



Efficiency and Performance Sub (Finance) Committee

Date: WEDNESDAY, 15 NOVEMBER 2017
Time: 11.00 am
Venue: COMMITTEE ROOMS - WEST WING, GUILDHALL

Members: Jeremy Mayhew (Chairman)
Deputy Jamie Ingham Clark (Deputy Chairman)
Randall Anderson
Chris Boden
Alderman Peter Estlin
Alderman Matthew Richardson
Ian Seaton
Deputy Philip Woodhouse

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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 of the meeting held on 26th September 2017.
For Decision
(Pages 1 - 4)
4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**
Report of the Town Clerk.
For Information
(Pages 5 - 6)
5. **WORK PROGRAMME AND FUTURE REPORTING**
Report of the Town Clerk.
For Decision
 - a) Work Programme for future meetings (Pages 7 - 8)
 - b) Departmental Reporting (Pages 9 - 10)
6. **SBR CROSS-CUTTING REVIEWS**
Joint Report of the Chamberlain and the Town Clerk.
For Decision
(Pages 11 - 20)
7. **CORPORATE & DEPARTMENTAL BUSINESS PLANNING**
Report of the Town Clerk.
For Information
(Pages 21 - 30)
8. **EFFICIENCY AND SUSTAINABILITY PLAN UPDATE - CENTRAL RISK REVIEW**
Report of the Chamberlain.
For Information
(Pages 31 - 38)
9. **CHAMBERLAIN'S DEPARTMENT EFFICIENCY AND SUSTAINABILITY PROPOSALS**
Report of the Chamberlain.
For Information
(Pages 39 - 44)
10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-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 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 26th September 2017.
For Decision
(Pages 45 - 48)
14. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
Report of the Town Clerk.
For Information
(Pages 49 - 50)
15. **EFFICIENCY AND SUSTAINABILITY PLAN UPDATE - CHIEF OFFICER PEER REVIEW**
Joint Report of the Chamberlain and the Town Clerk.
For Information
(Pages 51 - 52)
16. **SBR DEPARTMENTAL SAVINGS**
Joint Report of the Chamberlain and the Town Clerk.
For Decision
(Pages 53 - 60)
17. **FACILITIES MANAGEMENT REVIEW**
Joint Report of the Town Clerk, the City Surveyor and the Chamberlain.
For Information
(Pages 61 - 66)
18. **COMMERCIAL CONTRACT MANAGEMENT**
Report of the Chamberlain.
For Information
(Pages 67 - 72)
19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
20. **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

Tuesday, 26 September 2017

Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee held at Guildhall, EC2 on Tuesday, 26 September 2017 at 11.30 am

Present

Members:

Jeremy Mayhew (Chairman)
Deputy Jamie Ingham Clark (Deputy Chairman)
Randall Anderson
Deputy Philip Woodhouse

James Thomson (in his capacity as Deputy Chairman of the Police Committee)

Officers:

John Cater	-	Town Clerk's Department
Sacha Than	-	Town Clerk's Department
Neil Davies	-	Town Clerk's Department
Richard Horner	-	Town Clerk's Department
Kate Smith	-	Town Clerk's Department
Peter Kane	-	Chamberlain
Caroline Al-Beyerty	-	Chamberlain's Department
Geoff Parnell	-	Chamberlain's Department
Sarah Wall	-	Chamberlain's Department
Ian Dyson	-	Commissioner of the City of London Police
Jane Gyford	-	T/Commander, City of London Police
Lynne Williams	-	Principal, Guildhall School of Music and Drama

The Committee decided to consider items in the following order: 1, 2, 6, 14, 3, 4 and 7. Following this, the meeting became inquorate and it was decided that all remaining business not considered would be raised at the next scheduled meeting (15th November)

1. APOLOGIES

Apologies were received from Alderman Estlin, Alderman Richardson and Ian Seaton.

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 of the meeting held on 17 May 2017 be agreed as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**
The Committee considered the outstanding actions from previous meetings and the Chairman asked that the list be updated.

RESOLVED – That the outstanding actions be noted.
5. **WORK PROGRAMME FOR FUTURE MEETINGS**
Due to the meeting becoming inquorate this item was not discussed and would be considered at the next scheduled Committee meeting on 15 November.

