



## Efficiency and Performance Sub (Finance) Committee

**Date:** WEDNESDAY, 2 JULY 2014

**Time:** 1.45 pm

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

**Members:** Roger Chadwick (Chairman)  
Jeremy Mayhew (Deputy Chairman)  
Randall Anderson  
Nigel Challis  
Deputy Anthony Eskenzi  
John Fletcher  
Jamie Ingham Clark  
Ian Seaton  
Deputy John Tomlinson  
Philip Woodhouse  
Deputy Alastair King

**Enquiries:** Philippa Sewell  
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Lunch will be served in the Guildhall Club at 1pm

**John Barradell**  
Town Clerk and Chief Executive

# AGENDA

## Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**  
To agree the public minutes and non-public summary of the meeting held on 5 March 2014.  

**For Decision**  
(Pages 1 - 4)
4. **OUTSTANDING ACTIONS**  
Report of the Town Clerk.  

**For Decision**  
(Pages 5 - 12)
5. **REVISED TERMS OF REFERENCE**  
Report of the Town Clerk.  

**For Decision**  
(To Follow)
6. **SUPPLIES AND SERVICES AND THIRD PARTY PAYMENTS**  
Report of the Chamberlain.  

**For Information**  
(Pages 13 - 20)
7. **TRANSFORMATION AND EFFICIENCY BOARDS UPDATE**  
Joint report of the Deputy Town Clerk and the Chamberlain.  

**For Information**  
(Pages 21 - 30)
8. **CORPORATE EVENTS MANAGEMENT GROUP**  
Report of the Remembrancer.  

**For Information**  
(Pages 31 - 44)
9. **CARBON DESCENT PLAN 2009 - YEAR 5: END YEAR ENERGY TARGET REVIEW 2013/2014**  
Report of the City Surveyor.  

**For Decision**  
(Pages 45 - 56)
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.

**For Decision**

**Part 2 - Non-Public Agenda**

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

To agree the non-public minutes of the meeting held on 5 March 2014.

**For Decision**

(Pages 57 - 58)

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

15. **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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## EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Wednesday, 5 March 2014

Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee held at Guildhall, EC2 on Wednesday, 5 March 2014 at 1.45pm

### Present

#### Members:

Roger Chadwick (Chairman)  
Randall Anderson  
Nigel Challis  
Deputy Anthony Eskenzi  
John Fletcher  
Jamie Ingham Clark  
Ian Seaton  
Deputy John Tomlinson

#### Officers:

Susan Attard	-	Deputy Town Clerk
Neil Davies	-	Town Clerk's Department
Philippa Sewell	-	Town Clerk's Department
Chris Bilsland	-	Chamberlain
Suzanne Jones	-	Chamberlain's Department
Caroline Al-Beyerty	-	Chamberlain's Department

#### 1. APOLOGIES

Apologies were received from the Deputy Chairman Jeremy Mayhew.

#### 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 22 January 2014 be agreed as an accurate record.

#### 4. MINUTES OF THE JOINT MEETING OF THE RESOURCE ALLOCATION SUB COMMITTEE WITH EFFICIENCY SUB AND ALL COMMITTEE CHAIRMEN

**RESOLVED** - That the public minutes and non-public summary of the meeting held on 23 January 2014 be agreed as an accurate record, subject to an amendment to list the Sub Committee Members under 'Members' rather than 'In Attendance'.

#### 5. OUTSTANDING ACTIONS

The Sub Committee received an updated schedule of outstanding actions, which now included actions identified at the previous meeting. Members noted that Triggers would be discussed later in the meeting, point 8.2 concerning the

City of London Procurement Service would move from medium to high priority as a report on the Accounts Payable process was due to be submitted to the Finance Committee, and point 9.1 concerning Staff Costs Charged to Projects was medium priority as a report on the updated methodology and charging policy would be reported at the next meeting.

**RESOLVED** – That the report be noted.

**6. TRANSFORMATION AND EFFICIENCY BOARDS UPDATE**

The Sub Committee received an update on the above boards, noting that they had each met once since the previous Sub Committee meeting.

**Transformation Board**

The Deputy Town Clerk advised Members that with regards to Demand Management, a Professional Service protocol had been developed and received at the Board meeting. This would ensure legal resources were deployed in the most efficient and cost-effective way and would support wider demand management. In response to a Member's question it was noted that this protocol had focussed on internal demand as opposed to the Department of Community and Children's Services which had implemented a Commissioning Strategy to address issues including external demand.

In response to a Member's question, officers reported that PP2P had been nominated for an award, the results of which would be announced next week. Members were also informed that the Procurement Team had been nominated for Team of the Year, which would be announced later in the month.

**Efficiency Board**

The Chamberlain reported that a trigger concerning transport provision in open spaces had been reported; currently there was no corporate strategy on vehicular provision, which was a potential area for value for money savings. Members discussed the maintenance of corporate vehicles noting that those used by the Police were maintained separately. Members discussed the opportunities for shared services with the Police, in particular the review of the firearms range and the possibility to share the facilities of the Metropolitan Police or British Transport Police.

Members discussed the performance dashboards, particularly performance related to Planning, and agreed that the uniqueness of the City Corporation made it very difficult to draw meaningful comparisons in some instances. Members also noted the new format of the savings schedule.

**RESOLVED** – That the update be noted.

**7. REVIEW OF TERMS OF REFERENCE**

Members received a report concerning the Sub Committee's Terms of Reference and discussed the proposed amendments, including the following points:

- Star Chamber interviews had begun and were identifying many cross-departmental opportunities for efficiencies.
- There was a clear need to strengthen and support the Sub Committee's remit and have clear direction for future work generated by the Service Based Review.
- The remit of the Sub Committee should be widened beyond specific programmes and projects such as the Service Based Reviews, Combined Heat and Power system and PP2P, being broad enough to encompass future projects.
- A process should be developed that brings issues to the Sub Committee for consideration, similar to that for Projects Sub Committee.
- The existing provision to interview chief officers and scrutinise planned expenditure should be retained.
- The trigger mechanism should be investigated in order to assess whether they are still relevant moving forwards.

**RESOLVED – That:**

- a) The terms of reference be amended to read:
  - i. To consider and advise the Grand Committee on matters relating to value for money in all aspects of the City of London Corporation's activities
  - ii. In accordance with Standing Orders to consider, with the Resource Allocation Sub Committee the resource allocation plans for subsequent financial years prior to their approval by the Policy and Resources Committee
  - iii. To review periodically the performance of each Chief Officer in order to promote efficiency and value for money and to ensure, over a period of time, full Member level scrutiny of all expenditure planned.
  - iv. To be responsible for overseeing and monitoring the agreed programme of work arising from the Service Based Review programme and other saving and efficiency programmes ensuring the achievement of savings, and suggesting further areas for examination as appropriate.
  - v. To review and to monitor performance against the Chamberlain's Departmental Business Plan and related corporate initiatives in order to promote efficiency and value for money.
  - vi. To make recommendations, where necessary, to bring about improvements in performance
- b) subject to the amendments discussed, the terms of reference be recommended for approval by the Finance Committee; and

- c) a follow up report be considered at the next meeting including a methodology on how the Sub Committee would fulfil its revised terms of reference, including how issues would be submitted to the Sub Committee for consideration.

**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.**  
11 - 14

**Paragraph(s) in Schedule 12A**  
3

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

**RESOLVED** - That the non-public minutes of the meeting held on 22 January 2014 be agreed as an accurate record.

**12. NON-PUBLIC MINUTES OF THE JOINT MEETING OF THE RESOURCE ALLOCATION SUB COMMITTEE WITH EFFICIENCY SUB AND ALL COMMITTEE CHAIRMEN**

**RESOLVED** - That the non-public minutes of the meeting held on 23 January 2014 be agreed as an accurate record.

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

There were no questions.

**14. 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:</b>	<b>Date:</b>
Efficiency and Performance sub-Committee	2 July 2014
<b>Subject:</b> Outstanding Actions	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Decision</b>
<b>Summary</b>	
<p>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.</p> <p>At the 22<sup>nd</sup> January 2014 meeting, Members requested that the schedule be updated following each meeting with the actions from that meeting. The attached schedule has been updated accordingly.</p>	
<b>Recommendations</b>	
<p>The following actions (marked ♦ on the attached schedule) are recommended for closure:</p> <ul style="list-style-type: none"><li>• 4.2 Inter-Departmental Events Co-ordination (“joining-up”): A report from the Remembrancer is presented on today’s agenda.</li><li>• 7.5 Review of Supplies &amp; Services and Third Party Payments: A report from the Chamberlain is presented on today’s agenda.</li><li>• 9.5 Terms of Reference: A report from the Town Clerk is presented on today’s agenda.</li></ul>	

**Neil Davies**

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EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 17/6/2014)

	Meeting Date and Item	Action	Officer responsible and target date (where applicable)	Progress updates	Priority (High / Medium / Low)
<b>3</b>	<b>Departmental report – Barbican Centre</b>				
3.1	<b>Report to 24/11/11 meeting: Item 12</b>  <b>Barbican Centre Update</b>	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.	Chamberlain/ Managing Director of the Barbican Centre  <b>Update as necessary</b>	January 2014: Month 9 2013/14 position is a year-to-date overspend against budget of £549k, largely due to lower than expected box office income for the gallery and cinema. With stronger performance expected in the next three months and changes in the programme, the forecast year end overspend reduces to £275k. The Centre is working on further measures to address this overspend.	Medium
<b>4</b>	<b>Improved co-ordination (“Joining-up”) between Mansion House, Guildhall complex and the Central Criminal Court</b>				
4.2 ◆	<b>Report to 17/7/13 meeting: Item 6</b>  <b>Inter-Departmental Events Co-ordination</b>	Members requested a progress report in one year's time.	Remembrancer <b>July 2014</b>	February 2014 - Remembrancer's update: Since the establishment of the Corporate Events Management Group, it has met on a quarterly basis. Membership has been extended to include the Department of Culture, Heritage and Libraries and the Barbican Centre. Issues discussed at such meetings have included the events diary system,	Low

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 17/6/2014)

				use of advance information about guests at events, costs incurred in letting the Guildhall complex, and commemoration of major anniversaries including the centenary of the First World War and the 800 <sup>th</sup> anniversary of the Magna Carta. A paper drawing together the commemorative events planned by the City Corporation and associated bodies relating to the First World War is being circulated to the Hospitality Working Party.	
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<b>7</b>	<b>Efficiency Board issues</b>				
<b>7.3</b>	<b>Report to 30/1/13 meeting: Item 5</b>  <b>Triggers for departmental reporting: "50 Ways to Save"</b>	Members requested that officers review and report back on the incentives offered to staff who suggest good ideas through the City Corporation's <b>Staff Suggestion Scheme</b> and also the level of uptake.	Deputy Town Clerk  <b>Sept 2014</b>	May 2013: Members noted proposals for a full review of the Staff Suggestion Scheme, which were subsequently agreed by the Establishment Committee.  September 2013: Proposals for a revised scheme were approved by the Performance and Strategy Summit Group.  February 2014: Further work to investigate a technology platform to support the processes being carried out with Agilisys.	Medium
<b>7.5</b> ◆	<b>Report to 8/5/13 meeting: Item 5</b>  <b>Transformation and</b>	A report to be presented on the <b>review of Supplies &amp; Services and Third Party Payments.</b>	Chamberlain  <b>July 2014</b>	November 2013: Update report presented to sub-Committee. Results of on-going reviews to be reported in 2014.	Medium

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 17/6/2014)

	<b>Efficiency Boards - update</b>				
7.8	<b>Report to 6/11/13 meeting: Item 5</b>  <b>Transformation and Efficiency Boards - update</b>	Next report on annual CIPFA benchmarking to show trend data and areas where legal fees were increasing.	Chamberlain  <b>November 2014</b>	February 2014: The next annual report to be presented will report on the 2012/13 indicators – expected towards the end of 2014.	Medium

