



## Efficiency and Performance Sub (Finance) Committee

**Date:** WEDNESDAY, 8 MAY 2013  
**Time:** 1.45pm  
**Venue:** COMMITTEE ROOMS - WEST WING, GUILDHALL

**Members:** Roger Chadwick (Chairman)  
Ray Catt (Deputy Chairman)  
Randall Anderson  
Nigel Challis  
Deputy Anthony Eskenzi  
John Fletcher  
Jamie Ingham Clark  
Deputy Edward Lord  
Jeremy Mayhew  
Ian Seaton  
Deputy John Tomlinson

**Enquiries:** Matthew Pitt  
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Lunch for Members will be served in the Guildhall Club at 1pm

John Barradell  
Town Clerk and Chief Executive

# AGENDA

## Part 1 - Public Agenda

1. **APOLOGIES**
2. **DECLARATIONS BY MEMBERS OF ANY PERSONAL OR PREJUDICIAL INTERESTS IN RESPECT OF ANY ITEMS ON THIS AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**  
To agree the minutes of the meeting held on 30 January 2013.  
**For Decision**  
(Pages 1 - 6)
4. **OUTSTANDING ISSUES**  
Report of the Town Clerk.  
**For Information**  
(Pages 7 - 16)
5. **TRANSFORMATION AND EFFICIENCY BOARDS - UPDATE**  
Joint report of the Deputy Town Clerk and the Chamberlain.  
**For Information**  
(Pages 17 - 28)
6. **THIRD PARTY PAYMENTS**  
Report of the Chamberlain.  
**For Information**  
(Pages 29 - 38)
7. **TRIGGERS REPORT**  
Report of the Chamberlain.  
**For Information**  
(Pages 39 - 44)
8. **TRANSFER OF PUBLIC HEALTH FUNCTIONS 2013/14**  
Report of the Director of Community and Children's Services.  
**For Decision**  
(Pages 45 - 50)
9. **STAFF SUGGESTION SCHEME**  
Report of the Town Clerk.  
**For Information**  
(Pages 51 - 52)
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 the Schedule 12A of the Local Government Act.

**Part 2 - Non-Public Agenda**

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

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

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# Agenda Item 3

## EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Wednesday, 30 January 2013

Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee held at Guildhall, EC2 on Wednesday, 30 January 2013 at 1.45pm

### Present

#### Members:

Roger Chadwick (Chairman)  
Ray Catt (Deputy Chairman)  
Nigel Challis  
Deputy Anthony Eskenzi  
Sheriff & Alderman Jeffrey Evans  
Anthony Llewelyn-Davies  
Deputy Edward Lord  
Deputy Dr Giles Shilson

#### Officers:

Susan Attard	- Deputy Town Clerk
Claire Sherer	- Town Clerk's Department
Neil Davies	- Town Clerk's Department
Daniel Hooper	- Town Clerk's Department
Chris Bilsland	- Chamberlain
Suzanne Jones	- Chamberlain's Department
Neal Hounsell	- Community and Children's Services Department

### Part 1 - Public Agenda

#### 1. APOLOGIES

Apologies were received from Deputy Revd Stephen Haines and John Tomlinson.

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

There were no declarations.

#### 3. MINUTES OF THE PREVIOUS MEETING

**RESOLVED:** That the public minutes and non-public summary of the meeting held on 14 November 2012 be agreed as an accurate record.

#### 4. OUTSTANDING ACTIONS

The Sub Committee considered a report which set out outstanding actions from previous meetings, welcoming the new format which included a priority rating for each of the actions.

After agreeing to close off the actions that had been completed since the last meeting, Members discussed progress in relation to improved coordination (“joining up”) between Mansion House, Guildhall complex and the Central Criminal Court.

The following issues were raised:

- reviewing the current stakeholders database and ensuring it includes current key leaders and influencers
- ways of ensuring the right people are invited to the right events
- working with the Foreign & Commonwealth Office to ensure that visiting delegations are invited to any relevant events
- making it clear to those who often decline invitations to events that the City Corporation is non-political and events are for networking rather than fund-raising purposes
- ways of measuring and reporting success
- some clashes between events were still occurring although there had been some progress in coordinating events

It was noted that some of the above issues sit with the Hospitality Working Party of the Policy & Resources Committee. Officers agreed to review the issues raised and report back to the next Sub Committee meeting.

Members suggested that the Remembrancer send an email to all Members inviting them to provide key stakeholder contact details for possible addition to the City Corporation’s stakeholder database. It was noted that Members should make clear the reason behind any suggestions so that the Remembrancer could use this information when adding them to the database and when reviewing at a later date.

On a separate matter, one Member suggested that the Public Relations and Economic Development Sub (Policy and Resources) Committee should review what printed leaflets and brochures are produced to ensure that the right information was being made available.

**RESOLVED:** That –

- i. the following outstanding items be closed:
  - 1.1: Update regarding IS services market testing – this issue is now the subject of regular reporting to the IS sub-Committee
  - 2.1: Update regarding the Community and Children’s Services Department Commissioning Strategy – this report is a separate item on the agenda for this meeting
  - 6.1: Business Planning – estimate reports to service committees now include information from departmental business plans to allow for Member consideration of service and financial planning
  - 7.1: Update regarding Income Generation Initiatives – an update covering the issues raised by Members was contained at paragraph

14(a) of the Transformation and Efficiency Boards report at Item 6 on the agenda

- ii. an update report on the issues raised be submitted to the next Sub Committee meeting.

**5. TRIGGER REPORTS**

The Chamberlain gave a brief overview of four reports that the Efficiency Board had identified for consideration by the Sub Committee due to hitting various triggers.

He then invited the Sub Committee to identify any areas they feel specific work should be undertaken.

Members were keen for Officers to review and report back on Item 50 (“Ask your staff for more sensible savings ideas”) of the Department for Communities and Local Government’s recent publication ‘50 Ways to Save’ (Appendix E of the report). In particular, Members requested that Officers review and report back on the incentives offered to staff who suggest good ideas through the City Corporation’s staff suggestion scheme and also the level of uptake.

**RESOLVED:** That –

- i. the report be received; and
- ii. further work should be undertaken in relation to the City Corporation’s staff suggestion scheme and reported back to the Sub Committee.

**6. TRANSFORMATION AND EFFICIENCY BOARDS UPDATE**

The Sub Committee received an update on the work of the Transformation and Efficiency Boards since its last meeting as follows:

Transformation Board

The Deputy Town Clerk outlined on going work of the Transformation Board, highlighting the ‘New Strategic Opportunities’ (as detailed at paragraph 4 of the report) and advising Members that a report on a recent visit to Northamptonshire County Council to learn from their work in “business intelligence” would be reported back to both Boards and the Sub Committee.

With regards to the Procurement and Procure to Pay (PP2P) programme, Members noted that the new CLPS (City of London Procurement Service) was now in place and the Finance Committee would be reviewing the programme’s success to date at its next meeting as it was 2 years since it had been implemented.

Efficiency Board

The Chamberlain advised Members that a report on third party payments would be brought to the next Sub Committee meeting.

The Chairman was keen to ensure that Members have a clear understanding of all grants made by the City Corporation and requested that an overview report of all payments be submitted to the Finance Grants Sub (Finance) Committee.

## RECEIVED

7. **DEPARTMENT OF COMMUNITY AND CHILDREN'S SERVICES' - PROGRESS AGAINST THE COMMISSIONING STRATEGY**

Members considered an update report on the progress of the Department of Community and Children's Services in implementing the 'Commissioning Strategy' which was approved by the Efficiency and Performance Sub Committee in September 2011.

In particular, Members were advised that two reviews had now been completed, saving a total of £400k per annum from April 2013.

A new review on 'Public Health Commissioning' was about to be undertaken which would evaluate all existing public health contracts with a view to identifying further savings.

The Chairman thanked Neal Hounsell and the Department of Community & Children's Services for their excellent work and it was noted that the department should be held up as an example of good practice to the rest of the City Corporation.

## RECEIVED

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

There were no questions.

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

There was no other business.

10. **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 the Schedule 12A of the Local Government Act.

Item No.	Paragraph(s) in Schedule 12A
11	3
12 - 13	-

## Part 2 - Non-Public Agenda

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

**RESOLVED:** That the non-public minutes of the meeting held on 14 November 2012 be agreed as an accurate record.



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

There were no questions.

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

There was no other business.

**The meeting ended at 3.15pm**

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Chairman

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# Agenda Item 4

<b>Committee(s):</b>	<b>Date(s):</b>
Efficiency and Performance sub-Committee	08 May 2013
<b>Subject:</b> Outstanding Actions	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Decision</b>
<b>Summary</b>  At the 18 <sup>th</sup> September 2012 meeting, Members agreed to receive an updated schedule of outstanding actions at each meeting, with previously agreed closed actions removed.  The attached schedule includes all actions that remained open following the last meeting, together with updates from the responsible officers.  Attached as appendix 1 to this report is an update from the Remembrancer in respect of item 4.1: Improved co-ordination between Mansion House, Guildhall and the Central Criminal Court. A full report on this item will be presented to your next meeting.  <b>Recommendation:</b>  Members are asked to agree to the closure of the following item:  <b><u>Chamberlain's Department: Peer review of financial and business support services (item 1.2)</u></b>  Issues identified by the peer review have now been incorporated into the Chamberlain's Departmental Business Plan for 2013-16, to be presented to Finance Committee on 1st May, and the appropriate divisional plans. Progress against the Business Plan is reported quarterly.	