RESOLVED – The Town Clerk would circulate the newly drafted Work Programme to Members for their information.
6. **GUILDHALL SCHOOL OPERATING MODEL REVIEW**
Members received a joint update report of The Chamberlain and The Principal on the Guildhall School's implementation of the Operating Model Review.

RESOLVED – That Members note the report.
7. **UPDATE ON CORPORATE AND DEPARTMENTAL BUSINESS PLANNING**
Members considered an update report of The Town Clerk on the work being undertaken on Corporate and Departmental Business Planning.

Members noted that the Service Committees would later this year receive high level Business Plans which would be submitted alongside the Budget Estimate reports. The Town Clerk noted that this was the first step towards achieving full alignment of budgetary and service planning processes.

RESOLVED – That the Committee note the report.
8. **EFFICIENCY & SUSTAINABILITY PLAN UPDATE**
Due to the meeting becoming inquorate this item was not discussed and would be considered at the next scheduled Committee meeting on 15 November.
9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
There were no questions.
10. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no items of urgent business.
11. **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 Schedule 12A of the Local Government Act.

12. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
Due to the meeting becoming inquorate, this item was not discussed and would be considered at the next scheduled Committee meeting on 15 November.
13. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
Due to the meeting becoming inquorate, this item was not discussed and would be considered at the next scheduled Committee meeting on 15 November.
14. **DEMAND AND VALUE FOR MONEY REVIEW - SHORT TERM RECOMMENDATIONS AND NEXT STEPS; INCLUDES INDICATIVE TIMELINE**
Members noted a report of The Commissioner of Police on the Deloitte "Demand and Value for Money Review".
15. **SERVICE BASED REVIEW MONITORING**
Due to the meeting becoming inquorate, this item was not discussed and would be considered at the next scheduled Committee meeting on 15 November.
16. **UPDATE ON STRATEGIC REVIEW OF FACILITIES MANAGEMENT**
Due to the meeting becoming inquorate, this item was not discussed and would be considered at the next scheduled Committee meeting on 15 November.
17. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.
18. **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 1.00 pm

Chairman

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EFFICIENCY AND PERFORMANCE SUB-COMMITTEE – OUTSTANDING ACTIONS: PUBLIC


Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
1.	May 2017	Efficiency and Sustainability Plan – Implementation A report to be presented to the Sub-Committee providing information on the Chief Officer Peer Review pilot.	Town Clerk/ Chamberlain	November 2017	Update report presented to this meeting.
2.	May 2017	Contract Management Corporate Supplier Scorecard Information regarding the use of Corporate Purchasing Cards to be provided in response to a query from a Member.	Chamberlain	November 2017	Following discussions with two Members of the Sub Committee a report will be presented to the Finance Committee in November.
3.	May 2017	Contract Management Corporate Supplier Scorecard The Sub Committee to receive reports on performance against the high-level categories.	Chamberlain	March 2018	Initial performance report to be presented to the Sub Committee in March 2018.
4.	Sept 2017	Timing of meetings Scheduled start time to be brought forward to 11am	Town Clerk	From November 2017	All start times amended.

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Efficiency and Performance Sub-Committee – Work Programme

Meeting:	15/11/17	12/1/18	2/3/18	17/4/18
Continuous Improvement (Efficiency and Sustainability Plan)				
	Chief Officer Peer review pilot Central Risk review	Proposed cross-cutting review programme	Departmental budget reductions	
Specific Departmental Focus				
	Chamberlain’s Department Proposals in respect of future programme for departmental focus (see separate note)	GSMD (follow-up report)	DCCS (TBC)	Mansion House & Central Criminal Court (TBC)
Outcomes and Performance				
	Corporate and Departmental Business Planning: <ul style="list-style-type: none"> • Corporate Plan engagement 	Corporate and Departmental Business Planning: <ul style="list-style-type: none"> • Departmental business planning 	Corporate and Departmental Business Planning: <ul style="list-style-type: none"> • Corporate Plan reporting 	Corporate and Departmental Business Planning:
Benchmarking and Value for Money				
		CIPFA Benchmarking: Finance (TBC)		