<b>8</b>	<b>Transformation Board issues</b>				
8.1	<b>Report to 18/9/12 meeting: Item 6</b>  <b>Shared Services (City Corporation &amp; City Police)</b>	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 that any decisions to recharge for services should be applied consistently across all departments.	Deputy Town Clerk / Chamberlain  <b>Sept 2014</b>	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 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."  July 2013 – A project board has been formed to progress the joining up of the City's Contact Centre and Police Command Centre, following agreement of the key principles. The project board is due to meet on 16 <sup>th</sup> July, followed by a tactical workshop on 18 <sup>th</sup> July.	Low

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 17/6/2014)

				November 2013: A comprehensive review is being undertaken of all collaborative/shared services – first draft discussed at Transformation Board on 5 <sup>th</sup> November.	
8.2	<p><b>Report to 22/1/14 meeting: Item 6</b></p> <p><b>90 day review of the City of London Procurement Services (CLPS)</b></p>	Members noted that a report on the Accounts Payable process was due to be submitted to the Finance Committee, which could be subsequently referred to this sub-Committee.	Chamberlain <b>February 2014</b>	February 2014: A report was considered by the Finance Committee on 18 <sup>th</sup> February.	High

9	<b>Miscellaneous</b>				
9.1	<p><b>Report to 6/11/13 Meeting: Item 13</b></p> <p><b>Staff Costs Charged to Projects</b></p>	Members queried the overall allocation of the central departments' recharges to service committees. The Financial Services Director advised that methodologies were available on the intranet but they were somewhat fragmented and would need to be consolidated into one document. The Chief Accountant was currently reviewing apportionments. The Sub Committee asked to see	Chamberlain <b>Sept 2014</b>	March 2014: A report on the updated methodology and charging policy would be reported at a future meeting.	Medium

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 17/6/2014)

		the final document.			
9.2	<p><b>Report to 18/9/12 meeting: Item 5</b></p> <p><b>Transformation and Efficiency Boards update</b></p>	Minutes of Transformation Board (TB) and Efficiency Board (EB) to be sent to selected Members for their information.	<p>Head of Corporate Performance and Development</p> <p><b>Monthly</b></p>	<p>June 2013 meetings – sent 19/9/13</p> <p>July 2013 meetings – sent 16/1/14</p> <p>August 2013 meetings – sent 16/1/14</p> <p>September 2013 meetings – sent 16/1/14</p> <p>October 2013 meetings – sent 16/1/14</p>	Low
9.5	<p><b>Report to 5/3/14 meeting: Item 7</b></p> <p><b>Sub Committee Terms of Reference</b></p>	Members amended the Terms of Reference and requested a follow-up report to the next meeting on how the Sub Committee would fulfil its revised terms of reference.	<p>Town Clerk and Chamberlain</p> <p><b>July 2014</b></p>		High

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<b>Committee:</b> Efficiency and Performance Sub-Committee	<b>Date:</b> 2 July 2014
<b>Subject:</b> Supplies and Services and Third Party Payments	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>

## Summary

A report was submitted to this committee in November 2013 which set out the findings of a corporate-wide review of Supplies and Services and Third Party Payments categories of expenditure. The report explained that a large element of Third Party Payment spend had been examined as part of the PP2P project, the IS Strategy Review and the City Police's City First Project. There were, however, some areas where more detailed analysis was warranted to determine whether potential efficiency saving areas could be identified. The outcomes and progress in those areas are set out in this report.

### **Third Party Payments**

City of London Police Forensic Services payments and Open Spaces Winter Works payments will be reviewed by City Procurement in conjunction with the service department to identify if there are any potential sourcing efficiency savings.

Internal Audit reviewed inter-authority education recoupment claims made by Tower Hamlets LBC which confirmed they were accurate. As a result no potential savings were identified.

The Community and Children's Services Committee agreed that, due to a review of service provision and the content of the education programme scheduled for 2014/15, it was appropriate to extend the existing contract of service delivery provided by Hackney Community College for the academic year 2013/14 for adult education.

Third party payment made to Other Local Authorities and Voluntary Associations for services provided to City Departments are largely policy based decisions on supporting service provision, and therefore are being scrutinised as part of the service based reviews.

### **Supplies and Services**

Research/Advice/Information - Hospitality and Subscriptions - Internal audit review of these areas established that all sampled transactions were properly approved, supported by valid invoices, and the expenditure justified by departments. It should be noted that the annual expenditure of £1m on Subscriptions has been separately identified by the Town Clerk and a proposal for making savings included in the service based review. Financial Services Division will be separately reviewing hospitality expenditure as part of the service based review.

Professional, Management and Consultant Fees – These three areas of spend is to be examined in more detail by the CP Buying Team during 2014/15. Initial examination of transactions indicates that scope may exist for entering into contracts with larger organisations where spend has been high, but it would not be feasible for smaller value, one-off type of project work. These types of expenditure are linked in some cases to existing corporate contracts, which have already been secured by City Procurement. This area will also be examined in more detail by Internal Audit during 2014/15 as part of a planned review of consultancy expenditure, working closely with the City Procurement function.

Whilst not the primary objective of the analysis work, internal audit did identify several areas where spending had been incorrectly coded to the expenditure subjective, particularly within the Research/Advice/Information category. Internal audit noted that processes were in place to correct a high proportion of the errors in coding as part of in-year budget monitoring arrangements. Budget Manager training now being rolled out across the Organisation includes emphasis on the correct coding of expenditure, and guidance on the virement process.

### **Recommendation(s)**

Members are asked to:

- Note the report and comment on the findings.

## **Main Report**

### **Background**

1. A report was submitted to this committee in November 2013 which set out the findings of a corporate-wide review of Supplies and Services and Third Party Payments categories of expenditure. The report explained that a large element of Third Party Payment spend had been examined as part of the PP2P project, the IS Strategy Review and the City Police's City First Project. There were, however, some areas where further work and more detailed analysis was warranted; this work has now been completed.

### **Third Party Payments**

2. The CIPFA definition of Third Party Payments is: a payment made to an external organisation or individual to provide a service of a statutory nature which would otherwise be provided in-house. The City of London Corporation procures a wide range of services of this nature. Examination of the full range of expenditure totals was undertaken by Internal Audit during 2012/13 and identified a number of categories of spend requiring additional examination for potential efficiency savings. This work has now been completed and the findings are detailed below and summarised in **Appendix 1** of this report.

### Forensic Services

3. This area of spend relates solely to the City of London Police (CoLP) and was in the region of £1.4million over the three year period 2010/11 to 2012/13. The CoLP and City Procurement have agreed to review the existing Framework agreement with the Metropolitan Police to see if any potential savings can be considered.

### Other Local Authorities

4. The City obtains a range of corporate-wide services from other local authorities. Expenditure over a three year period 2010/11 to 2012/13 was in the region of £900,000. The highest spend in this area is for social care. This category of expenditure is currently subject to the Service Based Review programme and no further separate analysis work was considered warranted.

### Winter Works

This expenditure is incurred by the Directorate of Open Spaces and fluctuates from year to year, dependent on prevailing weather conditions. Spending over the three year period 2010/11 to 2012/13 was £100,000. It has been agreed that the City Procurement Buying Team will discuss the current methods of procurement of these services with the Director of Open Spaces within the remit of the Land Management Procurement Category Board.

### Voluntary Associations

5. The City spends in the region of £100,000 per annum with voluntary organisations to supplement social care and support provision to City residents. This area, similar to expenditure with other local authorities is currently subject to the Service Based Review programme; therefore, no further separate analysis work was considered warranted.

### Inter-Authority Recoupment

6. The Director of Community Services pays Tower Hamlets LBC for the provision of Special Educational Needs support to a number of pupils attending schools within that borough and who live in the City. The claim is off-set by the cost of providing reciprocal services for pupils at Sir John Cass School who live in Tower Hamlets LBC. The net cost to the City is approximately £200,000 per year. Internal Audit have undertaken a review of the claims made and paid within the academic year 2012/13 and concluded that these are accurate.

### Other Bodies – (Including Adult Education)

7. The level of spend with other bodies is in the region of £2.1million over the three year period 2010/11 to 2012/13. This expenditure will also form discussions within the Service Based Review programme. However, Internal Audit has examined the provision of Adult Education by Hackney Community College. It has been established that the Director of Community Services undertook a competitive tender for these services in 2008 and the contract was awarded to Hackney Community College. The initial term of the contract was three years, but in accordance with

the terms of the contract, this has been extended annually, since 2011. The most recent extension was in April 2013. The Community and Children's Services Committee agreed that, due to a review of service provision and the content of the education programme scheduled for 2014/15, it was appropriate to extend the existing contract for the academic year 2013/14.

## **Supplies and Services**

8. Supplies and Services are categorised by CIPFA as: expenditure on goods and services in support of in-house provision of a local authorities functions, both statutory and discretionary. The full range of expenditure totals was examined by Internal Audit during 2012/13 and areas for further, more detailed examination were identified for potential efficiency savings. It should be noted that the sample examination of transactions undertaken by Internal Audit during this review established that all transactions: were properly approved; supported by valid invoices; and could be justified by departments.

### Professional Fees

9. The City spends in the region of £10 million per annum on fees relates to legal, financial, property and administrative services. Some of these services are related to statutory obligations such as health and safety. Initial examination of transactions indicated that not all expenditure had been accurately posted and transactions for the procurement of office supplies and other inappropriately categorised payments were identified. A detailed analysis of this subjective spend has been prepared by Internal Audit and forwarded to the City Procurement Team. City Procurement will now determine whether there is scope to approach larger organisations providing these services to the City with a view to negotiating prices based on specified levels of activity. Small one-off payments are unlikely to provide any opportunities for improving on the current methods of procurement.

### Management Fees

10. The annual corporate spend is approximately £6 million. Management Fees are generally related to on-going contracts of supply, such as, security, cleaning and waste disposal. The Head of CP has advised that whilst further analysis of spending in this area will be undertaken by the City Procurement Buying Team, this spend is likely to have formed part of the negotiations when tendering existing corporate contracts. Internal Audit has, however, found that there is confusion between the use of this subjective and Consultancy Fees, since payments to individuals have been found within transactions. A corporate-wide Internal Audit review of Consultancy Payments will be undertaken during 2014/15 which will seek ways to reduce coding errors, potentially via improved training on the distinction between the definitions of Management and Consultancy activities and looking at the VFM achieved from Consultancy spend.

### Consultants Fees

11. These fees cost the City approximately £5million per annum. They stem from advice on project development, legal, financial, property and administrative activities. The definition of consultancy fees and professional fees can cause confusion: consultancy work is related to advice when developing an activity of project; whereas, professional fees relate to existing activities which require some external verification, assurance or scrutiny. Consultancy fees will be examined by Internal Audit in more details during 2014/15 with findings shared with City Procurement so they can examine the potential for negotiating contracts with larger consultancy firms. There may also be scope to create framework agreements for smaller spend, ad hoc consultancy activities.

### Research/Advice/Information

12. The CIPFA description for the subjective coding Research/Advice/Information is: expenditure which supports a particular service or project in order to ensure its success. It is distinct from Consultancy or Professional Fees in that research materials can be procured and used by officers employed by the City, advice can be obtained from sources which are not specifically dedicated to the City of London (for example, Central Government surveys), Information can be in the public domain (for example, academic papers and journals). Analysis of the £774,000 of 2013/14 expenditure in this area, indicates that £240,200 was initially mis-coded.
13. It should be noted that Finance teams do undertake coding corrections during the year and that a high percentage of this spend will be correctly re-coded as part of that work. Reasons given by staff were: not aware of the correct code to use; insufficient budget provision for accurate coding; considered that coding was accurate given the project to which expenditure related; no other code for the department to post this expenditure and genuine error.

### Hospitality

14. City of London departments spent approximately £1million on hospitality payments during 2013/14. Examination of transactions coded to this subjective expenditure heading were found to be generally accurate, however some miscoding was identified and a failure to use virements in accordance with the correct accounting procedure. Financial Services Division will be separately reviewing hospitality expenditure as part of the service based review.