**Neil Davies**

Head of Corporate Performance and Development

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EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 25/4/2013)

	Item	Action	Officer responsible and target date	Progress updates	Priority (High / Medium / Low)
1	<b>Departmental report – Chamberlain’s Department</b>				
1.2	<p><b>Report to 24/11/11 meeting: Item 10</b></p> <p><b>Peer review of financial and business support services</b></p>	<p>An action tracker to be reported to future meetings which includes the responsible Officer and timescales for delivery of actions relating to this item.</p>	<p>Financial Services Director and Business Support Director</p>	<p>EPSC February 2012 - An action tracker was reported to the meeting where it was resolved that progress against the action tracker would be reported to the Committee on an exception basis.</p> <p>Update August 2012 - No issues requiring Member attention</p> <p>Update November 2012 – no issues</p> <p>Update: April 2013 – issues identified by the peer review have now been incorporated into the Chamberlain’s Departmental Business Plan for 2013-16, to be presented to Finance Committee on 1<sup>st</sup> May, and the appropriate divisional plans. Progress against the Business Plan is reported quarterly.</p> <p><b>RECOMMENDED FOR CLOSURE</b></p>	<p>Medium</p>

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 25/4/2013)

3	<b>Departmental report – Barbican Centre</b>				
3.1	<p><b>Report to 24/11/11 meeting: Item 12</b></p> <p><b>Barbican Centre Update</b></p>	<p>Members were updated on the plans for reducing the Centre’s expenditure and increasing income. Members requested that the sub-Committee be kept informed of any related financial matters as necessary.</p>	<p>Chamberlain/ Managing Director of the Barbican Centre</p>	<p>August 2012 – No issues requiring Member attention. Financial forecast for 2012/13 within budget.</p> <p>November 2012- No issues requiring Member attention. Financial forecast for 2012/13 within budget. Forecasts for 2013/14 are currently being compiled.</p>	<p>Medium</p>
4	<b>Improved co-ordination (“Joining-up”) between Mansion House, Guildhall complex and the Central Criminal Court</b>				
4.1	<p><b>Report to 3/2/12 meeting: Item4</b></p> <p><b>Improved co-ordination – progress update</b></p>	<p>The Chairman and Deputy Chairman to be updated on progress made in all areas of improved coordination, with full updates on the CRM database and seating arrangements being reported to the Committee for information as it is reported thorough the other relevant Committees.</p>	<p>Deputy Town Clerk</p>	<p>Sept 2012 – The Remembrancer, through the Events Coordination Group, has led the development of a corporate wide diary system. More information about City Corporation events is now available within a central diary and the data is more comprehensive than before. The various departments involved, including Mansion House, Public Relations and the Remembrancers are making sure that the diary is kept up-to-date and the system is capable of being accessed by officers from those Departments. The Remembrancer is keeping this under review to ensure that the new facility continues to deliver</p>	<p>Low</p>

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 25/4/2013)

				<p>what Members want. On the technical side, Modern.gov will soon replace the existing software systems.</p> <p>November 2012 – The Corporate Events Management Group works to provide strategic oversight and improved co-ordination between departments in relation to corporate events. Current issues being examined by the group include an improved diary system and seating arrangements at City hospitality events.</p> <p>Update: April 2013 – An update from the Remembrancer is attached as Appendix 1 and a full report is scheduled for the July meeting.</p>	
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<b>5</b>	<b>Central Recharges</b>				
<b>5.1</b>	<p><b>Report to 24/11/11 meeting: Item 9</b></p> <p><b>Chamberlain’s departmental recharges – Value for money analysis</b></p>	<p>The Chamberlain to provide Members with further detail on comparative service delivery costs and to submit a report to Members to reconsider the issue of internal recharges and value for money</p>	<p>Chamberlain update to be provided after results of corporate service benchmarking received and analysed</p>	<p>February 2012 – A report was received outlining the difficulties in measuring the City Corporation against the CIPFA Public Sector Corporate Services Value for Money. The Financial Services Director stated that she was exploring other possibilities, including a London-wide benchmarking club, supported by CIPFA, to look at the issues instead. This was welcomed by Members.</p> <p>November 2012 –Data collection for the HR, Legal and Finance benchmarking clubs currently</p>	<p>Medium</p>

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 25/4/2013)

				<p>underway. Given the IS Sourcing review, the City will not participate in the IS benchmarking club. Possible benefits of participation in the Property Services benchmarking club currently being assessed.</p> <p>Update: April 2013 – A report is scheduled for the July meeting.</p>	
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<b>7</b>	<b>Efficiency Board issues</b>				
<b>7.2</b>	<p><b>Report to 18/9/12 meeting: Item 5</b></p> <p><b>Triggers for departmental reporting</b></p>	<p>Members asked for a review of the triggers after 6 months of operation</p>	<p>Chamberlain</p>	<p>The triggers are reviewed at every meeting of the Efficiency Board and an update provided in the Transformation and Efficiency Board update reports to each sub-Committee meeting.</p>	<p>Medium</p>

<b>8</b>	<b>Transformation Board issues</b>				
<b>8.1</b>	<p><b>Report to 18/9/12 meeting: Item 6</b></p> <p><b>Shared Services (City Corporation &amp; City Police)</b></p>	<p>Members noted that non-emergency Police calls were being answered by the City Corporation's contact centre and were keen to consider recharging options should this become a permanent arrangement. They also noted</p>	<p>Deputy Town Clerk / Chamberlain</p>	<p>January 2013 (report to Police Committee): "The call handling pilot has been successful in both reducing the volume of calls received in the CoLP Control Room and in making significant improvements to the percentage of non-emergency calls answered within 30 seconds. This is now consistently above target. Following an initial evaluation of the pilot to date, options for extending</p>	<p>Low</p>



EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 25/4/2013)

		that any decisions to recharge for services should be applied consistently across all departments.		both the volume and nature of calls the shared Contact Centre handle are being considered in light of the Force's overall Contact Management Strategy."  Update: April 2013 – A report is scheduled for the July meeting.	
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<b>9</b>	<b>Miscellaneous</b>				
<b>9.1</b>	<b>Report to 12/7/12 meeting: Item 5</b>  <b>Transformation and Efficiency Boards update</b>	The Chamberlain will explore how future finance reports could include a breakdown of internal and external staffing costs charged to City Corporation projects, especially where recharges could be made.	Financial Services Director	Estimated internal staff costs are now included in the gateway 1 and 2 template reports for City Corporation projects.  The review of the breakdown of staff costs to projects is currently being specified.  Update: April 2013 - a briefing note has been prepared for discussion with the Chairman	High
<b>9.2</b>	<b>Report to 18/9/12 meeting: Item 5</b>  <b>Transformation and Efficiency Boards update</b>	Minutes of Transformation Board (TB) and Efficiency Board (EB) to be sent to selected Members for their information.	Head of Corporate Performance and Development	Sept ember 2012 meetings – sent 13/11/12 October 2012 meetings – sent 27/2/13	Low

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**NOTE TO THE EFFICIENCY AND PERFORMANCE SUB COMMITTEE**

1. This note records the outcome of work undertaken as part of the "joining up" agenda on an improved diary system (to avoid clashes) and to enable Member preference to be taken into account by Mansion House in the issue of their invitations.
2. The diary system for events is now operational and may be found in the Corporation's 'Outlook' e-mail system as a shared calendar "COL Events". The system allows all departments organising City Corporation or Mayoral events to input into the diary. All departments concerned (Remembrancer's, Public Relations, EDO and Mansion House) have committed to entering their events on the system.
3. The system should ensure the avoidance of clashes caused by events being arranged by different departments at the same time. It also provides information about future events undertaken by the Corporation across departments. The diary is accessible by Members.
4. Arrangements for Members to express their preferences in relation to invitations to set piece dinners at Mansion House were contained in a note to Members from the Private Secretary in February. This was the product of discussions involving the Chief Commoner and Chairman of Policy, the Remembrancer and the Private Secretary with approval of the Lord Mayor. Essentially, Members' preferences will be met unless the event in question is oversubscribed in which case there will be a ballot and those who are unsuccessful will be given priority on the next subsequent occasion of that event.
5. Issues arising from the meeting of the sub-Committee's February meeting (recorded in the Minutes before this sub-Committee today) will be reported on at the next meeting.

**Paul Double**  
**City Remembrancer**

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# Agenda Item 5

<b>Committee(s):</b>	<b>Date(s):</b>
Efficiency and Performance sub-Committee	08 May 2013
<b>Subject:</b> Transformation and Efficiency Boards - update	<b>Public</b>
<b>Report of:</b> Chamberlain and Deputy Town Clerk	<b>For Information</b>
<b>Summary</b>	
<p>Since the last sub-Committee meeting, both the Transformation Board and the Efficiency Board have met three times.</p> <p>The Transformation Board has discussed the development of new strategic projects; received reports on the City's Contact and IS Strategies; considered business cases for extending the use of Yammer and trialling the My Council Services app; along with the regular updates from the current programme of strategic reviews and other issues.</p> <p>The Efficiency Board continues to monitor the achievement of efficiency savings and budget reductions, and the latest position is reported in Appendix 2 to this report. The Board has also assumed responsibility for the City's compliance with the government's transparency agenda; received the latest performance dashboard information from London Councils; and discussed how it can continue to support this sub-Committee, including by monitoring "triggers" for departmental reporting, and receiving a series of updates on current projects.</p> <p><b>Recommendation</b></p> <p>Members are asked to receive this update</p>	

## Main Report

### Background

1. At its 23<sup>rd</sup> May 2011 meeting, this sub-Committee received a report describing the establishment of two officer boards - the Transformation Board, (concentrating on change management) and the Efficiency Board (concentrating on the achievement of savings and efficiencies). It was agreed that an update on the work of each Board would be provided at each meeting of this sub-Committee.