Meeting:	15/11/17	12/1/18	2/3/18	17/4/18
Monitoring of Savings and Efficiency Programmes (Service Based Review)				
	Service Based Review departmental savings Service Based Review cross-cutting reviews Facilities Management Review	Strategic Review of Asset Management	Operational Property Review update Progress on implementing departmental Facilities Management review recommendations	Asset Management Review update
Commercial/Income Generation Opportunities				
	Commercial Contract Management – update on four initial projects		Contract Management Corporate Supplier Scorecard – initial performance report	

Efficiency and Performance Sub-Committee 15 November 2017	 CITY OF LONDON
Future Programme for Departmental Reporting Report of Neil Davies - Corporate Performance Manager, Town Clerk's Department	

Outline

This paper discusses a methodology for future departmental reporting to the Efficiency and Performance Sub-Committee in support of the following element of its Terms of Reference:

“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”

It should be noted, however, that this does not displace the need for Service Committees also to review and take responsibility for efficiency and Value for Money.

Background

Previously, the Sub-Committee has received reports from individual Chief Officers in respect of their achievement of Value for Money (VfM) and, more recently on their progress against agreed Service Based Review (SBR) savings targets.

The approach followed during 2011-12 of challenging individual Chief Officers based on departmental VfM reports was resource-intensive and ineffective in identifying savings or efficiencies. As the majority of departmental SBR savings have now been delivered, it is timely to consider a revised approach to departmental reporting to the Sub-Committee.

Value for Money approach

When the Sub-Committee's work programme was reviewed in 2016, it was noted that the revised departmental business planning process, with clear priorities and outcomes at a departmental level linked to the revised Corporate Plan, would assist in the monitoring of VfM across the City Corporation. This will also assist the Service Committees to fulfil their responsibility for reviewing and taking responsibility for VfM/efficiency at departmental level.

To support the high-level (2-page) Departmental Business Plans, a series of supporting documents/templates is being developed, including a VfM assessment. This will be produced in partnership between the Chamberlain's Department (Head of Finance) and each Chief Officer's Departmental Management Team. In the first year, a discussion will take place, based around a standard set of prompt questions, designed to establish a baseline against which areas for review during the following 12 months can be identified. These will also highlight where departments do not yet have in place the information or processes that would enable an assessment to be

made. This approach is initially being trialled in the Department of Community and Children's Services.

Future reporting to the Sub-Committee

It is proposed that a programme be introduced of Chief Officer reporting, drawing together work from various initiatives that have been reported to the Sub-Committee.

Each Chief Officer would attend as part of a rolling programme to present a report on their departmental approach to continuous improvement, as a basis for a discussion with the Sub-Committee covering:

- How their department supports the Corporate Plan outcomes
- Delivery of any outstanding SBR proposals (departmental savings and cross-cutting review recommendations)
- Opportunities for cross-departmental working
- Plans for delivery of 2% efficiency proposals over the three-year period from 2018/19
- Their approach to VfM and development proposals from their departmental VfM assessment
- How they promote a culture of continuous improvement, transformation and change
- Identification of any barriers to change/improvement and how the Sub-Committee might help

The programme will start at the second meeting in 2018, although a pilot report will be presented to the November meeting by the Chamberlain.

Agenda Item 6

Committee(s)	Dated:
Efficiency and Performance Sub-Committee	15 November 2017
Subject: Service Based Review – Cross-cutting Reviews	Public
Report of: Town Clerk and Chamberlain	For Decision
Report author: Neil Davies, Town Clerk's Department	

Summary

This report summarises progress in implementing the agreed recommendations arising from the cross-cutting reviews that were agreed by the Policy and Resources Committee in September 2014 as part of the Service Based Review.

Whilst some of the reviews have been completed and work arising from them has been incorporated as 'business as usual', implementation in other areas is still continuing. This report notes a number of improvements that have been implemented and where progress is continuing to be monitored at Member level.

It is proposed that this is the final report covering all of the Service Based Review cross-cutting reviews, although the Sub-Committee will continue to receive regular updates on the Strategic Asset Management programme and periodic updates on other areas, as part of either reports on the Efficiency and Sustainability Plan, or in reports from individual Chief Officers.