### Subscriptions

15. This expenditure subjective heading relates to payments to other bodies for corporate membership, but has also been used to post purchases of journals, periodicals and newspapers. Total expenditure was approximately £1million in 2013/14. Internal Audit examination of a sample of departmental transactions established that these were generally accurate. The question was also posed with departments how often they reviewed the need to subscribe to

services and whether all copies of publications were required. Departments provided details of the process whereby subscriptions were reviewed and justified reasons for purchasing publications.

16. It should be noted that the annual expenditure of £1m on Subscriptions has been separately identified by the Town Clerk and a proposal for making savings included in the service based review.

## **Conclusions**

17. Some further work has been identified which will be undertaken during 2014/15 in relation to the City of London Police - Forensic Services, Open Spaces – Winter Works and the service provided by the Hackney Adult Community College.

18. Further work is also planned on Professional and Management Fees. This is with a view to determine whether these relate to existing corporate contracts, scope to tender contracts for large areas of corporate spend, and the potential for framework agreements for smaller spend on similar services.

19. Analysis of Research/Advice/Information, Hospitality and Subscription expenditure areas has identified many examples of expenditure being initially incorrectly coded. Internal audit noted that processes were in place to correct a high proportion of the errors in coding as part of in-year budget monitoring arrangements. Budget Manager training now being rolled out across the Organisation includes emphasis on the correct coding of expenditure, and guidance on the virement process.

## **Appendices**

Appendix 1 – Summary of categorised expenditure – outcomes and action.

### **Background Papers:**

Efficiency and Performance sub-committee report 6<sup>th</sup> November 2013.

**Jeremy Mullins, Audit Manager**

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## Summary of categorised expenditure – outcomes and action

Spend Category	Total Value Spend Examined £000	Period Covered	Outcomes/Actions
<b><u>Third Party Payments</u></b>			
Forensic Services (CoLP)	£1,400	2010/11 to 2012/13	CLPS to review with CoLP
Other Local Authorities	£900	2010/11 to 2012/13	Within Service Based Reviews
Winter Works (Open Spaces)	£100	2010/11 to 2012/13	CLPS to discuss with Dir. Op Spaces
Voluntary Associations	£300	2010/11 to 2012/13	Within Service Based Reviews
Inter-Authority Recoupment	£700	2010/11 to 2012/13	Internal Audit Review - concluded
Other Bodies – incl. Adult Education	£1,200	2010/11 to 2012/13	Service based Reviews and Internal Audit Review -concluded
<b><u>Supplies and Services</u></b>			
Professional Fees	£10,700	2011/12	CLPS to review 2014/15
Management Fees	£5,900	2011/12	CLPS to review 2014/15
Consultants Fees	£4,700	2011/12	Internal Audit to review 2014/15
Research/Advice/Information	£774	2013/14	Internal Audit to potentially revisit 2015/16
Hospitality	£978	2013/14	FSD reviewing within service based review - Internal Audit to potentially revisit 2015/16
Subscriptions	£1,020	2013/14	Town Clerk including proposal within Service Based review - Internal Audit to potentially revisit 2015/16

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<b>Committee:</b>	<b>Date:</b>
Efficiency and Performance Sub Committee	2 July 2014
<b>Subject:</b> Transformation and Efficiency Boards - update	<b>Public</b>
<b>Report of:</b> Chamberlain and Deputy Town Clerk	<b>For Information</b>
<p><b>Summary</b></p> <p>Since the report to the last Sub-Committee, the Transformation Board and the Efficiency Board have each met once.</p> <p>The Transformation Board discussed the need for the monitoring and co-ordination of a portfolio of key transformation projects across the organisation, and reviewed progress on a number of the key projects and specific issues considered by the Board during 2013/14.</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 discussed the potential triggers for departmental reporting, and how it can continue to support the work of this Sub-Committee.</p> <p><b>Recommendation</b></p> <p>Members are asked to receive this update</p>	

## Main Report

### Background

- 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

- The following issues were discussed at the Transformation Board, chaired by Susan Attard.
- Progress and completion of key work streams** The Board received a series of updates on the key strategic projects and other issues considered recently:

- a. IS phase 3 – alternative sourcing options: The Board noted the completion of this review, with the revised structure of three key teams working in a strategic partnership with Agilisys. Some key projects currently in progress were noted, including Oracle ERP, support for the City of London Police Transformation Programme, and the decommissioning of the data centre in Guildhall.
- b. IS Strategy: The Board noted that the Strategy had been agreed by the relevant boards and Committees, and consisted of four strategic programmes: Better Working Practices; Building an Effective Corporation; Promoting the City, and Customer Service Programme.
- c. Management Information Dashboards: The Board noted that three dashboards were available to all staff via the intranet: Money, Energy and Service Response Standards. A departmental dashboard was being developed for the Department of Culture, Heritage and Libraries, but further work on corporate dashboards was being subsumed as a work stream within the Oracle ERP project.
- d. HR: The Board noted the completion of the HR review, which fundamentally reshaped the Corporate HR service, and generated savings of £300k per annum. A series of further more detailed reviews are underway, as part of the development of the HR Strategy, including reviews of HR policies; iTrent functionality; and pay and conditions, starting with allowances and market forces supplements.
- e. Demand Management: The Comptroller and City Solicitor reported that he is presenting the legal services Professional Services Protocol (previously reported to this Sub Committee in March) to all departments at their Departmental Management Team meetings, as part of the general roll-out of this initiative. The Board noted that such an approach would be appropriate for other corporate service areas, including some in the Town Clerk's and Chamberlain's Departments.
- f. WarpIT: The system for internal recycling of stationery and furniture went live to all staff in February, and good progress is being made against the five main objectives:
  - Saving the City Corporation money by avoiding unnecessary purchasing costs by reusing items it already owns;
  - Savings on disposal costs;
  - Reducing the amount of waste sent for incineration;
  - Providing an easy way for staff to responsibly dispose of, or re-use items;
  - Helping charities by offering them items that we no longer have a use for.
- g. My Council Services app: This is a multi-function, multi-platform app allowing residents, businesses and visitors to make contact with the City Corporation directly from smartphones and tablets. The app has been "soft launched", with general drop-in sessions arranged for staff and meetings with specific key managers in those departments most likely to be impacted, including Community and Children's Services.

- h. My City Story: This initiative involves staff tweeting about their jobs for a week or two at a time, reflecting the breadth and depth of the City Corporation.
  - i. Staff Suggestion Scheme: The Board noted that all staff were invited to submit suggestions as part of the Service Based Review, resulting in 140 suggestions being received. An officer project team is leading on the relaunch of the general scheme, and reviewing ideas around technology and incentives to encourage participation from staff members. An appropriate software package has been identified, which will be tested before roll-out in the autumn.
4. The Board also noted the completion of the Strategic Finance Review and the Accommodation project.
  5. **Future work of the Board** The Board discussed the future focus of its work, particularly in regard to the cross-cutting reviews and transformation projects likely to result from the Service Based Review, which would be reported to the Resource Allocation Sub-Committee away day in June. The need for key officers to focus on the co-ordination and monitoring of a portfolio of key change/transformation projects, covering IS projects, HR projects, departmental change initiatives, and reviews arising from the service based review, was noted.

## Efficiency Board

6. The following key issues were discussed at the Efficiency Board, chaired by Peter Kane.
7. **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, draft reports, and the potential departmental triggers. Issues discussed at the most recent meeting included the draft report on Third Party Payments and Supplies and Services, presented separately on the agenda for this meeting.
8. **Triggers for Departmental Reporting** The Board discussed a number of sources for potential triggers for departmental reporting, including:
  - LAPS (Local Area Performance Solution) – reported separately below.
  - Performance meetings held quarterly or six-monthly by the Deputy Town Clerk with Chief Officers – no issues arose from the most recent meetings.
  - Business Plans – although no issues arose from the Quality Assurance meetings with Chief Officers on their 2014 departmental business plans, the Board considered the potential for using business plans and quarterly reports to demonstrate the linkages between budgets and performance, and how these change over time.
  - Benchmarking studies – The Board noted the proposal to engage external consultants to review the benchmarks and appropriate comparators available to the City Police, in order for them to

demonstrate the economy, efficiency and effectiveness of their services to the Police Committee.

– External Audits/inspections and national studies – none were reported.

9. **Performance Dashboard 2013-14 Q3** The Board noted the latest City of London performance dashboard, compiled quarterly by London Councils. This is attached at Appendix 1. On the dashboards, the City’s performance is shown in the column headed ‘value’, and by the black diamond (◆) in the column headed ‘better performance →’. The ‘group average’ is calculated from those boroughs that submitted data. The number of boroughs submitting data for each indicator is shown in the ‘group average’ column.

10. The table below summarises the City’s performance for the three quarters of 2013-14 reported to date:

Number of performance indicators	Top quartile	2 <sup>nd</sup> quartile	3 <sup>rd</sup> quartile	Bottom quartile	n/a*	Total
Q1 2013-14	12	6	0	1	17	36
Q2 2013-14	9	7	1	1	18	36
Q3 2013-14	17	3	1	1	14	36
Change in numbers	+8 (+5 from n/a; +4 from 2 <sup>nd</sup> quartile; one to n/a)	-4 (-4 to top quartile)	--	--	-4 (-5 to top quartile; +1 from top quartile)	--

\*We do not submit returns where the raw data value is <10.

11. The City continues to perform well against the London Dashboard, with minor fluctuations from quarter to quarter. The two indicators for which below average performance was recorded in Q3 are:

- **DB 35:** Percentage of minor planning applications determined within 8 weeks. Performance in Q3 was 69%, compared with the London average of 73% and slipped from 3<sup>rd</sup> quartile in Q2 to bottom quartile in Q3.
- **DB 36:** Percentage of ‘other’ planning applications determined within 8 weeks. Performance in Q3 was 80%, compared with the London average of 83% and improved from bottom quartile in Q2 to 3<sup>rd</sup> quartile in Q3.

12. As reported previously to this sub-Committee, performance on these indicators continues to be monitored by the Departmental Management Team; analysis showing that the delay is mainly due to the impact of negotiations with applicants to secure approval of the application, which is the department’s key aim.

13. **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. The appendix shows:

- Table 1 – savings from the Service Based Review. Currently, those savings agreed by the Resource Allocation sub-Committee in December 2013. Further savings will be added as they are agreed by the Resource Allocation Sub-Committee, from June onwards.
- Table 2 – full year impact of savings achieved from pre-2011/12 reviews and budget reductions (including PP2P)
- Table 3 – full year impact of the 2011/12 budget reductions (including 12½% budget reductions)
- Table 4 – full year impact of the 2013/14 and 2014/15 2% agreed budget reductions

## **Appendices**

- Appendix 1 – LAPS Dashboard (Q3 of 2013/14)
- Appendix 2 - Savings Schedule (as at June 2014)

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Risk and vulnerability	Value	Better performance →	Group Average
DB 01: Violence against the person crime rate per 1,000 population (LIS 15)	1.81 (a)		13.43
Year to Date Apr 13 to Dec 13			33 returns
DB 02: Robbery, dwelling burglary, and theft of/from a motor vehicle crime rate per 1,000 population (LIS 16)	0.60 (a)		14.70
Year to Date Apr 13 to Dec 13			33 returns
DB 03: Total notifiable crime rate per 1,000 population (LIS 3)	13.29 (a)		63.09
Year to Date Apr 13 to Dec 13			33 returns
DB 04: % Child Protection Plans lasting 2+ years at 31 March and for child protection plans which have ended during the year (N 17)	0.0		5.4
Year to Date Apr 13 to Dec 13			17 returns
DB 05: % children subject of Child Protection Plan for a 2nd time or more, within 2 yrs of previous plans end date (N 18)	0.0		10.4
Year to Date Apr 13 to Dec 13			22 returns
DB 06: Vacancy Rate of Children's social workers (FTE) for year ending 30 Sept (N 23)	0.0		18.3
Annual Snapshot 30 Sept 2013			33 returns
DB 07: % Children's Social workers who are agency workers (FTE) for year ending 30 Sept (N 26)	n/a		20.9
Annual Snapshot 30 Sept 2013			32 returns
DB 08: % of adults with a learning disability who live in their own home or with their family (ASCOF 1G)	n/a		65.9
Year to Date Apr 13 to Dec 13			19 returns
DB 09: Housing Benefit number of days to process new claims (LIS 181a)	17.9		24.5
Year to Date Apr 13 to Sep 13			33 returns
DB 10: Housing Benefit number of days to process change of circumstances (LIS 181b)	7.2		11.3
Year to Date Apr 13 to Sep 13			33 returns

**key**

- borough performance
- average performance
- national comparator
- lower performing 25%
- middle performing 50%
- higher performing 25%

**relative performance is:**

- orange circle: quite below average
- red circle: significantly below average
- green square: quite above average
- green square: significantly above average

**Guidance notes**

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.

b. Lower than average performance does not necessarily imply poor performance, and vice versa.

c. \*\* denotes there are fewer than 16 returns for that indicator.

d. Please note that the national comparator measure does not necessarily relate to the same time period as borough data.

e. (a) this denotes that for data presourced by London Councils, the borough submitted their own data instead.

f. Blue font indicates a presourced data item from an existing data publication.