### Transformation Board

2. The following issues have been discussed at the Transformation Board, chaired by Susan Attard, since the last sub-Committee meeting.

3. **Updates on Strategic Reviews** The Board received updates on the key strategic projects. Issues highlighted recently include:
- a. **IS phase 3 – alternative sourcing options**: On-site ‘due diligence’ sessions are being held with prospective suppliers to cover further details on systems and services. The timetable is for tender bids to be returned in late April; Committee and Court of Common Council approval to be obtained by the end of July, and the new service to commence from mid-August, subject to an approved Transition Plan.
  - b. **PP2P**: The CLPS (City of London Procurement Service) is now fully live, with the launch of the second wave, including transactional buying, on 2<sup>nd</sup> April. A short period of stabilisation will be followed by an examination of further service improvements and efficiencies as part of the continuous improvement phase of the project. A mid-term review has been agreed by the Finance Committee, with a target date for completion of July. Savings from the PP2P project are reported in Appendix 2 to this report.
  - c. **Strategic Finance Review**: The overall foundations to implement the review have been completed. Appropriate scrutiny by Members has been made easier by budget estimate reports being presented in a more understandable format and feedback on the new format has been very positive. In addition, early strategic advice provided by Heads of Finance and other actions has improved the quality of committee reports. The tasks now are principally to:
    - enable Heads of Finance to move their teams from traditional transaction processing to being strategic business partners - actively involved in the decision making process;
    - deliver learning and development activities to equip staff with the skills and techniques they need to be effective business partners;
    - improve the financial management skills of budget holders, enabling them to be effective partners in the business partnering relationship; and
    - enable the team to operate as one finance function.
  - d. **HR**: Staffing the new structure has taken longer than expected because of turnover and secondments out to support the City Police; however resources have been reallocated to close the gaps. Occupational Health has moved to Walbrook Wharf and the Learning and Development rooms have moved to the ground floor of the Guildhall North Wing, both without any loss of service. A post implementation review is planned for July, once the new structure has been operational for three months.
  - e. **Property Facilities Management (FM)**: The establishment of new contractual arrangements for Property Facilities Services, including Buildings Repairs and Maintenance, has required a significant change in property facilities management across the organisation. As the responsibility for the buildings, and assets within those buildings, has moved to the City Surveyor, he has proposed structural change to

accommodate changing responsibilities and ultimately realise savings from the new arrangements. Professional staff consultation has commenced, enabling staff to be involved in refining the structure prior to consulting with the individuals significantly affected. Work is underway within the PP2P programme to continue the work on consolidating services and further contracts will be let in the coming months for areas such as utilities (electric, gas, water), pest control, and catering.

- f. Accommodation All works are currently on budget, although there have been some delays in furniture deliveries. The Department of Community and Children's Services has recently completed its move to the 5<sup>th</sup> floor of the Guildhall North Wing. General communication and feedback from departments has been positive.

- 4. **New Strategic Opportunities** As reported previously, the Board is developing projects under four new themes:
  - a. Management Development – promoting leadership and managerial behaviour and skills, engaging senior managers more proactively, and developing a collegiate approach.
  - b. Demand Management – controlling service requests from colleagues to ensure work is allocated appropriately and completed effectively, to a high standard.
  - c. Digital by Default – internally, to make information more accessible and enable better team collaboration, and facilitate communication and engagement across the organisation; externally, to develop online services with innovative use of online tools, gather and use customer insight to design and deliver services.
  - d. Ways of Working – developing a strategy, delivery framework and tools for ways of working that assist the organisation in making the best use of its assets, resources, technology and people; developing improved working practices, including flexible working, and making best use of enabling technology to support the strategy.
- 5. The Board has discussed the expected strategic outcomes from each workstream, and the need to develop a clear message explaining exactly what work is being undertaken, with a succinct paragraph to clarify the transformation projects and their objectives. This will enable more coherent communication of the programme, and mapping of the outcomes to the Corporate Plan. The Board also agreed that the future monitoring and reporting against the new new themes would be managed through the corporate project management system: Project Vision.
- 6. The Board also discussed whether sufficient attention was given to customers within the current workstreams, and agreed that a separate area of work should be considered, including the mapping of existing information about customers, particularly residents, workers and visitors.
- 7. **Contact Strategy** At its following meeting, the Board therefore considered a report on the City's Contact Strategy, as agreed by Chief Officers in 2011. The Board agreed that the three key principles should remain unchanged:

- Digital channels are considered first for all services
  - Self-service is encouraged for faster and easier customer access, including automated services for both telephone and web
  - High quality customer service is maintained across all channels
8. The Board also noted that the first step towards a refreshed strategy would be the collection of customer contact data from across the organisation. The revised strategy will incorporate the existing service statement and service response standards; examine opportunities for further service improvement projects; and seek to generate efficiency savings by generating economies of scale, whilst providing more unified customer services.
  9. **IS Strategy consultation** The Board received a presentation from the Chief Information Officer on the draft of a revised IS Strategy for the City Corporation, prior to its consideration by the IS sub-Committee. The Board raised a number of issues including: cyber security; social media; links to the outsourcing phase of the IS review; and the extent of consultation with departments. It was noted that the strategy will be reviewed annually to incorporate new developments.
  10. **Visit to Northamptonshire County Council** Following the visit by a small group of officers in January, the Board considered a report on the key issues identified and how these could be used to enhance work currently being carried out at the City, for example on Management Information Dashboards. Key issues included the use of data to drive the analysis of services, particularly focusing on the areas of greatest spend; “dashboard” approaches for reporting performance; and the use of information to challenge the performance of Chief Officers. The Board particularly noted the ability to pro-actively analyse future demand to help shape performance, and to combine cost and performance information for services. Presented clearly with comparative information, this enables service-based reviews and will allow councillors to consider prioritisation and rationalisation decisions if faced with a requirement for a future savings programme
  11. **London Collaborative Efficiency Network** Officers attended the most recent meeting of the LCEN, and reported back to the Board on issues discussed, including: contracting and procurement issues relating to the London Living Wage; opportunities for savings from Public Health commissioning contracts; and mapping of existing and planned shared services arrangements across London authorities.
  12. **Yammer** For the last two years, the City Corporation has been using a free version of the Yammer portal for internal communication, collaboration, online learning and development. The Board considered a business case for adopting the full version, giving a greater range of functionality. The Board recommended that further research be carried out into the benefits realised by existing users, and to determine how Yammer could be used as part of the range of communication tools already available to City Corporation departments.
  13. **My Council Services** The Board received a presentation of the My Council Service app, an online and mobile IT platform that enables residents,



businesses and visitors to contact authorities to submit incident reports or requests, including photographs, via a range of mobile Smartphones or the Web. The app is currently in use by a number of authorities, including the Royal Borough of Kensington and Chelsea, and can operate across a range of local authority services including fault reporting, jobs, parking permit applications and events bookings. Every customer interaction or issue can be displayed on maps – for example drilling down to the level of City Ward boundaries - and additional topical links to useful service information, such as library opening times, and the Lord Mayor's show can be displayed. A business case for a one-year trial was agreed by the Board, subject to IS clearance.

14. **Dragons' Den** The Board received initial feedback from an initiative arising from the October 2012 Social Media Conference for staff, where attendees could have the opportunity to present ideas to the Town Clerk and senior colleagues for possible funding consideration. Eight pitches were made, outlining how the particular idea would reinforce collaboration or agile working in the City Corporation. In particular the pitchers were asked to outline what resource their ideas would require, the support needed, how they would benefit the City and what success would look like.
15. A separate report on today's agenda highlights the link between this initiative and a proposed review of the staff suggestion scheme, also following on from comments made by Members at the last meeting of this sub-Committee.
16. **Organisational Change** The Board received two presentations on recent organisational changes at the City Corporation; from the City Surveyor on the structural changes within his Department following the letting of the Property Services Facilities Management contracts; and from the Business Support Director on the implementation of the CLPS. Issues from both of these presentations are included in the updates at paragraph 3 above.

## **Efficiency Board**

17. The following key issues have been discussed at the Efficiency Board, chaired by Chris Bilsland, since the last sub-Committee meeting.
18. **Efficiency and Performance sub-Committee** At each meeting, the Efficiency Board discusses the support that it provides to this sub-Committee, including reviewing the sub-Committee's list of outstanding items and the potential departmental triggers. The Board has reviewed drafts of the reports contained on today's agenda. External triggers considered by the Board include:
  - Police Value for Money Profiles issued by HMIC – an initial analysis has been reported to the Police Performance and Resource Management sub-Committee, and a further report is to be presented at their next meeting.
  - National Audit Office report: "Financial sustainability of local authorities" – The Board noted that this report has no new material to consider as criticisms are focused on central government departments.

A separate report on triggers is presented on today's agenda.

