report is the latest Service Based Review Roadmap. This lists all of the cross-cutting reviews agreed by the Policy and Resources Committee in September 2014, together with other work arising from the Service Based Review Challenge Meetings, or requested by the Policy and Resources Committee.

9. Against each review, the name of the project sponsor and/or project lead is given, except for instances where these have yet to be agreed. The project leads will be supported by review teams, with officers from across the organisation. In a number of cases these teams are also still to be finalised.

10. Each project lead is required to produce an Opportunity Outline for their project, to the standard format developed by the Corporate Programme Delivery Unit.

These include key details of the project such as: the case for change; outcomes to be achieved; recommended approach to delivery; resources and support required; how benefits will be measured, and the risks of proceeding or not proceeding.

11. The Roadmap records the key activities for each of the projects over the period from September 2014 to September 2015. Further information will be added as Opportunity Outlines for every project are approved by the Summit Group, and monitoring reports are completed by the lead officers.

12. Each project has been given a status and direction of travel, according to the following definitions:

 Project is in a critical state, guaranteed to go, or has gone, beyond agreed tolerances

 Project is slipping, has slipped, or is about to slip within agreed tolerances

 Project is on track

 Project Closed

 Project is in a controlled state

 Positive direction of travel (e.g. from Amber to Green)

 Negative direction of travel (e.g. from Amber to Red)

Detailed Commentary

13. Strategic Asset Management. As part of the Service Based Review, a number of opportunities to mitigate cost and risk across the City Corporation's asset base have been identified. Due to the diversity, scope and complexity of the different suggestions, an overarching proposal has been created to ensure that the strategic aims are aligned across all the asset-related opportunity outlines. Where appropriate joint working will be utilised to achieve better outcomes overall.

14. Beneath the overarching proposal sit four work streams:
    - Strategic Review of Operational Properties;
    - Procuring & Managing Services (All Contracts);
    - Project Management (All Project / Programme Management), and
    - Facilities Management

15. Within the agreed Service Based Review proposals, total savings of £1.6M by 2018/19 have been agreed for these workstreams.

16. The key issue to be addressed is that current arrangements for providing these services are inconsistent across the organisation. There is a lack of shared organisational understanding or consistency in the levels of service and how these are identified, delivered and measured, resulting in duplication of effort in some areas and a number of pinch points. Through these reviews, the opportunity to consolidate and rationalise, in order to deliver consistent and

appropriately defined services in a more efficient and cost effective manner will be thoroughly tested.

17. The Project Management workstream has been rated 'amber' as further discussions are needed on scope and resourcing, and the Opportunity Outline has yet to be drafted.

18. Income Generation. The majority of the departmental proposals agreed by the Policy and Resource Committee in September 2014 relate to reducing costs, although several income generating proposals were put forward as part of this exercise. However, it was felt by Members that these proposals were not ambitious enough and that further opportunities should be explored. This review aims to identify both departmental and cross-cutting opportunities, such as promoting the city as a place to visit, and consequently increase income.

19. Grants. This review will examine the potential to improve the many different City Fund and City's Cash grant giving functions across the City Corporation to achieve better transparency and accountability, improved value for money, greater traction and administrative efficiencies. Although this is the most advanced of the reviews, it has been rated as 'amber' because preparation of final report has been delayed by about 4-6 weeks due to unanticipated difficulties in gathering consistent detailed information about grants, donations and other payments to external organisations.

20. Effectiveness of Hospitality. This review will comprise a thorough examination of all aspects of the City Corporation's hospitality activities. Hospitality linked to events takes place in numerous ways and in different departments; and this review will examine how such hospitality can be coordinated so far as possible to maximise efficiency and effectiveness, and to achieve effective sharing of best practice.

21. Independent Schools. This review will examine issues regarding fees, scholarships and bursaries at the three independent schools and will be conducted in consultation with School Heads and the governing bodies. Following a report to the Education Board in January, which set out the extent of City Corporation support for education generally, meetings are being arranged with the three Head Teachers.