Improving life chances	Value	Better performance →	Group Average
DB 11: Percentage of pupils achieving level 4 or above in both Reading, Writing and Maths at Key Stage 2 (LIS 73)	97.0		79.6
Annual 2012-13			33 returns
DB 12: % children in need (CIN) achieving at least level 4 at KS2 in both Eng & math (N 1a)	n/a (a)		44.1
As at March 2012			30 returns
DB 13: % children in need (CIN) who achieve 5+ A* -C grades at GCSE including Eng & math (N 1b)	n/a (a)		18.2
As at March 2012			22 returns
DB 14: % of school-aged children in need permanently excluded from school (N 3a)**	0.00		0.66
As at April 2011			9 returns
DB 15: Percentage of persons aged 16-18 who are not in education, employment or training (NEET) (NI 117)	n/a (a)		4.8
Nov 2012-Jan 2013 average			32 returns
DB 16: % of people using social care who receive self-directed support (ASCOF 1C(1))	n/a		70.4
Year to Date Apr 13 to Dec 13			25 returns
DB 17: % of people using social care who are receiving direct payments (ASCOF 1C(2))	n/a		23.6
Year to Date Apr 13 to Dec 13			24 returns
DB 18: rate 18-64 yr old permanent admissions to residential and nursing care homes, per 100,000 population (ASCOF 2A(1))	n/a		7.7
Year to Date Apr 13 to Dec 13			20 returns
DB 19: rate aged 65+ permanent admissions to residential and nursing care homes, per 100,000 population (ASCOF 2A(2))	n/a		363.9
Year to Date Apr 13 to Dec 13			21 returns
DB 20: Number of people receiving a council funded service (RAP 1)	n/a		4592
Year to Date Apr 13 to Dec 13			20 returns
DB 21: Number of Carers receiving respite or carer specific services as an outcome of assessment or review (RAP 2)	n/a		572
Year to Date Apr 13 to Dec 13			17 returns
DB 22: Percentage of care leavers in employment, education or training (NI 148)	n/a		61.2
Year to Date Apr 13 to Dec 13			16 returns
DB 23: Percentage of working age people on out of work benefits (NI 152)	4.3		10.3
Snapshot - Aug 13			33 returns
DB 24: Number of households living in temporary accommodation (NI 156)	10		1286
Snapshot - Dec 13			33 returns
DB 25: Number of homeless applications accepted as being in priority need (LIS 18)	12		512
Rolling year Jan 13 to Dec 13			33 returns

Quality of the environment	Value	Better performance →	Group Average
DB 26: Number of kilograms per household of residual household waste collected (NI 191)	280		373
Year to Date Apr 13 to Dec 13			20 returns
DB 27: Percentage of household waste sent for reuse, recycling and composting (NI 192)	39.33		36.30
Year to Date Apr 13 to Dec 13			20 returns
DB 28: Percentage of land assessed as having unacceptable levels of litter (NI 195a)	1.44		5.36
Most recent survey			20 returns
DB 29: Percentage of land assessed as having unacceptable levels of detritus (NI 195b)	0.23		6.97
Most recent survey			19 returns
DB 30: Percentage of land assessed as having unacceptable levels of graffiti (NI 195c)	0.11		4.01
Most recent survey			19 returns
DB 31: Percentage of land assessed as having unacceptable levels of fly-posting (NI 195d)	0.17		1.29
Most recent survey			18 returns

Interest to the public	Value	Better performance →	Group Average
DB 32: Percentage of Council Tax collected (BVPI 9)	n/a		82.2
Year to Date Apr 13 to Dec 13			24 returns
DB 33: Percentage of non domestic rates collected (BVPI 10)	n/a		86.2
Year to Date Apr 13 to Dec 13			24 returns
DB 34: Number of working days per FTE lost due to sickness absence (excluding school staff) (BVPI 12)	6.4		7.4
Rolling year Jan 13 to Dec 13			20 returns
DB 35: Percentage of minor planning applications determined within 8 weeks (NI 157b)	69.0		73.1
Year to Date Apr 13 to Dec 13			26 returns
DB 36: Percentage of 'other' planning applications determined within 8 weeks (NI 157c)	80.0		83.0
Year to Date Apr 13 to Dec 13			26 returns



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**SAVINGS SCHEDULE**  
(as at 24<sup>th</sup> June 2014)

<b>Table 1: Service Based Reviews</b>	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
IS savings from outsourcing to Agilisys (see note)	(879)	(695)	307	493
Oracle R12 implementation – staffing savings			300	300
PP2P Wave 3 procurement savings		1,000	1,000	1,000
Town Clerk – staffing savings			80	80
PR Office – mainly on staffing			100	100
Culture, Heritage and Libraries - staffing			150	150
<b>Total</b>	<b>(879)</b>	<b>305</b>	<b>1,937</b>	<b>2,123</b>
Note: Outsourcing the IS services to Agilisys generates an overall revenue saving of £1.6m across the seven year contract period. However, for 2013/14 and 2014/15, there are agreed budget increases, as above.				

<b>Table 2: Savings achieved from pre 2011/12 reviews and budget reductions</b>	Full Year Impact £000
Street Cleansing	581
Trade Waste	334
Public Conveniences	143
Unaccompanied Asylum Seeking Minors	50
HR Review (phases I and II)	300
IS Shared Services	428
Chief Officer Budget Reviews 2009	2,645
Barbican Estate Car Parks	197
Telecoms	77
Security Contract	50
Cleaning and Window Cleaning Contract (see note)	150
PP2P net saving (2013/14 figure)	1,131
<b>Total</b>	<b>6,086</b>
Note: Figures for Security and Cleaning and Window Cleaning Contracts exclude savings retained by the City Police or passed on to tenants.	

<b>Table 3: 2011/12 Budget Reductions, etc.</b>	Full Year Impact £000
Departmental reductions 2.5%	3,880
Departmental reductions 10%	14,035
Museum/LSO/LSSO	800
New Homes Bonus (see note 1)	845
Departmental reorganisations (see note 2)	550

Central Market rents/Service Charges	1,000
Golden Lane Leisure Centre	
Contract	119
Academies support post	(39)
<b>Total</b>	<b>20,512</b>
Note 1: New Homes Bonus is receivable for six years and is adjusted year on year for net additional dwellings - £845k is the confirmed 2014/15 allocation.	
Note 2: £300k of the £550k will be achieved in 2014/15.	

<b>Table 4: 2013/14 and 2014/15 Budget Reductions</b>	Full Year Impact £000
All funds - Departmental reductions 2%	2,460

<b>Committee:</b>	<b>Date:</b>
Efficiency and Performance Sub Committee	2 July 2014
<b>Subject:</b>	<b>Public</b>
Corporate Events Management Group	
<b>Report of:</b>	<b>For Information</b>
Remembrancer on behalf of Corporate Events Management Group	
<b>Summary</b>	
This Report provides an update on the work of the Corporate Events Management Group and notes developments in joint-working across the Corporation.	

## Main Report

### Introduction

1. The Corporate Events Management Group, chaired by the Remembrancer, meets quarterly. Meetings are now attended by officers from PRO, EDO, Mansion House, the Department of Culture, Heritage and Libraries, the Barbican and the Museum of London.

### Procedural improvements

2. The Group has overseen a number of procedural and logistical steps to improve efficiency and coordination between departments. The new 'COL-Events' electronic diary is designed to bring together in a central registry key Corporation events. The diary enables easier and increasingly synchronised planning of and input into Corporation-wide events. Departments including Mansion House, Remembrancer's, Culture, Heritage and Libraries, EDO and Public Relations input their events into the central diary. The diary is also helping to ensure more effective liaison with FCO on incoming visits.
3. Following the practice at Guildhall, EDO, Public Relations and Remembrancer's now have the opportunity to input suggestions for guests lists for the set-piece Mansion House events.
4. Beginning with the State Visit of Singapore planned for the Autumn, the Remembrancer's Office will (subject to suitable security safeguards) circulate draft guest lists for major Guildhall events to the other members of the Group. Doing this should enable omissions to be more easily identified and make the review process more effective.

5. For the Mansion House set-piece events, the revised system for allocating seats to Members based on the preferences expressed is reported to be working satisfactorily.
6. Newly elected Members of the Common Council are now being invited to set piece events at Mansion House from the time of their election. The earlier practice of extending invitations in the year following election has been discontinued.

#### Joint planning of events

7. The Group has provided a central point for exchanging information about City involvement in the commemoration of the centenary of the First World War. A note bringing together the City Corporation and City-related events in one place has been produced and is appended to this report.
8. The Group has also discussed the development of the City Corporation's commemoration of the Magna Carta anniversary next year. Events include those connected with the opening of the City of London Heritage Gallery, exhibitions in Guildhall Art Gallery and Guildhall Library and the commemorations planned by the Magna Carta 800<sup>th</sup> Committee on which the Director of Public Relations represents the City Corporation. The Global Law Summit takes place in February 2015 and also has a Magna Carta theme. A note documenting the activities is annexed.

#### Joint marketing

9. The Barbican and Guildhall are developing the existing informal arrangements for cross-selling business with the aim of jointly promoting both venues as a destination for major events, in particular large conferences. A marketing strategy is being developed between the Barbican and the Remembrancer's Office that will highlight their joint offering. Once launched, it is intended that the strategy should be extended, with all the City Corporation's venues working more closely together to generate increased business opportunities.

Contact:  
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City Remembrancer

## **First World War Centenary: City of London commemorative events**

### **The National Commemoration of the War**

1. The Department for Culture, Media and Sport is the lead Government department for the commemorations. The Imperial War Museum (which will reopen in July 2014) is leading the First World War Centenary Partnership, a network of local, regional, national and international cultural and educational organisations. Activities will fall into 3 main categories: remembrance, youth and education. The role of women and the Commonwealth are key themes.
2. The start of the War will be marked by a Church Service at Glasgow Cathedral, the focus being on the Commonwealth contribution to the War. A vigil will take place at Westminster Abbey and will be replicated in other Churches across the country. The other key dates around which activity will be focused are April 2015 (the Gallipoli Campaign); May 2016 (Battle of Jutland) and July 2016 (Battle of the Somme); July 2017 (Battle of Passchendaele); and Armistice Day 1918. National commemorative projects include paving stones for Victoria Cross recipients, restoration of War memorials, trips from all state schools to First World War battlefields, digitisation of War diaries and a very large number of cultural events.

### **City of London events**

#### ***Lord Mayor***

3. The Lord Mayor will attend the Commonwealth Service on 4<sup>th</sup> August at Glasgow Cathedral, followed by a wreath-laying, to mark the start of the War.
4. The London Historical Society is organising a week-long battlefield tour to Ypres in August this year. The Lord Mayor and Sheriffs will attend the weekend ceremonies, including a wreath-laying ceremony on 30<sup>th</sup> August. The Society will be inviting its members, including Members and Liverymen, to join the tour.
5. The Lord Mayor's overseas visits may also provide an opportunity to attend commemorations that coincide with the visits.