19. **Performance Dashboard 2012-13 Q3** The Board noted the latest City of London performance dashboard, compiled quarterly by London Councils. This is attached at Appendix 1. It shows above average performance for 20 of the 21 indicators for which the City's performance is reported, an improvement on the previous quarter. Performance on 13 indicators is in the top quartile. The only indicator where the City is still below average is LIS 25b – time taken to process “other” planning applications. However, performance has improved significantly since the indicator was the subject of an Internal Audit review in 2011/12 – from 60% to above 70%. The Board also noted that performance against this indicator is impacted by the amount of negotiation that planning officers conduct as part of the application process, which ensures that at least 95% of planning applications are approved, compared with an average of roughly 75% across England and Wales.
20. **Publication of Performance Information** The Board also noted that London Council Leaders have agreed not to publish the performance indicator dashboard on its website, but will continue to support its use as a benchmarking tool for London boroughs, as originally intended. Members may recall that the Local Government Association is developing a similar dashboard – LG Inform - on a national basis. It has recently been announced that a prototype is due to be released to authorities by the end of April, with full public access in the summer.
21. **Transparency** The Board has assumed responsibility for the transparency agenda and received a report comparing City Corporation practice with guidance from the Department of Communities and Local Government. The report noted that the City Corporation met the key requirements of the guidance, including the publication of spending data and information on pay policies. The Board noted that a page would be created on the City's website, to provide a clearer link to the data that is published.
22. **Corporate efficiency/savings programme** The Board has received a series of updates on elements of the efficiency/savings programme, as follows:
- a. **Third Party Payments**: The results of a line-by-line review of Third Party Payments have been considered by the Board and are presented as a separate report on today's agenda. The report notes that more detailed examination will be carried out into certain areas of spend, and these will be reviewed by the Efficiency Board before being presented to this sub-Committee.
  - b. **Supplies and Services**: The results of an initial review of supplies and services were also considered by the Board and areas for further work by either Internal Audit or the PP2P sourcing team, in preparation for inclusion within the PP2P programme, were identified. The results will be reported to this sub-Committee in due course.
  - c. **Grants**: An analysis of all grants from City Fund and City's Cash, excluding the Museum of London and London Symphony Orchestra has been compiled and is being analysed for alignment with the City Corporation's Key Policy Priorities to determine whether there are opportunities for savings that can be proposed to Members.

- d. Property/accommodation: This sub-Committee has previously noted the need to consider rationalisation of operational accommodation within and outside the City as part of the corporate efficiency programme. As part of this work, the Efficiency Board has considered reports from the City Surveyor regarding asset realisation and the Corporate Property Strategy, and agreed that further work needs to be conducted to link this work to the efficiency programme.
23. **Savings from strategic reviews and other initiatives** Appendix 2 shows the latest position in respect of the savings generated by the current programme of strategic and other reviews, as monitored by the Efficiency Board. Table 1 shows the reviews that have generated savings during 2012/13 along with the anticipated 2013/14 savings. Table 2 shows the same reviews, with the savings generated for the City Fund only. Members will recall that a savings target of £5 million per annum was set for the City Fund and this table shows that this target has been achieved. This table will therefore be excluded from future reports. Table 3 shows the impact of the departmental budget reductions implemented in 2011/12, and table 4 shows the target reductions from the 2013/14 and 2014/15 budget reductions. These are reported separately as they are additional to the £5 million target in table 2.
24. Since the last report to this sub-Committee, the figures for PP2P savings have been updated.

## **Appendices**

- Appendix 1 – City of London: London Performance Dashboard 2012-13 Q3
- Appendix 2 - Savings Schedule (as at 24<sup>th</sup> April)

### **Neil Davies**


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City of London: London Performance Dashboard: 2012-13 - Q3 FINAL

Risk and vulnerability		Improving life chances		Quality of the environment	
Value	Better performance	Value	Better performance	Value	Better performance
LIS 1: violence against the person crime rate per 1,000 population (NI 15)**	0.55 (a)	LIS 10: % of pupils achieving level 4 or above in both English and Maths at KS2 (NI 73)**	100.0	LIS 19: kg of residual waste per household (NI 191)**	304
Year to Date Apr 12 to Dec 12	25.1 18.9 12.8 6.7 0.6	Annual 2011-12	76 63 89 94 100	Year to Date Apr 12 to Dec 12	613 493 373 254 134
LIS 2: Robbery, dwelling burglary, and theft off/ from a motor vehicle crime rate per 1,000 population (NI 16)**	0.4 (a)	LIS 11: % of LAC achieving 5 A*-C GCSEs (inc English and Maths) (NI 101)**	n/a	LIS 20: % of household waste sent for reuse, recycling & composting (NI 192)**	36.2
Year to Date Apr 12 to Dec 12	25.9 19.6 13.2 6.8 0.4	Annual 2011-12	0 9 19 28 37	Year to Date Apr 12 to Dec 12	20 29 37 46 55
LIS 3: Total notifiable crime rate per 1,000 population (LIS 3)**	5.6 (a)	LIS 12: % of persons in school years 12-14 who are NEET (NI 117)**	n/a	LIS 21a: % of land that has unacceptable levels of litter (NI 195a)**	1.8
Year to Date Apr 12 to Dec 12	217 164 111 59 6	Year to Date Apr 12 to Dec 12	12 9 7 4 2	Most recent survey	15 11 8 4 1
LIS 4: % of childrens core assessments completed within 35 days (NI 60)**	n/a	LIS 13: % of social care clients receiving Self Directed Support (NI 130)**	72.0	LIS 21b: % of land that has unacceptable levels of detritus (NI 195b)**	0.0
Year to Date Apr 12 to Dec 12	56 64 71 79 87	Year to Date Apr 12 to Dec 12	36 48 63 76 90	Most recent survey	16 12 8 4 0
LIS 5: % of child protection cases reviewed within required timescales (NI 67)**	n/a	LIS 14: % of carers receiving needs assessment or review (NI 135)**	n/a	LIS 21c: % of land that has unacceptable levels of graffiti (NI 195c)**	0.5
Year to Date Apr 12 to Dec 12	86 90 93 97 100	Year to Date Apr 12 to Dec 12	8 15 22 29 37	Most recent survey	14.0 10.6 7.2 3.9 0.5
LIS 6: % of children having a child protection plan for 2nd or 3rd subsequent time (NI 65)**	n/a	LIS 15: % of care leavers in employment, education or training (NI 148)**	n/a	LIS 21d: % of land that has unacceptable levels of fly posting (NI 195d)**	1.2
Year to Date Apr 12 to Dec 12	25.0 18.8 12.5 6.3 0.0	Year to Date Apr 12 to Dec 12	47 57 67 77 87	Most recent survey	6.9 5.2 3.5 1.7 0.0
LIS 7: % of referrals to children's social care going on to initial assessment* (NI 68)**	100.0	LIS 16: % of working age people on out of work benefits (NI 152)**	5.0	Interest to the public	n/a
Year to Date Apr 12 to Dec 12	55 66 77 89 100	Snapshot - May 12	17 14 11 8 5	LIS 22: % of council tax collected (BVPI 9)**	n/a
LIS 8: % of vulnerable people supported to maintain independent living (NI 142)**	99.0	LIS 17: number of households living in temporary accommodation (NI 156)**	12	Year to Date Apr 12 to Dec 12	71 76 81 86 91
Year to Date Apr 12 to Dec 12	76 82 88 94 100	Snapshot - Dec 12	3220 2418 1616 814 12	LIS 23: % of non domestic rates collected (BVPI 10)**	n/a
LIS 9a: average length in days of processing HB/CT benefit new claims (NI 181a)**	22.3 (a)	LIS 18: number of homeless applications accepted (LIS 18)**	18	Year to Date Apr 12 to Dec 12	71 76 80 85 89
Year to Date Apr 12 to Dec 12	52 40 29 17 5	Rolling year Jan 12 to Dec 12	988 746 503 261 18	LIS 24: average sickness days per FTE (2010-11 Q4 onwards excludes school staff) (BVPI 12)**	7.4
LIS 9b: average length in days of processing HB/CT benefit change of circumstance (NI 181b)**	10.3 (a)			Rolling Yr Jan 12 - Dec 12	10.0 8.7 7.4 6.1 4.8
Year to Date Apr 12 to Dec 12	30 23 17 10 4	<p><b>key</b></p> <ul style="list-style-type: none"> <li>◆ borough performance</li> <li>— average performance</li> <li>— national comparator</li> </ul>		LIS 25a: % of minor applications determined within 8 weeks (NI 157b)**	77.0
<p><b>key</b></p> <ul style="list-style-type: none"> <li>◆ better performance</li> <li>— average performance</li> <li>— national comparator</li> </ul>	<p><b>relative performance is:</b></p> <ul style="list-style-type: none"> <li>lower performing 25%</li> <li>middle performing 50%</li> <li>higher performing 25%</li> <li>quite below average</li> <li>quite above average</li> <li>significantly below average</li> <li>significantly above average</li> </ul>	<p><b>Guidance notes</b></p> <p>a. The diamond represents performance for your chosen borough. To the right of the black bar represents better than average performance, to the left represents lower than average performance.</p> <p>b. Lower than average performance does not necessarily imply poor performance, and vice versa.</p> <p>c. ** This denotes there are fewer than 16 returns for that indicator.</p> <p>d. Please note that the national comparator measure does not necessarily relate to the same time period as borough data. Please see 'explanations' for further information.</p> <p>e. (a) this denotes that for data presourced by London Councils, the borough submitted their own data instead.</p> <p>f. Blue font indicates a presourced data item.</p>		LIS 25b: % of 'other' planning applications determined within 8 weeks (NI 157c)**	72.0
Year to Date Apr 12 to Dec 12	12.01	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	39 51 63 75 87
Year to Date Apr 12 to Dec 12	13.77	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	55 65 75 84 94
Year to Date Apr 12 to Dec 12	16.30	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	373
Year to Date Apr 12 to Dec 12	70.99	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	37.3
Year to Date Apr 12 to Dec 12	74.42	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	35.2
Year to Date Apr 12 to Dec 12	98.11	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	5.3
Year to Date Apr 12 to Dec 12	11.67	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	6.6
Year to Date Apr 12 to Dec 12	75.16	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	4.0
Year to Date Apr 12 to Dec 12	96.76	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	1.6
Year to Date Apr 12 to Dec 12	24.32	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	82.6
Year to Date Apr 12 to Dec 12	12.01	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	86.0
Year to Date Apr 12 to Dec 12	13.77	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	7.6
Year to Date Apr 12 to Dec 12	16.30	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	68.9
Year to Date Apr 12 to Dec 12	70.99	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	79.9
Year to Date Apr 12 to Dec 12	74.42	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	
Year to Date Apr 12 to Dec 12	98.11	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	
Year to Date Apr 12 to Dec 12	11.67	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	
Year to Date Apr 12 to Dec 12	75.16	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	
Year to Date Apr 12 to Dec 12	96.76	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	
Year to Date Apr 12 to Dec 12	24.32	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	
Year to Date Apr 12 to Dec 12	12.01	<p><b>Group Average</b></p>		Year to Date Apr 12 to Dec 12	