22. Remodelling Libraries. At the December 2014 meeting of the Policy and Resources Committee, Members received a report outlining transformation opportunities for the City Corporation's Library services. They agreed that the principle of ongoing transformation of the services should be pursued and that further work should take place on planning and costing a range of options relating to the City's Lending Libraries. An opportunity outline has been drafted, jointly by the Departments of Culture, Heritage and Libraries, and Community and Children's Services, for presentation to the Summit Group in February.

23. Charitable Funding. The report to the Policy and Resources Committee in September 2014 noted three service areas that are charitable in nature and might satisfy Bridge House Estates' charitable objectives. These could potentially be financed from the charity Bridge House Estates, in accordance with the policy

and procedures agreed by the charity's sole corporate trustee, the City of London Corporation acting through the Court of Common Council, following appropriate consultation. Members agreed that further research should be undertaken by the Chief Grants Officer, in conjunction with the Chamberlain and the Comptroller and City Solicitor. Applications from the three areas for funding are currently being prepared for consideration by the City Bridge Trust. This project is rated as 'amber' because any bids would need to be tested for eligibility for funding under the charity's objectives, and would be competing on merit against other bids for funding in the usual manner.

24. Barbican Centre. As part of the Service Based Review process, Adrian Ellis Associates (AEA) Consulting was commissioned to provide a review of the Barbican Centre's current operations and to identify areas in which there might be scope for improvements in efficiency and effectiveness. They also scrutinised and assessed the Centre's Service Based Review proposals. An implementation plan has been developed to encompass both the Service Based Review proposals and the AEA recommendations. This plan was agreed by the Barbican Board in December 2014, and is being presented to the Resource Allocation Sub Committee on 22 January. Progress against the plan will be monitored through the standard Corporate Programme Delivery Unit processes, and reported to a separate Steering Group which has been established, and includes the Chamberlain, the Managing Director and the Deputy Town Clerk.

25. Strategic Energy Review. In July 2014, the Sub Committee received a report of the City Surveyor, which outlined the recommendations of an external consultant's review of energy use across the operational estate with a view to identifying actions which could offset the increased risk of rising energy prices. These recommendations included the establishment of an Energy Efficiency Fund, which was the subject of a separate report in September 2014. The recommendations made by the consultant have been prioritised and developed into an action plan. The review has been rated 'amber' in recognition of the need to revisit the action plan in view of the recent changes in the energy market, and the imminent departure of the City's Energy Manager.

26. Mobile Working. This project has arisen from the Service Based Review proposals agreed for the Department of Markets and Consumer Protection, which include savings to be made from mobile working from 2015/16. This project has been included within the Roadmap as it is acting as a 'proof of concept' for a number of other Departments and areas of the City Corporation and the City Police where similar mobile working practices could be introduced.

27. Public Conveniences. When considering the Service Based Review proposals of the Department of the Built Environment, the Policy and Resources Committee requested that further work be undertaken in respect of the provision of public conveniences. This further work was reported to the Port Health and Environmental Services Committee in November 2014. The Committee agreed a revised proposal, which maintained the full savings proposed for this service, whilst retaining up to four of the Automated Public Conveniences originally suggested for closure. This review has therefore been closed.

28. Highways Maintenance. When considering the Service Based Review proposals of the Department of the Built Environment, the Policy and Resources Committee recognised that highways were a priority area and that there were cost pressures that should be considered further by the Planning and Transportation Committee. A report was presented in November 2014, when Members agreed that no further savings would be made from the highways maintenance budget as part of the current review, and that a further report should be submitted in 12 months' time.

Conclusion

29. The Corporate Programme Delivery Unit has commenced monitoring and reporting of the Service Based Review cross-cutting reviews and associated projects. This will include reporting to every meeting of the Sub Committee.
30. Of the 16 projects currently being tracked by the Service Based Review Roadmap (Appendix 1), 12 are rated as 'green', four as 'amber' and none as 'red'.
31. An overall summary report on the Service Based Review savings proposals will be presented to the Policy and Resources Committee, and a report on the associated staffing implications will be presented to the Establishment Committee, at their respective February meetings.