#### ***Guildhall***

6. Professor Jeremy Black will give a lecture on 21<sup>st</sup> July at Guildhall looking at the effect of the outbreak of the War on people in London. Professor Black, who is the Professor of History at the University of Exeter, is a widely-known and stimulating lecturer. The lecture will serve to profile the exhibition being mounted by the London Metropolitan Archives "Emergency! 1914" described below. The talk, which will be in the Old Library, will be followed by a reception, at which selected artefacts will be displayed.

### **Royal Hospital Chelsea**

7. There will be a March to the Royal Hospital Chelsea by the London Regiment and uniformed youth organisations (including the Cadet forces and Scout Association) on 28<sup>th</sup> June 2014 to honour the contributions of the London Reserve forces to the War. This will be the first national event and all London Borough Mayors and Leaders will be invited. The City is contributing to the cost of a reception to follow a drumhead service in the grounds of the Royal Hospital. Contributions to the project (which also includes the preparation of an on-line inventory of regiments in London in 1914) are also being sought from the boroughs.

### **Guildhall Library**

8. An exhibition entitled *From Beef Tea to Battleships: Personal Stories from the First World War* will run from 4<sup>th</sup> August to 12<sup>th</sup> November. This will focus on personal stories, and use iconic items such as medals, letters and other personal effects to bring those stories to life.
9. An exhibition of contemporary war photography, *The Remembrance Image Project*, will run concurrently. On display will be images from photographer Simon Gregor, taken of sites associated with the conflict at the anniversary of when they saw action. An accompanying afternoon talk and photography workshop based on this project will also take place.
10. Working with an installation artist, there will be an installation of poppies in the exhibition space. Details are still to be confirmed, but it is envisaged that appeal poppies from the Royal British Legion will be used, with visitors able to take poppies from the installation in return for a donation to the Royal British Legion.
11. There will be a programme of accompanying afternoon and evening events. These will include poetry readings, an exhibition launch, lectures (with speakers from organisations such as the British Postal Museum and Archive and the Bank of England) and a workshop.

### **Keats House**

12. Keats House hosted an afternoon poetry event *The Great War Remembered* on 10<sup>th</sup> May. This commemorated the centenary of the outbreak of the War. A second event *War Poetry from Home* will take place on 9<sup>th</sup> August. This event will feature war poetry written by poets not involved in combat and will also focus on women who have had to face the loss in war of loved ones. Keats House is also planning a joint event with Poet in the City for the autumn of 2014.

### **Guildhall Art Gallery**

13. There will be a 'painting in focus' programme starting in July 2014 until at least December 2014 looking in detail at individual works in the Gallery's

collections with a WW1 theme, beginning with 'Recruiting at the Guildhall' by Fred Roe.

14. Items from the LMA collections will be displayed in the new City of London Heritage Gallery at times during the commemoration period.
15. The Gallery is working with the City of London Festival on a joint event for the 2014 Festival, possibly a performance of WW1 songs and/or a spoken word event inspired by Lord Wakefield's speech at the Guildhall recruitment.

### ***Barbican***

16. The Barbican, with Create London, is commissioning Historypin to deliver a major digital archiving and community engagement project called "Barking and Dagenham: A 100 year retrospective". The Barbican will work with local people and local and national organisations to create an on-line archive focusing on the centenary of WW1. The project will be presented publicly in September 2014.
17. The Barbican is also staging the following (all are Barbican promotions except where noted):

#### Music

Folk, poetry and live video staging event on 18<sup>th</sup> September in the Hall.

LSO concert on 2<sup>nd</sup> November with world premiere of new work by Sally Beamish, a setting for poetry by Andrew Motion (promoted by LSO).

#### Theatre

English National Ballet - [Lest We Forget](#): Dance inspired by the centenary of the Great War (2<sup>nd</sup> – 12<sup>th</sup> April 2014) (promoted by ENB).

The Forbidden Zone, a new live multimedia production by Director Katie Mitchell that looks at the War through the personal experiences of key characters. This will be presented at the Salzburg Festival in summer 2014. The film element could potentially be streamed live at the Barbican. It is intended that the actual production will take place at the Barbican in 2016.

Another possible project is a collaboration with the National Theatre of Hungary and Prague on a play directed by Robert Wilson called "2014".

#### Cinema

3 silent films with live music. These may include “The Battle of the Somme” and similar German and French films. Possible Guildhall commission for music for one film (autumn 2014).

### ***Barbican and Community Libraries***

18. The annual Cityread across London in April 2014 focused on two books set during the First World War: Louisa Young’s ‘My dear I wanted to tell you’ (for adults) and Michael Morpurgo’s ‘Private Peaceful’ (for children). The programme included talks, a playreading, poetry readings and guided walks around the Square Mile. Book groups at Shoe Lane, Artizan Street and London Metropolitan Archives were involved as well as the Barbican Library. Throughout the month Barbican Library customers were offered the opportunity to research family history and connections with the Great War in one-to-one guided sessions using the library’s genealogy databases.
19. The Barbican Library will host an exhibition from 5<sup>th</sup> November to 31<sup>st</sup> December 2014 in the Music Library with the Royal Fusiliers, probably focusing on diaries and letters.

### ***The Museum of London***

20. The Museum of London has a First World War programme which in 2014 will include:
  - 4<sup>th</sup> April – 28<sup>th</sup> September: ‘From the photographs of Christina Broom’ a selection of images will be exhibited in the Foyer from the newly acquired collection of over 2000 images focusing on her work as a photographer of troops in London during the First World War.
  - 4<sup>th</sup> April – ongoing: a selection of First World War posters from the Museum’s collections will be added to the galleries at the Museum of London Docklands.
  - 5<sup>th</sup> April: the Museum of London Docklands hosted a Cityread family day, with a focus on two books about the First World War.
  - 4<sup>th</sup> August: the Museum will commemorate the outbreak of War with the addition of new material to their Collections Online resource, drawing on their First World War collections. There will be further phased releases during the course of the centenary.
21. Other plans for 2014 include three short films for YouTube, crowdsourcing activities linked to some of the Museum’s First World War collections, the start of a project to map First World War sites across London, and genealogical research following some of the individuals who worked at the London Museum or Guildhall Museum.
22. Further events are planned up to 2018. The Museum’s primary focus in 2015 will be a major public archaeology excavation of a First World War site in London and there will also be a display or exhibition to mark the anniversary



of the first Zeppelin raid on London on 31<sup>st</sup> May 1915. The Museum intends to commemorate the February 2018 anniversary of the Representation of the People Act of 1918, which granted partial suffrage to women.

### ***Gresham College***

23. Gresham College is planning a series of lectures on World War I titled “How Britain entered the War”. Starting in autumn 2014, the series is being developed in conjunction with King’s College London, Cambridge University and Christopher Clarke, author of “The Sleepwalkers: How Europe went to War in 1914”.
24. Before then they have provided two lectures connected to this subject. On 10<sup>th</sup> March, in a lecture on “The First World War: Disease, the Only Victor”, Professor Francis Cox discussed the conditions necessary for starting epidemics and the spread of diseases not only during the War but also in its aftermath. On 27<sup>th</sup> May, in a lecture called “Britain and 1914”, Professor Vernon Bogdanor analysed whether criticisms of the Government for failing to avert the War are justified in the light of modern historical research.

### ***London Metropolitan Archives***

25. LMA has a large amount of information on WW1 within its collections, including those of the former London County Council (LCC). The collections are particularly strong on local government and businesses and their collective responses to the War, although LMA also has material on families and individuals.
26. LMA has already produced three guides to WW1 sources, available [online](#). Second editions will be produced in the first half of 2014 which will include further research which was undertaken in 2013.
27. LMA will host an exhibition called “Emergency! 1914” from 19<sup>th</sup> May to 25<sup>th</sup> September 2014, supported in part by the Heritage Lottery Fund. The exhibition will explore the civic response to the First World War, revealing immediate civilian reactions to the War and focusing on the LCC Special Emergency Committee which met first on 11<sup>th</sup> August 1914. The Committee received weekly reports on matters such as unemployment and distress in inner London, and morale generally in London in summer/autumn 1914. Proposals include a real-time Twitter feed for August-December 2014, a blog and online galleries as part of the exhibition. LMA will recruit volunteers from London higher and further education institutions to investigate the archives. Training will be provided in document analysis, creative writing and digitisation processes.
28. LMA is applying for funding from the Heritage Lottery Fund to create an Online map of London. This would be an access point for digitised content from a range of archives, including re-created audio. Stories would be derived from content linked to a particular place, for example, somewhere which was bombed. London borough archive services are being invited to work with LMA as partners. Over half of the 32 boroughs have already expressed an interest

in taking part. LMA are also in discussions with the RAF Museum at Hendon and (at another point in the spectrum) the Peace Pledge Union may join the application too.

29. LMA is planning an exhibition in 2015-16 on the air raids on London during the First World War. In addition, the LMA may later on provide a commemorative project based on the LCC's Record of War Service publication, which details the approximately 10,000 LCC employees who served in the War, including those who were killed. The records of other London organisations, including businesses, would also be used.

### ***St Paul's Cathedral***

30. A Sunday Eucharist Service will be held on 3<sup>rd</sup> August 2014 at 6.00 p.m. to commemorate the start of the War. There may also be a Service for the HAC later in 2014. The Cathedral will be displaying from August onwards a WW1 altar frontal made by wounded soldiers.

### ***Temple Church***

31. The Church will hold a Choral Evensong on Monday 28<sup>th</sup> July to commemorate the start of the War (this is the date on which War was declared between Austria and Serbia). A Choral Matins Service will take place on Sunday 9<sup>th</sup> November, followed by an evening of words and music on 11<sup>th</sup> November. It may stage an exhibition in the Chancel from October to December 2014.

### ***City Schools***

32. The City Academies are planning various commemorative activities. At the City of London Academy Islington there will be special assemblies from 3<sup>rd</sup> - 10<sup>th</sup> November and a whole Academy assembly on 11<sup>th</sup> November, the Combined Cadet Force will be likely to feature in the borough's Remembrance events, as they did in 2013, and an application has been made for Combined Education Charity funding to take students in Year 10 to First World War battlefields in July.
33. Plans are also being developed by the independent schools. Each school is taking a party of school pupils to the battlefields. The City of London School will be holding presentations at a school assembly, and mounting a display about the War, including about the pupils who fought and died in the War. Highlights of the City of London Freemen's School programme will include all Year 10 students going to the Ypres Salient, an evening debate concerning the origins of the conflict and Britain's role in it, a discussion with international school partners about German and French commemorations, an evening event to discuss the memories of former soldiers interviewed in the 1970s, a musical performance and an investigation into conscientious objection as a reaction to the conflict. The City of London Girls' School will also be holding special assemblies, film screenings and speakers visits, a memorial board about former pupils and relations who served in the War, and visits to the Imperial War Museum.

34. There is also a plan by the Livery Schools Link to stage an art project linking a number of schools (including potentially the City Academies) with Livery Companies who had an involvement in WW1, culminating in an art exhibition in January 2015. Funding is being sought from the Heritage Lottery Fund for a pilot project involving one school and the Pattenmakers in Autumn 2014 with a view to developing the project with a further 11 schools and Livery Companies over the next 2 or 3 years. The full project is likely to be launched at the beginning of 2015, and there are initial plans for a final exhibition in 2018.

### ***Tower of London***

35. Plans to 'plant' 888,246 ceramic poppies in the moat at the Tower of London have been announced. The poppies – one for each British and Commonwealth fatality during the First World War – will be unveiled on 5<sup>th</sup> August 2014. This will be part of the Historic Royal Palaces' programme to mark the centenary. During the First World War the Tower's moat was used to swear in over 1,600 men who had enlisted by the end of August 1914 at the recruitment station in the City. They formed the 10th Battalion of the Royal Regiment of Fusiliers, the so-called 'stock brokers battalion', who fought for the duration of the War. A programme of events will accompany the installation which will remain until 11 am on 11 November 2014. They will then be sold individually to the public, to raise money for six armed forces charities.