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**SAVINGS SCHEDULE**  
(as at 24<sup>th</sup> April 2013)

Notes:

	Savings shown are not cumulative – they indicate the savings achieved/anticipated in each year, compared to a base year of 2009/10 for most items.
	Forward figures are at current prices. They should only be inflated if inflation increases are to be provided in future years.

<b>Table 1: Phase I Savings - all funds</b>	2012/13 £000	2013/14 £000
Street Cleansing	581	581
Trade Waste	334	334
Public Conveniences	143	143
Unaccompanied Asylum Seeking Minors	50	50
HR Review (phases I and II)	300	300
IS Shared Services	428	428
Chief Officer Budget Reviews 2009	2,645	2,645
Barbican Estate Car Parks	197	197
Telecoms	77	77
Security Contract	50	50
Cleaning and Window Cleaning Contract	150	150
PP2P net (cost)/savings	(1,941)	1,382
<b>Sub-total</b>	<b>3,014</b>	<b>6,337</b>

<b>Table 2: Phase I Savings - CITY FUND ONLY</b>	2012/13 £000	2013/14 £000
Street Cleansing	581	581
Trade Waste	334	334
Public Conveniences	143	143
Unaccompanied Asylum Seeking Minors	50	50
HR Review (phases I and II)	177	177
IS Shared Services	293	293
Chief Officer Budget Reviews 2009	2,498	2,498
Barbican Estate Car Parks	197	197
Telecoms	44	44
Security Contract	27	27
Cleaning and Window Cleaning Contract	35	35
PP2P net (cost)/savings	(1,747)	1,243
<b>Sub-total</b>	<b>2,632</b>	<b>5,622</b>

<b>Table 3: 2011/12 Budget Reductions</b>	2012/13 £000	2013/14 £000
Departmental reductions 2.5%	3,880	3,880
Departmental reductions 10%	13,696	14,035
Museum/LSO/LSSO	800	800
New Homes Bonus (note 1)	268	<b>372</b>
Departmental reorganisations (note 2)	134	345
Golden Lane Leisure Centre		
Contract	40	119
Academies support post	(39)	(39)
One-off costs of change	<b>(300)</b>	0
<b>Sub-total</b>	<b>18,479</b>	<b>19,512</b>

<b>Table 4: 2013/14 and 2014/15 Budget Reductions</b>	2013/14 £000	2014/15 £000
All funds - Departmental reductions 2%	664	2,460
City Fund - Departmental reductions 2%	465	1,598

## Notes:

- |   |  |
|---|--|
| 1 | Receivable for six years and be adjusted year on year for net additional dwellings |
| 2 | Full year impact: £550,000 (from 2014/15)  |



<b>Committee(s):</b>	<b>Date(s):</b>
Efficiency and Performance Sub-Committee	8 <sup>th</sup> May 2013
<b>Subject:</b> Third Party Payments	<b>Public</b>
<b>Report of:</b> <b>Chamberlain</b>	<b>For Information</b>

### Summary

This review of Third Party Payments involved an examination of transactions posted to CBIS for the three year period 1st April 2009 to 31st March 2012. (The CIPFA definition of Third Party Payments for accounting purposes is payments made to external bodies for services which a local authority provides to its citizens). The total value of payments made over this 3 year period is in the region of £104.5million which includes payments of £22.2million over three years in respect of the City's grant to the Museum of London.

As would be expected a wide range of suppliers were identified that are providing departments with services for which the City of London Corporation does not have the delivery capacity, for example, social care provision; or where a strategic decisions have been made source from external providers, including Council Tax collection and waste management. The focus of the review was to analysis the profile and nature of third party payments and understand those areas of spend which already have efficiency reviews planned or underway, or have already been recently subject to recent review. In some areas, these historical payment streams have fundamentally changed as a result of developments in the way services are delivered.

The Efficiency Board has concluded through detailed review and challenge that the majority of spend on services covered by these payments over the last three years have been or will be subject to review via the PP2P project, contract renewal negotiations, budget and policy initiative reviews, or are mandatory in nature or are recoverable. As part of this review of Third Party Payments, it was agreed that social care and residential care contracts being reviewed by the DCCS Commissioning Strategy should be brought within the overview of a new PP2P Category Board.

The remaining payments with a value of £5.5million over three years have been agreed for more detailed examination. The progress made from these more detailed reviews will be reported back to this Committee in the next 6 months. 2

### **Recommendation**

Members are asked to:

- Note this report.

## **Main Report**

### **Background**

1. At the April 2012 meeting of the Efficiency & Performance sub-Committee it was decided that departmental scrutiny exercises on a rolling basis would be discontinued, although the option for Members to request reports from Chief Officers concerning value for money provided by their services would remain. It was agreed the in place of departmental scrutiny exercises themed reviews would be undertaken. These themes to be identified from a wide range of spending activities exercised across the City's departments. At the 28<sup>th</sup> May 2012 meeting of the Efficiency Board a range of spending areas was discussed including Third Party Payments and it was agreed that an initial examination of this area of spend should be undertaken.
2. The City of London utilises the CIPFA categorisation of expenditure and income for all transactions recorded in the City's accounts. The classification of Third Party Payments is services which the City is responsible to provide, for example, Council Tax collection, that are being provided by an external body, usually via a contract or partnership agreement. An initial high-level examination of Third Party Payments was made; this involved analysing transactions posted in CBIS by each City department into specific areas of spend, for example, Private Contractors; specific service providers and the value of payments made to them were identified; the justification for making the payments was obtained from Heads of Finance and service managers; the existence of current or planned review activity was ascertained; and any further examination of spend not included in current scrutiny exercises was considered.

### **Initial Analysis**

3. Table One below includes details of Third Party Payments made over the three year period 2009/10 to 2011/12. Payments totalling £104.5million were made during that period; the majority of payments (£52.5million) were made to contractors for a wide range of services including Council Tax collection, waste collection services, and on and off street parking contracts. Department of Community and Children's Services payments (£17.9million in total) were for a range of social care payments including, accommodation, home help and supported living.

**Table One: Initial Analysis of Third Party Payments 2009/10 to 2011/12**

<b>Payment Category</b>	<b>Total Three Years</b>	<b>2011/12</b>
	<b>£000</b>	<b>£000</b>
Private Contractors (See Table Two)	20,100	6,420
Standard Contracts (See Table Three)	31,100	8,690
DCCS Payments (See Table Four)	17,900	5,410
Additional Contract Payments (see para 7)	1,000	363
Contract Performance Payments (see para 7)	300	123
Joint Authorities (See Table Five)	22,200	5,527
Other Bodies (excluding DCCS)(Table Five)	7,300	1,615
Landfill (Table Five)	2,100	259
Forensic Services (CoLP) (Table Five)	1,400	435
Other Local Authorities (excluding DCCS) (Table Five)	900	-
Recycling – mandatory payments (Table Five)	100	26
Winter Works (Table Five)	100	60
<b>Total</b>	<b>104,500</b>	<b>28,928</b>

### **Contract Payments**

The City manages a variety of contracts for essential services. Table Two below provides a detailed analysis of private contractor payments for the financial year 2011/12. It also includes details of current review work that is being undertaken of these arrangements. The CIPFA categorisation of private contractor payments has been applied to any service provision where provision is discretionary in nature, for example car parking, related to indirect expenditure, such as security, and where part of the service is provided in-house, Council Tax and Business Rates collection management.