A report will be submitted to the Sub-Committee in early 2018 with initial thoughts on the selection of areas for future cross-cutting reviews under the Efficiency and Sustainability Plan.

Recommendations

Members are asked to:

- Note the report, and
- Endorse the proposal for future reporting to the Sub-Committee

Main Report

Background

1. In September 2014, the Policy and Resources Committee considered the outputs of the Service Based Review (SBR) challenge meetings with Chief Officers. The Committee approved savings targets for individual Chief Officers and proposals for a set of cross-cutting reviews.

2. In accordance with the agreed terms of reference, this Sub-Committee has received a series of reports summarising progress with the cross-cutting reviews and departmental savings targets. The Sub-Committee has also received, and agreed final review reports from many the cross-cutting reviews.
3. As implementation has progressed, reporting to the Sub-Committee has concentrated on the reviews that proved more difficult to implement or slipped behind schedule. Separate, quarterly reporting has been established for the Strategic Asset Management programme, which incorporates individual reviews relating to the City Corporation's asset base. Individual reviews have also been reported to the appropriate Service Committee or Sub-Committee and in some cases these continue to receive regular updates.

Current Position

4. The following paragraphs provide brief updates on each of the cross-cutting review areas.

Strategic Asset Management

5. During the SBR challenge meetings, a number of opportunities to mitigate cost and risk across the City Corporation's asset base were identified. Due to the diversity, scope and complexity of the different suggestions, an overarching proposal was created to ensure that the strategic aims were aligned across all the asset-related opportunity outlines. This overarching proposal covers:
 - Operational Property Review (OPR);
 - Facilities Management (FM);
 - Asset Management (AM);
 - Procuring and Managing Services (Contract Management), and
 - Project / Programme Management
6. The key issue these reviews addressed is that current arrangements for providing these services are inconsistent across the organisation. There is a lack of shared organisational understanding or consistency in the levels of service and how these are identified, delivered and measured, resulting in duplication of effort in some areas and a number of pinch points. Through these reviews, the opportunity to consolidate and rationalise, in order to deliver consistent and appropriately defined services in a more efficient and cost-effective manner will be thoroughly tested.
7. Separate reporting arrangements have been agreed for the OPR, FM and AM reviews, with regular updates scheduled for this Sub-Committee and the Corporate Asset Sub-Committee. A separate report to this meeting reports on progress with the FM review.

Procuring and Managing Services (Contract Management)

8. The purpose of this review was to take a holistic corporate view and identify areas where the City Corporation could improve across the procurement and contract management lifecycle. The aim was to identify where improvements

could be made to: get better value from contracts; provide more control over contract performance; reduce risk to the City Corporation; embed an appropriate amount of governance, and improve relationships with suppliers.

9. The review recommendations were approved by this Sub-Committee in March 2016 and subsequently by the Finance, Policy and Resources, and Establishment Committees. Recommendations were made to address the risks associated with poor contract management and build a framework and commercial intervention to allow leading-class contract management to be developed.
10. The recommendations, all of which have now been delivered or are part of the business as usual service, centre on five key work-streams:
 - Governance: An appropriate governance structure is in place that provides strategic direction, corporate decision making and monitoring of supplier performance, including Member governance via the Finance Committee.
 - Process: Develop a Corporation Contract Management toolkit: The toolkit was launched in July as an over-arching management and process manual that will be used corporately to define roles and responsibilities for all officers across every department and help develop performance monitoring frameworks, identify our key suppliers and develop a set of corporate KPIs.
 - Approach: Contracts are managed via a blended approach as one size cannot fit all with the number of suppliers the Corporation has and the breadth of services required. The levels of support resource will be commensurate with the category of supplier, with the most intensive support provided on contracts with high value, high risk or efficiency and savings opportunity.
 - Establish a Commercial Contract team: This new unit, which now consists of seven staff, acts as the corporate commercial resource in line with the approach outlined above and seeks to bring greater 'commercialism' to the entire organisation and attract a suitable blend of private/public sector skills. The service is projected to pay for itself in year 1 (£500k savings) and is growing a pipeline of initiatives to gain further savings and efficiencies. Further details are provided in a separate report to the Sub-Committee.
 - Learning and Development: Alongside the toolkit, any officer working in a contract management role will be trained to ensure they are equipped to take on the accountability for contract management duties commensurate to the category of supplier contract. Workshops have been run for officers and a suite of training modules is being developed which will be a mixture of online and class-based learning. A 'Commercialism' course is also being developed to start to roll out early in 2018.