### ***Bank of England***

36. From 21<sup>st</sup> July 2014 to the end of the year, the Bank of England Museum will stage a temporary exhibition looking at the impact the War had on the economy, and its effects on the Bank of England and its staff.

### ***Lights out event***

37. This is a Government-backed project as part of which everyone in the country will be encouraged on 4<sup>th</sup> August 2014 to turn out all lights between 10pm and 11pm, the hour of the declaration of War, except for a single candle. There will be a candlelight service in Westminster Abbey during the hour. Steps are being taken to ensure that there is full City participation by both residential and business owners, and in particular to arrange for iconic buildings in the City to be involved.

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## **Magna Carta Anniversary: City of London commemorative events**

### **The National Commemoration of Magna Carta**

1. 2015 will be the 800<sup>th</sup> anniversary of the sealing of the Magna Carta and the 750<sup>th</sup> anniversary of Simon De Montfort's Parliament, the earliest recognisable forerunner of a modern Parliament. Together, both events can be seen as marking the beginning of development of Parliamentary democracy in the United Kingdom, and, indeed, the world. This note outlines national and City events intended to commemorate these anniversaries. More generally, 2015 will be an exceptionally busy year for those interested in British history and the history of Parliament. It will be the 600<sup>th</sup> anniversary of the battle of Agincourt and the establishment of the office of the Serjeant at Arms, 200 years since the battle of Waterloo and 50 years since the death of Sir Winston Churchill. The commemorations of the Magna Carta and the De Montfort Parliament take place against this background.
2. The Magna Carta Trust has set up an 800th Anniversary Committee, chaired by Sir Robert Worcester, to coordinate activities around the 800<sup>th</sup> anniversary of the sealing of Magna Carta through a mixture of events, exhibitions, commemorative wares, academia, and press and broadcast media. A number of activities leading up to and during 2015 have already been agreed to in principle; Magna Carta exhibitions at the British Library, National Archives, Library of Congress in Washington, public libraries and comparable international initiatives; a Magna Carta Prom at the Albert Hall; the repeal of the Papal Bull of 1215, which was issued by the Pope at the request of King John to annul Magna Carta. The City Corporation has contributed funding to the work of the Anniversary Committee.

### **City of London Events**

#### ***Guildhall Fund Raising Event***

3. The Magna Carta 800<sup>th</sup> Anniversary Committee will hold a fund-raising event at Guildhall in October 2014. The City Corporation is meeting the premises costs associated with this event.

#### ***Guildhall Art Gallery***

4. In September 2014 the City of London Heritage Gallery will be opened at Guildhall with Magna Carta on display. A media reception will be held to help launch the Gallery, and the City's Magna Carta programme will be publicised as part of the event.
5. From June 2015 to January 2016 the Guildhall Art Gallery will host an exhibition on "Black British Art in Action: 1960-1990", which will reflect the themes of the Magna Carta anniversary celebrations.

### ***Guildhall Library***

6. From June to August 2015 the Guildhall Library will host a Magna Carta exhibition with selected items from its collection. The exhibition will be designed to complement the display of Magna Carta in the Heritage Gallery. A short programme of free lunchtime talks on the themes of liberty and law is also likely to be held.

### ***Temple Church***

7. On 7<sup>th</sup> June 2014, the Temple Church hosted an international conference on “Magna Carta, Religion and the Rule of Law” in association with the Institute of Contemporary British History, the Dickson Poon School of Law and the Department of Theology and Religious Studies at King’s College, London. In February 2015, the Church will host a three-choir concert to celebrate the bringing together of all four surviving 1215 Magna Carta at the British Library. The Church will also commemorate the London Charter with a service early in May 2015, and on 14<sup>th</sup> June 2015 it will present a rededication to the Charter’s principles. Finally, the Church’s open weekend in September 2015 will focus on the role that Temple Church, Middle and Inner Temple played in the Magna Carta story.

### ***The Lord Mayor’s Show***

8. The Magna Carta will be a theme of the November 2014 Lord Mayor’s Show. As part of the show, a specially commissioned anthem will be played at the Royal Courts of Justice. 2015 will be the 800<sup>th</sup> anniversary of the Lord Mayor’s Show, and the Mayoral Charter will replace the Magna Carta in the Heritage Gallery.

### ***Magna Carta Lecture***

9. In November 2014, the City Corporation will host a lecture followed by a reception on the the Magna Carta, with an emphasis on its connection to London. Professor Linda Colley of Princeton University is expected to deliver this lecture.

### ***Global Law Summit***

10. The Ministry of Justice, along with partners including the City Corporation, is organising a major international law summit in February 2015, with a Magna Carta theme. The summit will be held from 23<sup>rd</sup> to 25<sup>th</sup> February 2015 at the Queen Elizabeth II Conference Centre, Westminster. The City Corporation will be invited to host an event for delegates in the City.

### ***The De Montfort Cake***

11. On January 20<sup>th</sup> 2015, the anniversary of the sitting of the De Montfort Parliament, there is a proposal to mark the occasion with a giant ‘birthday’ cake, shaped like the Palace of Westminster. It is hoped that the cake will be provided by the City livery. It is to be exhibited to the public in a marquee in

Parliament Square. The Speaker of the House of Commons has agreed to cut the cake and make a short speech in a ceremonial 'cutting' event

### ***Guided Walks***

12. From 1<sup>st</sup> June 2015 until 27<sup>th</sup> September 2015, the City Guides will offer free guided walks on the theme of Magna Carta, running between Temple Church and the Heritage Gallery. The walks will explain the links between the Mayoral Charter and Magna Carta.

### ***Community Programme***

13. The City will host a community programme of educational, heritage and visitor related activities. The programme will cover the role of the City in the creation of Magna Carta and the politics of the period, the rights highlighted in Magna Carta, and Magna Carta as a physical document, i.e. its parchment, ink and seal. The City's Visitor Development Team has been working with the national Magna Carta Tourism Sub Committee to develop a marketing campaign to promote a trail through England's charter towns, including the City.

### ***Spitalfields Music Festival***

14. Debate and the rule of law will be themes of the Spitalfields Music Festival from 12<sup>th</sup> to 27<sup>th</sup> June 2015. The festival will include a number of talks and debates, and a collaboration with the Bishopsgate Institute is likely for 15<sup>th</sup> June.

### ***City of London Festival***

15. In June or July 2015 the City of London Festival is likely to host a public debate in Mansion House under the Magna Carta window. The details of the event are yet to be finalised. It is expected that the debate will include high profile thinkers and commentators, and will a focus on applying the themes of the Magna Carta to the present day.

### ***Huguenots of Spitalfields Festival***

16. Between the 9<sup>th</sup> and 20<sup>th</sup> July the Huguenots of Spitalfields Festival will include events on the theme of religious liberty.

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<b>Committee(s):</b> Strategy and Performance Summit Group  Finance –Efficiency and Performance Sub	<b>Date(s):</b> 23 <sup>rd</sup> June 2014  2 <sup>nd</sup> July 2014
<b>Subject: CARBON DESCENT PLAN 2009 –          Year 5 - End Year Energy Target Review 2013/2014          (CS/233/14)</b>	<b>Public</b>
<b>Report of: The City Surveyor</b>	<b>For Decision</b>

**Ward (if appropriate): N/A**

### SUMMARY

This report summarises progress against the energy reduction targets set out in the Carbon Descent Plan 2009. This report covers the period April 2013 - March 2014.

The data contained in this report indicates that the City is ahead of its target to reduce energy usage at 31<sup>st</sup> March 2014.

Energy usage in 2013/14 decreased by 8% compared with the previous 12 months (2012/13). The energy consumption for 2013/14 is 16% below the base year 2008/09.

The City's total energy expenditure for 2013/14 was £15.1m, compared with £14.4m for 2012/13

A recent independent report undertaken on behalf of the City indicated that the City can expect energy cost rises between 30 and 40% by 2017/18.

Rising energy costs remain a significant financial risk, in particular given the volatile nature of wholesale energy prices.

### RECOMMENDATION

I RECOMMEND:

- A new overall revised energy reduction target of 10% be adopted for the period 2014/15 – 2017/18
- For future reporting energy usage should be adjusted each year for weather;
- Energy usage for the wholesale Markets should be reported for landlord controlled areas only and should exclude energy usage that is solely tenant controlled;
- The Energy Manager should be tasked with revising targets (annually) for individual Chief Officers based on their savings potential.

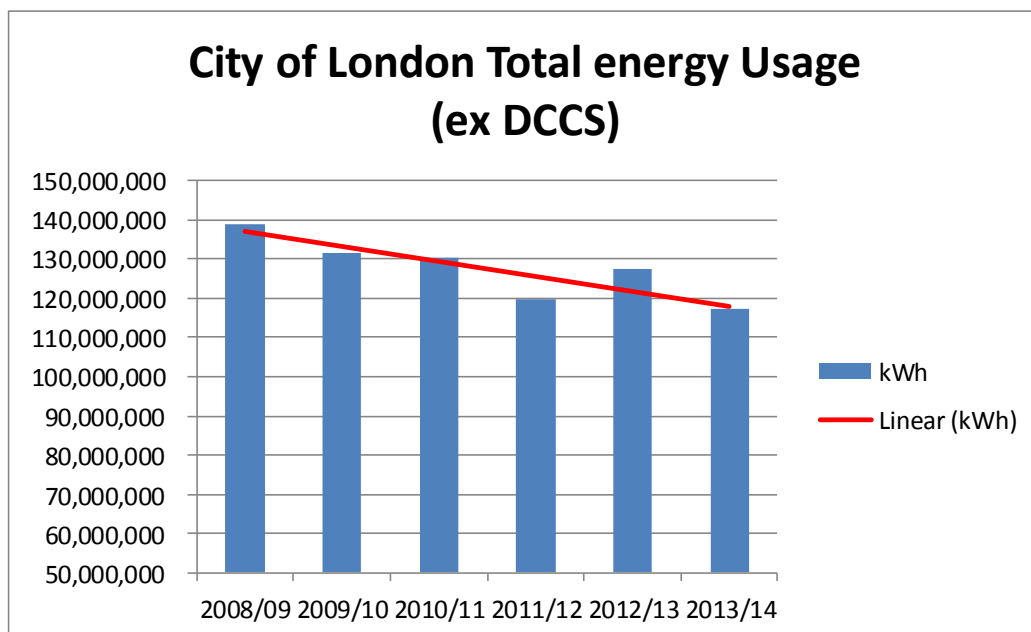
## Main Report

### Background

1. The City's current energy bill (excluding vehicle fuel and water) is £15.1M. Two recent independent studies commissioned by the City of London forecast retail energy price rises of between 30 - 40% over the next 5 years.
2. To forestall anticipated price rises, in June 2009 Chief Officers agreed to adopt an energy reduction target of 15% (CDP-09) by 2015.

### Current Position (Review of 2013/14 Energy Usage).

3. Energy consumption has decreased by 8% over the previous year. Overall energy usage has declined 16% below the base year 2008/09. This indicates the City is ahead of its energy reduction target (see table 1 and figure 1).
- 4.



**Figure 1 - City of London total energy usage 2008/09 (base year) – 2013/14**

5. The cumulative value of the last four years energy savings is estimated at £5.5M based on an averaged unit energy price. Despite these savings the City's energy expenditure continues to increase (see figure 3).
6. A summary table of overall and departmental energy consumption for the year 2013/14 compared with the previous year and the base year is shown in figure 1 and table 1 (and in detail in Appendix A).
7. Comments by individual departments on their energy performance are contained in Appendix B.