**Table Two: Private Contractor Payments 2011/12**

<b>Service</b>	<b>Contractor</b>	<b>£000</b>
Off St. Parking – payment collection	APCOA Parking UK	1,384
Off St. Parking System Maintenance	FCCA (UK)	38
The Guildhall School Security	The Shield Guardian Co.	59
On. Street Parking - enforcement and payment collection	Vinci Parking Services	2,400
Off St. Parking System and operation.	Zeag Parking Ltd.	148
Traffic Management	FM Conway*	38
<b>Total subject to PP2P project review</b>		<b>4,067</b>
Council Tax & Business Rates	Liberata UK	1,323
<b>Report on contract to Finance Committee (May 2012)</b>		<b>1,323</b>
Dental Scheme	Barbican Dental Services	114
Cycling Scheme	Cycle Scheme Ltd.	8
Fitness Facilities	Fitness First Clubs	18
<b>Employees schemes – all costs recovered</b>		<b>140</b>
Business Com. Support	Greater London Enterprise Ltd.	52
Youth Employment	East London Small Business & The Brokerage City Link	118
<b>Policy &amp; Development Initiatives</b>		<b>170</b>
One off Payments	Various	720
<b>Total Private Contractor Payments 2011/12</b>		<b>6,420</b>

\*Traffic Management payments - Contract ended in 2011/12. New contractor J.B.Riney

- The PP2P project includes contract negotiations on a wide range of services, including on and off street parking, elements of which are to be re-tendered later in 2013. The total value of private contractor payments subject to PP2P review work is £4,067m based on 2011/12 expenditure. The Council Tax and Business Rates collection contract

(£1,323m in 2011/12) will expire in October 2014 and a strategic review of the future provision of that service will be presented to Finance Committee on 21<sup>st</sup> May 2013. . All employees benefits scheme expenditure (dental care, cycle loans & gym membership), £140,000 in total, is recovered from participating employees via payroll deductions. The Policy & Resources Committee has approved a number of youth employment schemes totalling £170,000 in 2011/12. Payments to The Brokerage City Link included within this total (£101,000 in 2011/12) will be examined by the Financial Services Director to determine the tendering mechanism and outputs. The balance of payments (£720,000) is related to payments for services comprising relatively small one-off payments.

5. Expenditure classified by CIPFA as standard contract payments includes large service contracts provided to City residents and businesses. Table Three provides details of these payments and the date for re-tender.

**Table Three: Standard Contract Payments 3 Year Period 2009/10 to 2011/12**

<b>Service</b>	<b>Contractor</b>	<b>Total Payments £000</b>	<b>Contract Expiry Date</b>
Waste Collection	Cleaning Service Group	264	Previous Contractor
	MRS Enterprise	15,611	2019
Waste Disposal	Lombar Cleaning	351	Previous Contractor
	Cory Env. Ltd.	4,925	2025
Hazardous Waste	BIFA	233	Previous Contractor
	PHS Waste Management	419	2015
Markets Tenants Services	Countrystyle Group Ltd.	2,884	2017
Markets Tenants Services	ISS Facility Services	2,200	Previous Contractor
Public Toilets	JC Decaux/ Danfoe Ltd.	546	2015
Other Payments	Various	3,667	
<b>Total</b>		<b>31,100</b>	

6. The Hazardous waste contract with PHS Waste Management, which is due for renewal in 2015, is to be included within the PP2P project

contract review programme (contract payments totalling £652,000 over three year period). This contract is managed for on behalf of all London Boroughs. Other payments of £3,667m in total relates to additional services provided by existing contractors which were not included within agreed contract arrangements. (All subject to appropriate committee and delegated approval).

7. Additional payments were also paid to contractors classified as private contractors. These were similar in nature to the additional service payments made to standard contractors related to additional work undertaken outside the main service provision or performance payments in accordance with the contract Terms & Conditions. (£1,300,000 in total – all subject to appropriate committee and delegated approval).

### DCCS Payments

8. The Department of Community and Children’s Services commissions a variety of services related to social care and education. Table Four provides an analysis of these payments and details of inclusion within current review exercises.

**Table Four: DCCS Payments 2009/10 to 2011/12**

Payment Type	Total Payments £000	Detail	Review Position
Accommodation	8,600	Residential Care	PP2P Category
Independent Schools	500	Special Needs	Mandatory Expenditure
Inter-Authority Recoupment	700	State Education	Internal Audit Review
Home Help	4,500	Outsourced	PP2P Category
Other Bodies	2,100	Adult Education	Internal Audit Review
Other Local Authorities	200	Social Care Provision	DCCS Commissioning Strategy
Subsistence	100		As above
Supported Living	800		As above
Travel	100		As above
Voluntary Associations	300	Various community projects	Further analysis by the Financial Services Director
<b>Total</b>	<b>17,900</b>		

### Other Third Party Payments

9. The City makes miscellaneous payments to external organisations in respect of services where there is no internal capacity to provide the service, or Pan-London initiatives. Such as, the tenancy mobility scheme (£300,000 over three years), London Child Protection

Scheme (£160,000); and Registration of Births, Deaths and Marriages (£160,000). These payments and the current review position are included within Table Five.

**Table Five: Analysis of Other Third Party Payments**

<b>Payment Type</b>	<b>Total Payments £000</b>	<b>Detail</b>	<b>Review Position</b>
Joint Authorities	22,200	Includes £21million to Museum of London.	Subject to budget and policy reviews
Other bodies	7,300	Community improvement schemes – e.g. Education services from outside organisations, The Tower project, Community Partnership Toilet Scheme.	Subject to budget and policy reviews
Landfill Tax	2,100	No longer paid	
Forensic Services (CoLP)	1,400	Scientific evidence analysis	Framework agreements – detail to be reviewed by Director of Business Support
Other Local Authorities	900	Pan-London projects including Registrars	Registrars payments to be reviewed by Director of Business Support
Recycling	100	Mandatory payments to Waste Collection Companies	
Winter Works	100	Tree maintenance	To be reviewed by Director of Business Support
<b>Total</b>	<b>34,100</b>		

## **Conclusion**

10. The majority of Third Party payments totalling £87.523m over a three year period have been, or will be subject to separate review. There are areas of spend totalling £5.500min value over a three year period which, as a consequence of this review by the Efficiency Board, will be subject to further analysis and examination, with a view to ensuring that value for money is being achieved. The remaining £11.477m of payments is in respect of mandatory services, policy initiatives, recoverable costs and one-off payments where review work is not

appropriate or warranted. Table Six provides a summary of the review work undertaken and the remaining areas, not covered by this review work requiring further examination.

**Table Six: Summary of Third Party Payments Review Status**

<b>Review Process</b>	<b>Total Value Over Three Years £000</b>
PP2P Reviews	26,343
Contract Renewal Negotiations	30,480
DCCS Commissioning Strategy	1,200
Budget & Policy Reviews	29,500
<b>Total Included in existing Review Initiatives</b>	<b>87,523</b>
Mandatory Payments – no review required	600
Various one – off payments – no review required	7,847
Employee schemes – no review required	420
Policy & Development Initiatives – no review required	510
No longer paid	2,100
<b>Total no further review required/appropriate</b>	<b>11,477</b>
To be reviewed by Business Support Director	2,400
To be reviewed by Financial Services Director	300
Subject to Internal Audit Reviews	2,800
<b>Total to subject to further review work</b>	<b>5,500</b>
<b>Overall Total</b>	<b>104,500</b>



11. Those areas which will be subject to further work are detailed in Table Seven. It should be noted that the values of payments are indicative of the level of expenditure incurred during the three year period examined. Whilst they are based on total postings to Third Party Payment subjective headings in CBIS they are not intended to reflect actual expenditure shown in the City's accounts.

**Table Seven: Details of areas subject to further review work**

<b>Review Area</b>	<b>Indicative Payments £000</b>	<b>Total £000</b>
Forensic Services (CoLP)	1,400	
Other Local Authorities	900	
Winter Works	100	
<b>To be reviewed by the Director of Business Support</b>		<b>2,400</b>
Voluntary Associations	300	
<b>To be reviewed by the Director of Financial Services</b>		<b>300</b>
Inter- Authority Recoupment	700	
Other Bodies – Adult Education	2,100	
<b>To be reviewed by Internal Audit</b>		<b>2,800</b>
<b>Total further review work</b>		<b>5,500</b>

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# Agenda Item 7

<b>Committee(s):</b>	<b>Date(s):</b>
Efficiency and Performance sub-Committee	8 <sup>th</sup> May 2013
<b>Subject:</b> Trigger Reports	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Summary</b>	
<p>The Efficiency Board has monitored the various sources that might trigger a report to the Sub Committee.</p> <p>There are no major issues of concern to highlight for the Sub Committee's attention. However, members are invited to identify any areas where they feel specific work should be undertaken.</p>	
<b>Recommendation</b>	
<p>Members are asked to receive this report and identify any particular areas where further work should be undertaken.</p>	

## **Main Report**

### **Background**

1. The Efficiency Board monitors a number of source documents to identify issues that should be reported to the Sub Committee from a value for money perspective. These sources are as follows:
  - Monthly budget monitoring reports
  - Local Area Performance Solution (LAPS)
  - Committee reports
  - DTC performance meetings
  - Benchmarking studies
  - External audit or inspections
  - National studies, e.g. National Audit Office
  - Issues of public concern
  - Feedback from service users
2. A number of issues are highlighted for the Sub Committee's information.

## **Monthly Budgeting Reports**

3. The one service where an overspend has been reported is the Chamberlain's Department. This overspending has occurred essentially because of the need for extra resources in Information Systems to improve project management and to resource the IS Sourcing Project and to cover the implementation costs of the new City of London Procurement Service (CLPS). The overspending is not thought therefore to be an indicator of poor value for money or use of resources. Otherwise, services are generally forecast to be within, or close to budget.

## **LAPS**

4. As reported elsewhere on the agenda, the production of LAPS by London Councils is in transition, but in the meantime there is only one indicator that falls below average and that has been dealt with previously

## **Benchmarking Studies**

5. Her Majesty's Inspector of Constabulary (HMIC) has issued Police VFM profiles. These have been reported to the Police sub Committee where members queried support costs. A follow up report is being prepared for the May meeting of that Sub Committee after which, a report may be submitted to this Sub Committee.