Project and Programme Management

11. In March 2015, it was agreed to defer the review of Project Management until later in the overall programme. In 2016, a task and finish group was set up to identify existing good practice in project and programme management, and report to the Chief Officer Summit Group. The group identified issues with the current process, principally the need for a clear approach to project, programme and portfolio management that meets the future needs of the organisation and is

joined-up with other corporate processes such as business planning, risk management, corporate decision making and prioritisation.

12. Following a separate review of two particular projects by external consultants, a full internal review is now being undertaken with the aim of improving strategic oversight on how we manage projects as an organisation, and recommending changes and improvements to our current systems, process, culture and practice. This programme of work, led by the former Director of Built Environment, will address those issues identified with the way the City of London manages its projects and programmes and review the support systems and processes through which officers deliver, and Members govern these projects.
13. The success criteria for the programme are:
 - To create a mechanism for providing strategic oversight on how projects are managed that will be recognised by all departments and will have the ability to enact ongoing change and improvement.
 - For project managers and departments to recognise that they are being provided with the tools and opportunity to be an active part of this collaborative process of improvement, and that this is being delivered for both their benefit and the benefit of Members.
 - That project managers find it easier to get things done and there are efficiencies created in their work.
14. Progress will be reported to the Project Sub-Committee and its Chairman. Reports will also be made on a six-monthly basis to the Strategic Resources Group, the Summit Group and the Chief Officers Group.

Income Generation

15. Although several income generating proposals were put forward as part of the SBR exercise, it was felt by Members that these proposals were not ambitious enough and that further opportunities should be explored. The Income Generation Review was therefore established to:
 - Benchmark the City Corporation's income in relation to costs for its public services against those of London local authorities;
 - Assess the opportunities to increase revenues from a more commercial approach to providing services;
 - Assess the scope to increase income from public grants, and
 - Consider the scope to increase income from commercial sponsorship and donations, particularly for cultural and artistic initiatives.
16. The final review report was approved by the Efficiency and Performance Sub-Committee in March 2016, and also by the Finance and Policy and Resources Committees, and all the Service Committees responsible for specific areas covered by recommendations within the final review report. The key issues related to:
 - Increasing charges to levels more approaching London averages.
 - Taking a more overtly commercial approach in certain areas.

- Working more in partnership with the City's cultural and artistic institutions when seeking to secure corporate sponsorship and giving.

17. Since then, a range of actions has been implemented across the organisation in areas highlighted in the review report, including:

- Benchmarking of fees and charges has resulted in increases in some areas – examples include pre-planning application fees and revised off-street parking fees, which have been incorporated into 2017/18 budgets.
- Income from Guildhall commercial events (venue hire and events management) has increased and there is increased collaboration through the City Venues Group.
- Financial Regulations are being reviewed, to include references to the need for a consistency of approach when setting fees and charges.
- The introduction of Planning Performance Agreements to increase income from Development Control services has been agreed.
- Income from filming has been developed, for example by introducing selective commercial shoots on Tower Bridge, filming and promotional activity at Mansion House and work to develop a filming policy for Open Spaces.
- A review of charging and income generation opportunities for galleries and museums supported by City Fund was reported to the Culture, Heritage and Libraries Committee in May 2016. This showed that the ratio of income to total expenditure is significantly above the London average (based on CIPFA returns), that the City's galleries and museums are well placed to continue to thrive, and that several new initiatives were being pursued.
- Two reviews have been commissioned by Markets and Consumer Protection with funding from the Transformation Fund. The first looks at issues the City Corporation needs to consider and future site development options for the Heathrow Animal Reception Centre following the UK's exit from the European Union and possible changes to the regulatory landscape. The second is looking at alternative methods for future service delivery for Port Health and Public Protection to enhance services and capitalise on future opportunities, building on work to improve the effectiveness of the current operating model. The recommendations from both reports have been approved by Members and are being progressed, with a further report due at Port health and Environmental Service Committee in March.
- Heads of Finance are working with Chief Officers and their teams to improve the quality and accuracy of income forecasts as part of the budget setting process. New budget forecasting arrangements will be rolled out during the current year, providing a more proactive tool for tracking income and expenditure targets.
- A Commercial Contract Management Team has been established within City Procurement. In addition to ensuring the effective management of contracts, the team has the remit to seek out and pursue opportunities for innovation, including future income generation opportunities.