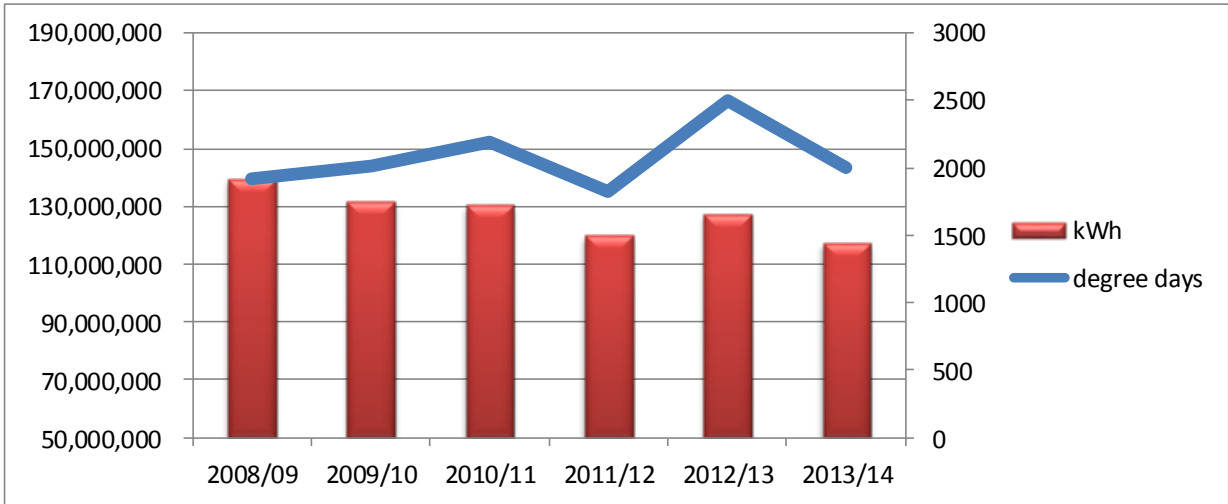
	<b>%age Difference 2012/13 v 2013/14</b>	<b>%age Difference Base Year v 2013/14</b>
<b>CITY of LONDON TOTAL (exc DCCS)</b>	<b>-8</b>	<b>-16</b>
<b>DEPARTMENT</b>		
Built Environment	-24	-37
City of London Police	-2	-26
City of London School for Girls	-9	-25
Guildhall School Music & Drama	-13	-22
Culture Heritage & Libraries	-2	-20
City of London Freeman's School	-19	-18
Guildhall Complex	-7	-17
Open Spaces	-5	-15
Central Criminal Court	-7	-14
Barbican Centre	-12	-11
City of London School (Boys)	-15	-9
Mansion House	-11	-7
Markets & Consumer Protection (inclusive of tenant energy usage)	0	-6

**Table 1- Summary Percentage Change in Energy Usage overall and by Department against Base year (2008/09) and previous year (2012/13).**

### **Weather Correction**

8. The start of 2013 was considerably cooler than average which necessitated most heating systems to still be operational well into the Spring period. The 2013/14 winter period (October to March) however was 25% warmer than the same period in 2012/13, which would lead to a reduction in energy usage for winter heating. This can be seen clearly in figure 2 which matches actually energy usage with weather, measured in Degreeeday data<sup>1</sup>.
9. Over the short term, fluctuations in energy usage due to variations in the weather may give a distorted view of the City's energy performance. This can be compounded by increased energy usage associated with special events, such as the Olympics and Queens Diamond Jubilee in 2012/13. This was recognised and highlighted in the recent Strategic Energy Review with the recommendation that energy usage be adjusted for prevailing weather in future energy targets and reporting strategies.

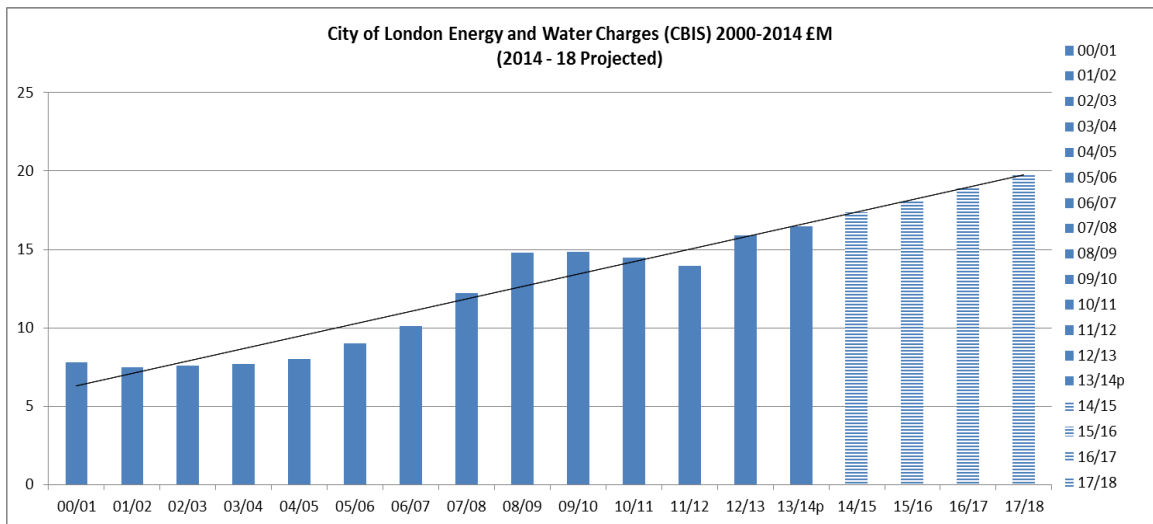
<sup>1</sup>Heating degree days are a measure of average daily temperature compared against a base temperature for a particular region. The City uses Thames Valley region and a base of 15.5°C. For example, if yesterday's average daily temperature was 5.5°C, then the degree days for yesterday would be 10. If the average daily temperature for a Winter month (30 days) was 5.5°C then the degree days would be 10 x 30 = 300.



**Figure 2 – City of London total energy usage 2008/09 (base year) – 2013/14 comparison with Degree Day data for Thames Valley 2008/09 – 2013/14.**

**City of London Energy and Water Charges**

10. Figure 3 below shows the City of London’s total energy and water costs reported from CBIS since 2000/01 to date, together with a linear projection to 2018. These figures do include tenant energy usage which is recoverable. The trend-line indicates a growth in energy costs to £19.8M by 2018.



**Figure 3 - CoL Energy and Water Charges (excluding HRA water rates) 2008/09 (base year) – 2013/14 with projected energy costs to 2018 extrapolated from trend 2000 – 2014.**

11. Two independent external studies undertaken on behalf of the City of London indicate that the City can anticipate energy cost increases of between 30% and 40% over the coming years, due to the price rises arising from mandated energy infrastructure charges.

12. The volatility of wholesale energy prices (see figure 4) could drive this even higher and so energy costs remain a significant and uncertain financial risk.
13. The City's Energy Team works closely with City Procurement to ensure a strategic approach to energy procurement. Collaborative purchasing, through expert buying agencies and where possible through flexible purchasing arrangements provides the greatest value for energy procurement.

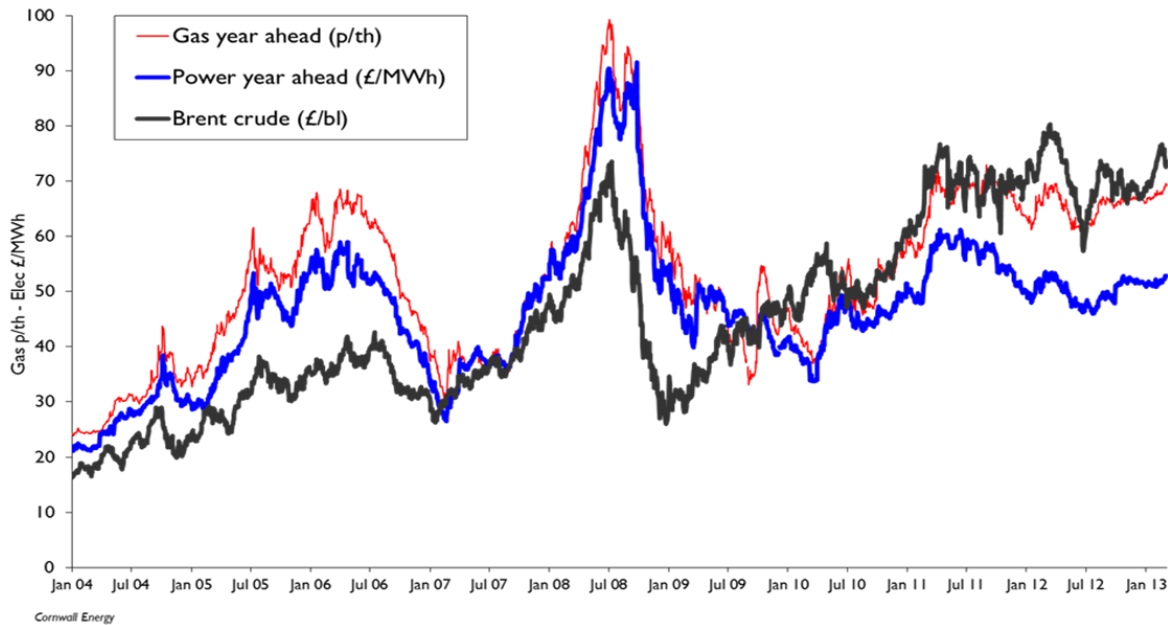


Figure 4 – UK wholesale energy prices 2004 – 2013.

### **Strategic Energy Review – Carbon Descent Plan - 15**

14. It was recognised a number of years ago that progress on energy reduction will become less easy as the ‘no cost’ and ‘low cost’ measures are taken up.
15. To this end, the existing approach of ‘site by site’ prioritised reductions was not considered appropriate to bring large scale financial benefit. To address this issue over the summer of 2013 the City of London commissioned external consultants to undertake a fundamental review of energy use across the operational estate with a view to identifying actions which could offset the increased risk of rising energy prices.
16. Following an initial desktop review site visits were carried out to eight of the highest energy using buildings in the estate. The focus of the study was on the Corporation's operational buildings, and excluded the residential estate and investment portfolios.
17. As well as considering the different technical opportunities available for energy reduction, their capital investment requirements and cost/benefit performance, the review also considered a range of non-technical issues including:

- Financing options and mechanisms for implementing the energy reduction measures
- Space planning and property rationalisation
- Changes to operational procedures (e.g. in relation to repairs and maintenance, security, cleaning, out-of-hours working, etc.)
- Behavioural issues

18. The full findings of the review illustrating how the Corporation can reduce its energy use by 40% by 2025 against the original 2008/09 baseline were presented to Summit Group in November 2013.

19. The report recommended prioritising buildings, revising targets; and stripping out direct tenant energy usage from future reporting figures (in particular Markets). A priority list of technologies was been identified and changes to the Building Repairs and Maintenance contract were suggested that will incentivise Mitie. Mitie have already commenced site energy surveys which City Surveyors Department are reviewing. The Strategic Energy Review also recommended to establish an energy conservation fund to provide capital funding for energy savings schemes outside of traditional building repair, maintenance and project budgets and work is progressing to establish this funding mechanism. Any proposals for progressing any actions which would involve expenditure on physical intervention would be progressed, as appropriate, in accordance with the City's project control procedures and subject to available funding.

20. The report recommended continuing the work of the Carbon Energy Reduction Group (CERG) and the role of senior representatives for each department (Energy Co-ordinators) and working in collaboration with technical professionals in City Surveyors department continue to develop individual Departmental Energy Action Plans. Other actions which could help the City of London Corporation achieve their long term energy reduction aims include:

- Appropriate use of technology;
- Property and building prioritisation;
- Space planning and location and building optimisation;
- Optimisation of the Building Management System;
- Onsite energy generation and distribution (including renewables);
- Server room utilisation and cooling (including virtualisation);
- Financing options and mechanisms for implementing the energy reduction measures
- Changes to operational procedures (e.g. in relation to repairs and maintenance, security, cleaning, out-of-hours working, etc)
- Behavioural issues

21. In January 2014 Summit Group expressed their support for these actions and activities. The Deputy Town Clerk was tasked with leading a working group who would explore them further and initiate action on their delivery.

### **Corporate and Strategic Implications**

22. The Carbon Descent Plan - 09 is the first phase of the delivery mechanism to achieve the climate change mitigation strategy targets contained within the City's Climate Change Mitigation Strategy (CCMS). The CCMS set CO<sub>2</sub> emission reduction targets, in line with those adopted by the UK Government - 15% by 2015 and 34% by 2020 and 80% by 2050.