## **External Audit or Inspections**

6. A Fostering Inspection is shortly to commence. This will be reported to the Sub Committee in due course.

## **Issues of Public Concern**

7. There are three items to bring to the Sub Committee's attention.

## **The Localisation of Council Tax Benefit**

8. The replacement of Council Tax Benefit (CTB) with Council Tax Support (CTS) marks a historic move from a nationally devised system to one of 326 different local schemes in England. This restructuring, along with a 10 per cent cut in funding, has created considerable challenges for local authorities, advice services and benefit recipients alike.

9. The impact is that changes to council tax benefits will affect poorer households and create inconsistencies in neighbouring areas. Multiple schemes will add complexity and reduce transparency.
10. However, the City Corporation decided not to introduce a new scheme, and has continued its previous scheme, absorbing the cut in funding. Therefore this should not impact within the City itself.

### **Transfer of Public Health Responsibilities**

11. From 1st April 2013, the Corporation has formally taken up its new Responsibilities for Public Health, as outlined in the Health and Social Act 2012. The Corporation now has an enhanced role with new powers and resources to address local problems with local solutions, including partnership working across Clinical Commissioning Groups and the NHS in the achievement of priority outcomes.
12. The new sets of functions and responsibilities are intended to cover the important areas of improving the health and wellbeing of our people – health improvement, health protection and public healthcare and quality. The transfer should result in a more effective approach and therefore deliver better value for money.

### **Pensions Bill**

13. By this meeting the Public Service Pensions Bill 2013 will have been enacted. This is seen as the final stage in delivering billions of pounds of savings from reforms. The Bill is forecast to save, nationally, £65 billion over the next fifty years, a significant proportion of the total of more than £430 billion which the Government's overall package of reforms to public service pensions is estimated to save.
14. Reforms will reduce public service pensions costs by around half, delivering sustainability for the long-term while ensuring that public service pensions remain amongst the very best available.
15. This Bill implements agreements reached:
  - moving to career average pension schemes, instead of unfair final salary schemes
  - asking public servants to work longer to receive a full pension, linking their Normal Pension Age to their State Pension Age, except for the Armed Forces, Police Officers and Firefighters

- protecting those closest to retirement: those ten years from their Normal Pension Age on 1 April 2012 will not see any change in when they can retire, nor any decrease in the amount of pension they receive on retirement
  - setting an employer cost cap to ensure that public service pensions remain affordable and sustainable
  - creating a high barrier to changes to specific elements of these pension designs for 25 years - a settlement for a generation
  - setting a common legislative framework and improving governance arrangements of public service pension schemes
16. We should see the first impact of these changes in the 2013 Actuarial valuation of the City Corporation's Pension Fund.

## **National Studies**

### **Financial Sustainability of local authorities**

17. In a report examining central government's approach to local authority funding, the National Audit Office has highlighted the increasing difficulty faced by local authorities over the rest of the spending review period in absorbing the reductions in their central government funding without reducing services.
18. The spending watchdog recommends that the Department for Communities and Local Government work with other government departments to improve the evaluation of the impact of decisions on local authority finances and services.
19. The NAO reports that local authorities have, so far, managed with reduced funding, but more are facing the challenge of avoiding financial difficulties while meeting their obligations. There is evidence that they are reducing services, for example, in adult social care and libraries.
20. Central government planned at the 2010 spending review to reduce funding of local authorities by £7.6 billion (26 per cent) in real terms between April 2011 and March 2015. The effects on local authorities vary. In 2012-13, the overall reduction in spending power ranges from 1.1 per cent to 8.8 per cent. (The figure for the City Corporation was 8.7%). In addition, changes to funding mechanisms will increase financial uncertainty and risk.
21. The NAO estimates that local authorities are planning to make £4.6 billion of savings by April 2013. It further estimates that they still need to find about half of the savings to be made before March 2015. At the same time, demand for high-cost services, such as adult and children's social care, is increasing. The scope is diminishing for absorbing cost pressures through reducing other, lower cost, services given that spending on these services has already been reduced.

22. Departments have assessed the impact of changes to local authority funding, but their approach needs to be more comprehensive in the future. With a range of changes to local government funding being implemented over the spending review period, it becomes increasingly important to understand the cumulative effect of the changes.

23. Finally, the NAO reports that the accountability framework for addressing widespread financial failure in local government is untested. Where there have been one-off failures requiring central government intervention, the failure regime has managed to resolve them. It is not known how the system would respond in the case of multiple financial failures in more challenging times for local authorities.

24. The City Corporation has already made sufficient savings for the next 2 to 3 financial years, but will be addressing the government funding cuts yet to come in a service based review.

### **New Homes Bonus**

25. The NAO has just issued this report which is yet to be considered. It reports that some local authorities could face significant cuts in their funding as a result of the New Homes Bonus scheme and that while it is too early for the scheme to have had a discernible impact on the number of new homes, the signs are not encouraging.

26. This scheme has not been material to the City Corporation so far so should not have the impact feared by the NAO.

### **Conclusion**

27. There are no major issues of concern to highlight for the Sub Committee's attention. However, members are invited to identify any areas where they feel specific work should be undertaken.

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# Agenda Item 8

<b>Committee</b>	<b>Date(s):</b>
Health and Wellbeing Board Efficiency and Performance Sub Committee Community and Children's Services	7 May 2013 8 May 2013 10 May 2013
<b>Subject:</b> Transfer of Public Health Functions 2013/14	<b>Public</b>
<b>Report of:</b> Director of Community and Children's Services	<b>For Information</b>
<b>Summary</b> <p>This report advises members about the transfer of public health functions and related funding from primary care trusts to local authorities, which became effective from 1<sup>st</sup> April 2013. It sets out:</p> <ul style="list-style-type: none"><li>• the levels of transferred funding the City of London Corporation (CoLC) is receiving for 2013/14 and 2014/15;</li><li>• the approach to commissioning the transferred public health contracts which CoLC will be responsible for; and</li><li>• the changes to Community and Children's Services staffing structures being made to reflect the transfer of public health responsibilities.</li></ul> <p>The report sets out how the City of London has worked in partnership with the London Borough of Hackney and the London Borough of Newham to find the most effective and efficient commissioning and staffing arrangements which reflect the scale of need within the City but allow it to play a strategic role within Inner north east London.</p> <b>Recommendation(s)</b> Members are asked to: <ul style="list-style-type: none"><li>• note the report;</li></ul>	

## Main Report

### Background

1. From April 2013 public health functions and related funding has transferred from primary care trusts (PCTs) to upper and single tier authorities. Local authorities have a duty to take appropriate steps to improve the health of their population, funded through a ring-fenced grant. They will take the lead for improving the health of their local population and reducing health inequalities.

2. Funding is ring-fenced and can only be used for public health functions, although it may be applied to revenue or capital spend (with the exception of items requiring borrowing) or pooled.
3. As virtually all the previous NHS spend on public health functions was commissioned on a joint City and Hackney basis Officers have working with LB Hackney and NHS North East London and the City PCT cluster (NELC) to establish the disaggregated predicted spend for 2012/13 and estimates for 2013/14 across all contracts transferring to the LB Hackney and City of London. The transfer is being overseen by the City and Hackney Public Health Transition Board where the City of London is represented by the Director of Community and Children's Services.

## **Current Position**

### Funding allocation

4. The ring-fenced funding allocations for local authorities were announced on 10 January 2013 by the Department of Health.
5. The level of public health grant for the next two years for the City of London is as follows; figures for Hackney and the whole of London are shown for comparison:

	<u>City of London</u>	<u>LB Hackney</u>	<u>London</u>
• 2013/14	£1,651,400	£29,005,400	£553,000,000
• 2014/15	£1,697,600	£29,817,500	£578,000,000

6. The level of grant allocated to the City of London Corporation for the next two years is higher than originally expected and exceeds the funding required to meet the disaggregated costs of the existing public health contracts and staff transferring to the City in 2013/14 and 2014/15.
7. However, existing public health contracts were based on meeting the needs of the resident population only. The City of London Corporation (CoLC), by commissioning research on the public health needs of City workers and in discussion with officials from the Department of Health has made clear that the City would need additional funding to begin to address the needs of the working population. The level of grant received has given us the opportunity to take this work forward in 2013/14.

### **Commissioning framework for contracts**

8. Officers worked closely with colleagues in LB Hackney as part of the City and Hackney Public Health Transition Board to assess the range and scale of functions and services being delivered in 2010/13 across Hackney and the City and to develop a commissioning framework to ensure an effective transfer of responsibility from NHS NELC to CoLC and LB Hackney in April 2013.
9. Public Health Services were being provided in the area through almost 100 separate NHS contracts. They were being delivered by a range of providers including GP practices, pharmacies, hospitals, leisure centres and by a wide range of community and voluntary services. Services provided included:

- alcohol and drug misuse;
- immunisation;
- HIV and sexual health;
- smoking cessation;
- dental health;
- health checks and health improvement;
- nutrition, obesity and physical activity;
- prevention, detection and infection control; and
- mental health

There were some delays in the NHS locating and sending details of the existing contracts to the LB Hackney and the City. They were finally received in late 2012. Officers examined the existing contracts and found that the quality of contract documentation was variable. To facilitate a smooth transition LB Hackney and the City undertook to continue funding all existing PCT Public Health Contracts that had been identified by the Director of Public Health as being good performers. In order to do this all providers have been reissued with either a LB Hackney or City of London contract, based on the Department of Health model, with refreshed service specifications and key performance indicators and a 3% reduction in contract costs.