Appendices

- Appendix 1 – Service Based Review Roadmap

Background Papers

Oversight of Corporate Programmes – report to Efficiency and Performance Sub Committee, 10 September 2014
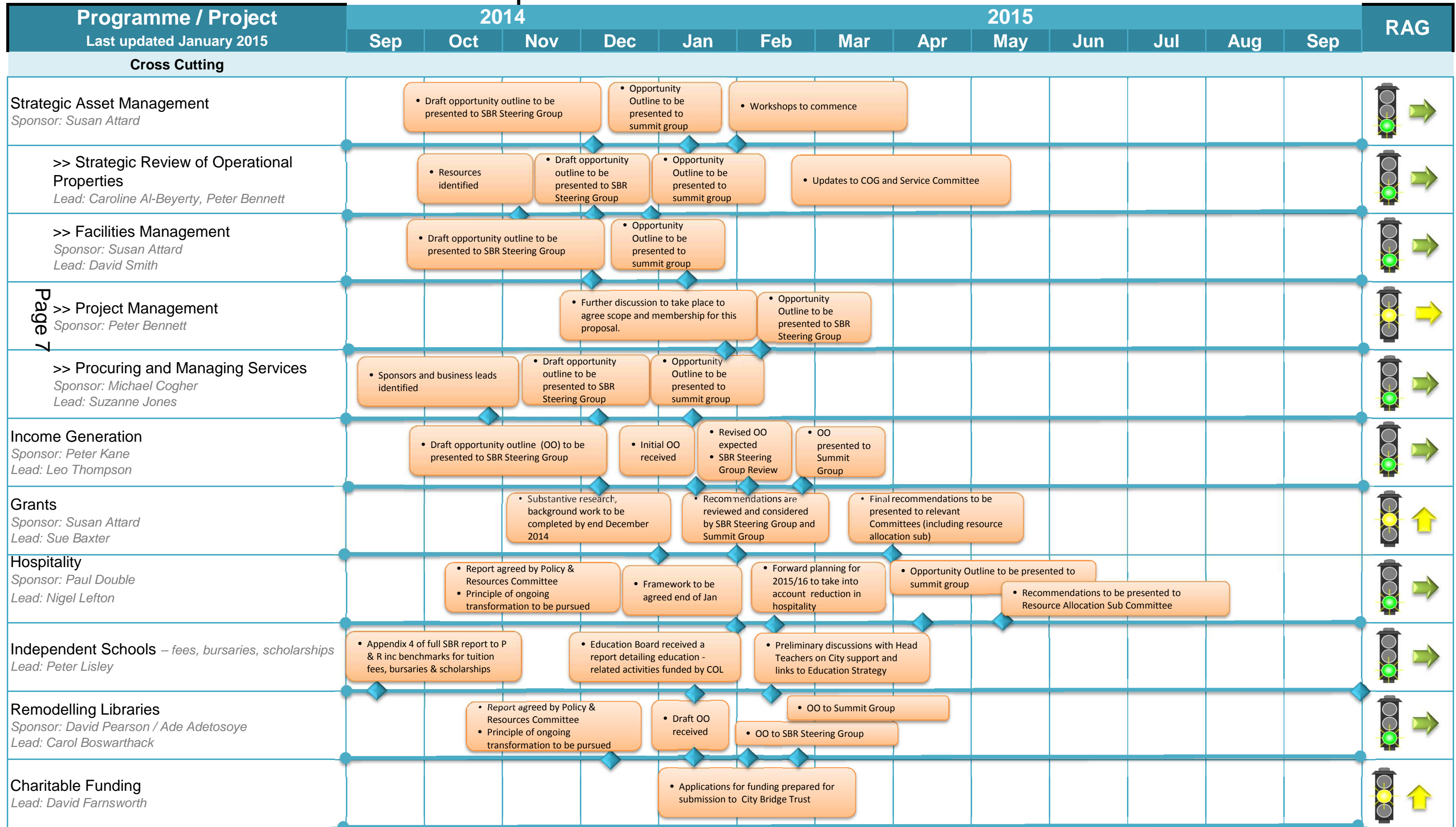
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Service Based Review Roadmap

Programme / Project	2014				2015									RAG
Last updated January 2015	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	

Cross Cutting

Strategic Asset Management
Sponsor: Susan Attard

- Draft opportunity outline to be presented to SBR Steering Group
- Opportunity Outline to be presented to summit group
- Workshops to commence