23. The CDP-09's focus is the reduction of energy resources which in turn will lead to offset savings in energy costs. The CDP- 09 is therefore in accord with the second objectives of the City's Corporate Plan strategic aims:

- *To provide . . . **efficient** and high quality local service . . . with a view to delivering **sustainable** outcomes'; and*

24. The Corporate Property Asset Management Strategy 2012/2016 was approved by the Corporate Asset Sub Committee in December 2012. The Asset Management Vision is to manage the City's operational assets effectively, efficiently and sustainably to deliver strategic priorities and service needs. The key objectives identified within the Strategy endorses that the City overall, in accordance with the CDP-09 achieves a 15% energy reduction by 2015. Reducing energy usage and carbon emissions allies with the City's core value:

- *The right services at the right price.*

25. In addition its primary focus is in keeping with KPP2 of the Corporate Plan

- *Maintaining the quality of our public services whilst reducing our expenditure and improving our efficiency;*

26. The City's Climate Change Mitigation Strategy has set stringent CO<sub>2</sub> emission reduction targets, in line with those adopted by the UK Government- 15% by 2015 and 34% by 2020 and 80% by 2050. Investment to save energy will not only deliver financial savings but also associated carbon emission savings, at a time when for the first time this year large businesses will begin to pay for carbon emissions separately.

### **Conclusion**

27. The report's purpose is to summarise energy reduction achievements at the end of the fifth year of the City's CDP-09 and progress against the energy overall reduction targets to achieve a 15% energy reduction by 2015. Whilst the cold start to the year made early progress slow, the warmer winter of 2013/14 has meant the City has achieved its target a year ahead of schedule. The energy

usage compared against the baseline has an estimated savings value of £5.5m based on an averaged energy usage cost.

28. This report highlights that significant in-roads have been made at reducing the City's absolute energy usage. At a local level significant reductions have already been made in reducing energy demand and overall the City has achieved its Phase 1 reduction target. However there still remains a significant and uncertain risk for future energy costs on both the regulated side and wholesale costs of energy

### FOR INFORMATION

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## APPENDIX A: Carbon Descent Plan -09: Performance by Department to Date

Department/Site	2008/09 (kWh)	2009/10 (kWh)	2010/11 (kWh)	2011/12 (kWh)	2012/13 (kWh)	2013/14 (kWh)	Percentage Difference 2013/14 v 2012/13	Percentage Difference 2013/14 v 2008/09 (base- year)
<b>BARBICAN CENTRE</b>	19,153,157	18,575,736	17,644,726	16,712,436	19,213,438	<b>16,969,935</b>	<b>-12%</b>	<b>-11%</b>
<b>GSMD</b>	4,449,163	4,806,371	4,163,796	3,623,058	4,021,153	<b>3,488,643</b>	<b>-13%</b>	<b>-22%</b>
<b>MANSION HOUSE</b>	2,571,776	2,684,672	2,483,691	2,255,934	2,664,627	<b>2,384,358</b>	<b>-11%</b>	<b>-7%</b>
<b>London Central Market</b>	20,155,857	19,043,817	18,042,330	17,579,322	17,845,523	<b>17,893,851</b>	<b>0%</b>	<b>-11%</b>
<b>Billingsgate Market</b>	3,644,407	3,519,145	3,552,927	3,444,592	3,833,438	<b>4,024,504</b>	<b>5%</b>	<b>10%</b>
<b>Spitalfield's Market</b>	7,096,615	7,038,575	7,023,814	7,120,156	7,175,289	<b>7,259,704</b>	<b>1%</b>	<b>2%</b>
<b>TOTAL ALL MARKETS &amp; Consumer Protection. (including above)</b>	32,150,923	30,813,138	29,875,920	29,253,484	30,143,550	<b>30,223,295</b>	<b>0%</b>	<b>-6%</b>
<b>GUILDHALL</b>	25,607,333	24,461,781	23,739,155	21,792,796	22,919,462	<b>21,256,936</b>	<b>-7%</b>	<b>-17%</b>
<b>CENTRAL CRIMINAL COURT</b>	8,846,237	8,835,114	9,114,099	8,140,338	8,139,755	<b>7,581,024</b>	<b>-7%</b>	<b>-14%</b>
<b>CoL BOYS School</b>	3,600,089	3,587,435	3,777,043	3,546,578	3,839,510	<b>3,282,156</b>	<b>-15%</b>	<b>-9%</b>
<b>CoL GIRLS School</b>	2,467,791	2,179,527	1,995,850	1,915,678	2,046,937	<b>1,862,004</b>	<b>-9%</b>	<b>-25%</b>
<b>CoL FREEMEN'S School</b>	5,597,955	3,133,465	5,517,594	5,112,908	5,690,841	<b>4,597,229</b>	<b>-19%</b>	<b>-18%</b>
<b>CULTURE, HERITAGE &amp; LIBRARIES</b>	4,858,372	4,437,616	4,266,467	3,430,722	3,950,749	<b>3,871,429</b>	<b>-2%</b>	<b>-20%</b>
<b>CITY POLICE</b>	10,403,655	8,468,530	8,588,491	7,781,427	7,926,283	<b>7,743,270</b>	<b>-2%</b>	<b>-26%</b>
<b>BUILT ENVIRONMENT</b>	12,813,811	12,943,941	12,689,088	10,828,698	10,645,831	<b>8,083,099</b>	<b>-24%</b>	<b>-37%</b>
<b>OPEN SPACES</b>	6,846,595	6,814,096	6,385,921	5,517,916	6,141,873	<b>5,842,322</b>	<b>-5%</b>	<b>-15%</b>
<b>CSD Heritage Sites TOTAL</b>	15,538	19,031	32,463	12,991	17,417	<b>15,726</b>	<b>-10%</b>	<b>1%</b>
<b>TOTAL Exc DCCS</b>	139,382,395	131,760,453	130,274,304	119,924,964	127,361,426	117,201,426	<b>-8%</b>	<b>-16%</b>

## **APPENDIX B - Departmental Energy Usage (Comments provided by Departments on their energy usage for 2013/14)**

### **The Central Criminal Court**

The Central Criminal court concurs with the figures contained in this report. It should be noted that as the CCC refurbishment gathers momentum and plant change get under way significantly in future years our energy consumption will rise for several years as dual systems will be run until we can start to shut down completely the redundant systems. This will affect Electrical Operating Power but more so with gas use climbing and oil use cutting back until the change-over is complete hopefully 10 years from now.

### **Culture, Heritage and Libraries**

Significant reductions in energy use in previous years has resulted in little opportunity to reduce further without effectively closing services to the public. LED replacement projects are being considered to reduce energy usage by more efficient lighting. The overall number of CHL sites has increased during 2013/14 due to the addition of Artizan Street Library and Community Centre.

### **Open Spaces**

Open Spaces has recorded a decrease in annual energy consumption. In part this reflects reduced energy consumed during the milder winter. The department is continuing to use its Sustainability Audit System to drive reductions in energy consumption at sites. These audits also look at water usage. Audits of energy conservation measures currently in use in the department are being concluded, and new action plans for each division are being developed to deliver our target savings. At Epping Forest efforts focused on ensuring accurate meter readings, monitoring usages for anomalies and trends. Solar panel at the View visitor centre have reduced consumption of main electricity. Work has also been done across operational buildings to install LED lighting.

### **Barbican & Guildhall School for Music & Drama (The Campus),**

The 'Campus' base line energy consumption was increased in 2013/14 (compared with 2012/13), with the addition of Cinema 2 & 3, Cinema Café & 'Cotes' restaurant to the operational portfolio. These increases were partially offset with the employment of a dedicated, specialist 'Sustainable Engineer', who is undertaking a rolling, bespoke optimisation of the Building Energy Management Systems (BEMS). This combined with the installation of another Voltage Optimisation unit, replacement of a further 1500 high efficiency LED, behaviour change drivers, continues to reduce the energy consumption on what is already high efficiency building stock.

### **City of London Girl's School**

The school is very pleased to have achieved a 25% reduction in energy compared to the target reduction of 13.4% for the period. Use of the school continues to increase

both during the holiday periods and in the evenings and despite colder weather compared to 2008/2009 the reduction in energy usage is encouraging and indicates that local energy reduction measures are continuing to work.

### **City of London School (Boys)**

The City of London School has continued to work to reduce consumption both in terms of infrastructure and in terms of changing behaviours. This academic year has seen the widespread introduction of LED lighting as well as centralised controls of computer on and off times. We have also rolled out quicker “snooze times” for printers, copiers and computers. Moreover, the centrally-controlled air-conditioning units have not been switched on as early in the summer as in previous years. The fruits of our labours are beginning to show, for example our electricity bill alone is down by £20,000 compared to the previous twelve months. It is the electricity bill, of course, which is less prone to influence by the weather. On the gas side, we have installed a new cover to the swimming pool, which is greatly reducing heat loss. As regards behaviour change, there has been an ongoing poster campaign by pupils. The Energy Management Committee, which consists of both pupils and adults continues to meet to develop strategy. There have been articles in the School newspaper and the School played host to the last meeting of both the Energy Wardens and the Energy Co-ordinators from across the City of London Corporation

### **The City of London Freeman’s School**

The mild winter has played its part in the energy savings for the School. Phase 1 of the schools Master Plan included plans for an energy saving ground source heat pump but the anticipated benefits of this new technology have not yet been realised. Due to the requirement for decanting, the proposed demolition of the old Boys Boarding House will be delayed until 2020. The Main House refurbishment plans are being scrutinised at present and further details of the replacement for the very old systems currently in use will be reported in a future energy report. The School are researching recycling opportunities to become a “100% no waste to Landfill” site.

### **Mansion House**

The MH continues to strive in its reduction of energy overall. By educating and informing the users and staff and making all parties aware of the energy consumption issue. With the building becoming busier throughout the year, it endeavours with the restrictions of a Grade 1 listed building to meet the requirements set by the City of London. In the last year the House has undertaken where possible to install LED lighting, review the building management system and how it can best be used efficiently.

**City of London Police** The combined energy usage would indicate a modest decrease in energy usage this last year. Energy consumption and usage is obviously a key indicator and the COLP will want to continue to improve upon these figures in the future. However this is somewhat unrealistic at present due to the nature of the

buildings and the overall age of the plant. The present Police estate is in poor condition, and this has been recognised by the decision to invest in a new police campus over the next few years which significantly reduce its carbon footprint.

### **The Department of Built Environment**

The Department surpassed the 15% reduction target in 2012/2013 and continues to identify further savings through its Department energy action plan implementing in 2013/14 energy/carbon savings by replacing the existing lighting in public conveniences, some River Bridges, and service subways, with latest high efficient LED lighting . Further, for 2014/15, it is intended to continue with a review of off street car park lighting, and the implementation of the first phase of replacing City street lighting as identified in the corporate plan.

### **The (City Surveyor) Guildhall Complex and Walbrook Wharf**

The initiatives that have been adopted at the Guildhall Complex since the base year of 2008/09 have been mainly funded by Local risk and general operational building control. Further options are being explored, so the reduction in energy consumption is sustained and where possible improved. The development to place the East Wing on the Citigen District Heating System is an example of this. Further projects are being developed to focus on the sites lighting and Building Management Systems operation and configuration. Walbrook Wharf are also continuing to put in place initiatives to improve their energy efficiency with the next phase of the office lighting project being an example of this.

### **Markets & Consumer Protection**

The most significant energy users within Market & Consumer Protection are the wholesale food markets. Although total energy usage on Market sites shows a reduction of 6% compared to the base year, this includes tenants' usage over which we have no control. This in turn masks the effectiveness of local initiatives to reduce the energy usage that is under the control of CoL (i.e. the common parts). Each market has shown a considerable reduction in CoL energy usage compared to the base year (Billingsgate 34%; New Spitalfields 27%; Smithfield 20%) while tenant usage has shown a steady upward trend over the same period. CoL energy usage for 2013/14 shows a reduction of 7% across all three markets compared to 2012/13 (Billingsgate 16%; New Spitalfields 7%; Smithfield 4%).

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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