Contracts were categorised into four commissioned 'strands' which helped to ensure that even in the first year of taking on public health responsibilities the City could ensure that the funding received was being directed as effectively as possible. The commissioning strands for 2013/14 are as follows:

#### Hackney-only contracts

10. These contracts are for services being delivered for specific communities or geographical areas in which CoLC has no identified responsibility, need or interest. Services in this strand include, for example, screening services for the Jewish community and smoking cessation for the Turkish community. LB Hackney will have sole responsibility for funding and managing these services at no cost to the City of London.

#### Hackney 'Lead' contracts

11. These contracts are for services being delivered to residents across the City and Hackney area. The one year contracts are commissioned and managed by LB Hackney on behalf of the CoLC. A Service Level Agreement has been agreed between the CoLC and LB Hackney to formalise the arrangement.
12. The contracts specify that these services should be promoted and accessible to City of London residents and that service performance information provided by contractors to LB Hackney must allow Officers to monitor and evaluate the level and quality of services being provided to City residents. This information can be shared with the City as part of the Service Level Agreement. This will help us to consider whether services are effective for City residents and allow them to be re-commissioned from 2014/15 onwards if not.

13. CoLC will pay 5.3% of the cost of these contracts to LB Hackney (representing the relative size of the City resident population) and a further 0.3% administration and management fee. This strand covers more than 60 contracts and includes school nursing, children's weight management, vitamin supplements for pregnant women, HIV support services and all sexual health and mental health services. The total value of the contracts is £13 million and the CoLC contribution is £723,000. The only outstanding issue at the moment is the terms of the contract with the Homerton University Hospital Trust and a contingency sum is being retained to meet any additional costs that are under discussion

#### City only contracts

14. These one year contracts have been commissioned directly by Officers in Community and Children's Services. They are for specific services for city residents and/or workers that are not being delivered in the same way in, or at all in the London Borough of Hackney. They include drug and alcohol services managed by the City's Substance misuse partnership, smoking cessation services provided by Boots in the City, an exercise on referral programme for city residents between the Neaman Practice and two Tower Hamlets GPs and Golden Lane Sport and Fitness, health checks for City workers and the City Fair start programme run by Toynbee Hall providing physical activity health/obesity reduction services for Portsoken residents. This strand covers 8 contracts with a total value of £468,000. The biggest single payment is £264,000 to the substance misuse partnership.

#### Partnership contracts

15. These contracts are commissioned by the LB Hackney on behalf of the City of London in the same way as the Hackney lead contracts but the City pays more than 5.3% of the contract costs as it requires a higher proportion of the service to be delivered in the City. The only example of this at present is the level 2 smoking cessation service provided by Queen Mary's University which provides drop in clinics at various locations in the City and Hackney. The CoLC contribution to this contract is £18,000.

#### Total contract costs

16. The total cost to the City of commissioning public health services as set out above is £1,209,000 for 2013/14. In addition a contingency of £118,000 has been set aside to cover any variations (such as the Homerton set out in Paragraph 13) and any non contract spending liabilities that may emerge.

### **Public health and community and children's services staffing structures**

17. The City of London Corporation has taken a similar approach to the transfer of public health staff. We have worked in partnership with our neighbouring authorities to ensure that the key responsibilities are met by sharing rather than duplicating staff roles.
18. Eleven officers from the City and Hackney PCT public health team transferred to the LB Hackney on 14 January 2013. The team is based at the Hackney Service Centre and it continues to provide some support to the City. A formal SLA will be put in place later in the year when the amount of time spent on supporting the City has been agreed. One officer, who was already a joint

appointment between the City of London and the NHS became a full time officer of the City of London Corporation.

19. The CoLC, LB Hackney and LB Newham have agreed to seek a single Director of Public Health (DPH) who will take the lead for all statutory DPH responsibilities across the three localities. LB Tower Hamlets chose not to take part in this arrangement. A job description was agreed with the Faculty of Public Health and interviews took place in March 2013 attended by the Chairman of Community and Childrens Services and the Interim Director. No candidate was appointed, so pending the next round of interviews LB Hackney and the City of London Corporation have appointed Dr. Sohail Bhatti as the Interim Director of Public Health. Dr. Bhatti is working two days per week for the City so that he can also cover some of the public health consultant role set out below.
20. City and Hackney PCT previously employed two public health consultants who reported to the Director of Public Health. One of these public health consultants, Vicky Hobart, was shared between LB Hackney and the City of London Corporation. This arrangement worked very successfully and following Vicky's departure to become Director of Public Health in Redbridge and Waltham Forest LB Hackney and the City of London have agreed to continue to co-fund this shared post. The post will have the status of Assistant Director within the City of London Corporation and will carry out many of the duties of the Director of Public Health with regard to the City. Dr. Bhatti is undertaking this role on an interim basis.

#### Total staffing costs

21. The total staffing budget to employ a part time Director of Public Health, part time Public Health Consultant, two other officers with public health skills and experience in the Commissioning and Partnerships Division, agree an SLA with the London Borough of Hackney and make an allowance for specifically commissioned research on health intelligence and other related issues has been calculated as £200,000.
22. Added to the £1,327,000 budgeted for contract costs this makes a total of £1,527,000 which leaves a balance of just over £124,000 for 2013/14. This can be used to meet the priorities identified in the Joint Health and Wellbeing Strategy agreed by the Health and Wellbeing Board.

#### **Insurances**

23. The Department of Health will take on all public health liabilities of PCTs, however there is still an insurance risk relating to Clinical/Medical Negligence of ongoing contracts and activities. This is common across the Local Government sector where insurance companies have not developed an understanding of the changes of responsibilities. This is mitigated through our contract requirements for service providers, but will need to be addressed to cover all potential situations. The Local Government Association is pressing for a national solution to this issue on behalf of all local authorities.

### **Legal and Financial Implications**

24. The total allocation of contract and non-contract costs for public health identified above is within the level of grant allocated to the City for 2013/14 and 2014/15. There is no certainty around the level of funding likely to be received beyond 2014/15.

### **Corporate & Strategic Implications**

25. The contracting framework and staffing restructure support the following strategic aims and policy priorities:
- To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes
  - Seeking to maintain the quality of our public services whilst reducing our expenditure and improving our efficiency

### **Background Papers:**

None

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# Agenda Item 9

<b>Meeting</b> Efficiency and Performance sub-Committee	<b>Date(s):</b> 8 <sup>th</sup> May 2013
<b>Subject:</b> Staff suggestion scheme	<b>Public</b>
<b>Report of:</b> Deputy Town Clerk	<b>For Information</b>
<b><u>Summary</u></b>	
<p>This report makes a recommendation to review the staff suggestion scheme so that it better supports the generation of ideas from the front line about how to improve and develop our services.</p>	
<b>Recommendation</b>	
<p>That a small project group is set up to review the current staff suggestion scheme and is tasked with bring forward recommendations for a revised staff suggestion scheme (which could be renamed) which positively encourages ideas and proposals for change which make our service more effective or efficient. The group would also be asked to design a process which was simple to access and which had some form of peer review similar perhaps to the Dragons' Den scenario. The group would also be tasked with proposing a reward strategy for successfully implemented suggestions or ideas.</p>	

## **Main Report**

### **Background**

1. The current staff suggestion scheme is an individual submission based scheme, each suggestion being judged on individual merit and small amounts of money are awarded to viable suggestions.

### **Current Position**

2. The experience of the "Dragons' Den" process for encouraging social media based ideas has highlighted the enthusiasm in the organisation for individuals and teams to generate ideas which help develop their service or may assist the organisation as a whole.
3. The current system is not well used and is seen to be somehow separate from the day to day business of the organisation. The proposal is to develop a new scheme which would be integrated into organisational development so that those closest to the service feel able to generate ideas to make the service more efficient or effective, ultimately making better use of our resources. Such a scheme would also allow for suggestions to be made across services, and by teams, so that people are encouraged to be on the lookout for ideas and best practice elsewhere even if it is not their area of responsibility, and feel able to bring these forward without any implied criticism of the current service.

## Proposals

4. The proposal is to set up a small project led by a member of the policy team in HR, working with corporate communications, to develop a new scheme. The intention being that the existing scheme would be reviewed and a proposal for a new scheme brought initially to the Performance and Strategy Group of Chief Officers in June/July 2013 so that there is time for discussion and consultation before a planned re-launch of the scheme at the Managers Forum in October this year.
5. The objective of the group would be to make recommendations for a revised staff suggestion scheme (which could be renamed) which positively encourages ideas and proposals for change which make our service more effective or efficient. The group would also be asked to design a process which is simple to access and which has some form of peer review similar perhaps to the Dragons Den scenario. They would also be tasked with proposing a reward strategy for successfully implemented suggestions or ideas.

## Corporate & Strategic Implications

6. We know that we are going to have service reviews in the future; consultation in 2010 was very successful at bringing forward alternative saving proposals but, by its very nature these proposals came from the service teams affected by reductions. A refreshed staff suggestion scheme could allow staff to make service suggestions across departments and to make these at an appropriate time rather in the heat of consultation.

## Implications

7. There may be financial implications but we would expect these to be offset by savings and efficiencies brought forward by the suggestions.

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