>> Strategic Review of Operational Properties
Lead: Caroline Al-Beyerty, Peter Bennett

- Resources identified
- Draft opportunity outline to be presented to SBR Steering Group
- Opportunity Outline to be presented to summit group
- Updates to COG and Service Committee

>> Facilities Management
Sponsor: Susan Attard
Lead: David Smith

- Draft opportunity outline to be presented to SBR Steering Group
- Opportunity Outline to be presented to summit group

>> Project Management
Sponsor: Peter Bennett

- Further discussion to take place to agree scope and membership for this proposal.
- Opportunity Outline to be presented to SBR Steering Group

>> Procuring and Managing Services
Sponsor: Michael Cogher
Lead: Suzanne Jones

- Sponsors and business leads identified
- Draft opportunity outline to be presented to SBR Steering Group
- Opportunity Outline to be presented to summit group

Income Generation
Sponsor: Peter Kane
Lead: Leo Thompson

- Draft opportunity outline (OO) to be presented to SBR Steering Group
- Initial OO received
- Revised OO expected - SBR Steering Group Review
- OO presented to Summit Group

Grants
Sponsor: Susan Attard
Lead: Sue Baxter

- Substantive research, background work to be completed by end December 2014
- Recommendations are reviewed and considered by SBR Steering Group and Summit Group
- Final recommendations to be presented to relevant Committees (including resource allocation sub)

Hospitality
Sponsor: Paul Double
Lead: Nigel Lefton

- Report agreed by Policy & Resources Committee
- Principle of ongoing transformation to be pursued
- Framework to be agreed end of Jan
- Forward planning for 2015/16 to take into account reduction in hospitality
- Opportunity Outline to be presented to summit group
- Recommendations to be presented to Resource Allocation Sub Committee

Independent Schools – *fees, bursaries, scholarships*
Lead: Peter Lisley

- Appendix 4 of full SBR report to P & R inc benchmarks for tuition fees, bursaries & scholarships
- Education Board received a report detailing education - related activities funded by COL
- Preliminary discussions with Head Teachers on City support and links to Education Strategy

Remodelling Libraries
Sponsor: David Pearson / Ade Adetosoye
Lead: Carol Boswarthack

- Report agreed by Policy & Resources Committee
- Principle of ongoing transformation to be pursued
- Draft OO received
- OO to SBR Steering Group
- OO to Summit Group

Charitable Funding
Lead: David Farnsworth

- Applications for funding prepared for submission to City Bridge Trust

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Service Based Review Roadmap

Programme / Project	2014				2015									RAG
Last updated January 2015	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	

Departmental

Barbican Centre
Sponsor: Nick Kenyon
Lead: Leo Thompson
- Full report circulated to Barbican Board
- Barbican Board to discuss report
- Report to be presented to Resource allocation Sub Committee 22/1/15

Strategic Energy Review
Sponsor: Susan Attard
Lead: To be established
- Report to Finance Committee
- Agreed revised energy targets
- Noted that a Energy Efficiency Fund will be created
- Various Activities progressing separately but will now be pulled into a formal and ongoing project - Neil Davies to establish appropriate governance for co-ordination

Mobile Working
Sponsor: John Averns
- Opportunity outline agreed at SBR Steering Group
- Further investigation will be carried out to identify other departments who could benefit from mobile working
- IS to allocate resources and plan technical delivery

Public Conveniences
Lead: Philip Everett
- Report agreed by Port Health & Environmental Services Committee
- Full SBR savings amount agreed
- Detailed proposals amended to retain up to 4 x APC originally suggested for closure
- Report agreed by PHES Cmtte on 18/11 - project now moved to departmental roadmap

Highways Maintenance
Lead: Philip Everett
- Report agreed by Planning & Transportation Committee
- No savings proposed
- Report presented to Policy & Resources Committee for information
- Further report to be presented Winter 2015

Legend:
- Project is in a critical state, guaranteed to go, or has gone beyond agreed tolerances (financial, benefits, timescales, quality)
- Project is slipping, has slipped or is about to slip within agreed tolerances
- Project is on track

- Project Closed
- Project is in a controlled state
- Positive direction of travel
- Negative direction of travel