18. In addition to the work above, there is also an expectation that income generation proposals will feature during the Chief Officer Peer Review discussions and within departments' 2% efficiency savings proposals. These will be therefore be

tracked and reported as part of the monitoring of the Efficiency and Sustainability Plan, which will be regularly reported to this Sub-Committee.

Effectiveness of Grants

19. In March 2016, the Policy and Resources Committee agreed the recommendations of the Effectiveness of Grants review: to increase the strategic impact of grant-making; ensure that the grants are managed more efficiently and effectively; improve the consistency and quality of the customer experience and so bring reputational benefits. A two-year pilot (to March 2018) was agreed, with a consolidated Central Grants Programme (CGP) run by a Central Grants Unit (CGU). This is housed within the City Bridge Trust (CBT) to draw on core expertise and facilitate a consistent approach and harmonise service standards. It is overseen by the Chief Grants Officer.
20. Eligibility criteria for the four funding streams agreed by the Policy and Resources Committee were subsequently agreed by each respective grant-giving Committee and the CGP started accepting grant applications in August 2016. In March, the Policy and Resources Committee agreed that CBT could second staff in to manage the CGP until March 2018, and requested that an interim evaluation of the pilot be submitted to the Committee in December 2017 to inform the future delivery approach.
21. The CGU reports to the Finance Grants Oversight and Performance Sub-Committee (FGOPSC), whose terms of reference include: "To provide strategic oversight of the City of London Corporation Central Grants Programme ('the Programme'), including reviewing progress, performance, impact against outcomes and risks for all grants".
22. Members of FGOPSC discussed an internal evaluation of the pilot in July, noting clear benefits to the CGP approach, including:
 - consistency of approach to grant making for all in-scope funds;
 - transparency of the application process;
 - the CGU as a single point of contact for grant advice and management;
 - drawing on CBT expertise to spread good practice in grant management, and
 - robust due diligence procedures, reducing the likelihood of reputational damage.
23. The evaluation also identified that to demonstrate value for money to the trustees of the funds being managed, it is important that CGU costs are proportionate to the level of funds to be dispensed. Members noted that efficiencies in administration could be achieved if the value of funds administered by the CGU is increased, and that work is on-going to identify whether other schemes and charities can be integrated into the CGP. It was also noted that a move towards fewer grant-giving rounds and more delegation in the approval process would help to suppress costs.
24. An external evaluation has been commissioned to evaluate the impact of the two-year pilot, and this will be reported to the FGOPSC in November and then to the Policy and Resources Committee.

Effectiveness of Hospitality

25. This review comprised a thorough examination of all aspects of the City Corporation's hospitality activities. It examined how hospitality can be coordinated so far as possible to maximise efficiency and effectiveness, and to achieve effective sharing of best practice. Following consultation with the General Purposes Committee of Aldermen, and all Members at an informal Court of Common Council meeting the final report and recommendations were approved by the Policy and Resources Committee in April 2016. A key recommendation was the formal constitution of an officer group – the "City Events Management Group" (CEMG) – to provide oversight for the delivery of Corporation hospitality and lead on the implementation of the review recommendations.
26. Since the review concluded, the CEMG has met regularly and there has been progress in streamlining operational procedures and improving collaboration between the three main departments that deliver events on behalf of the City Corporation (Remembrancer's Office, Mansion House and Economic Development Office). Improvements have also taken place in the way in which evaluation is obtained following events. Together with improving the diversity of guests attending City events, this is an area on which the CEMG will continue to focus. Reports on the work of the CEMG are submitted to the Hospitality Working Party and General Purposes Committee of Aldermen, most recently in July 2017.

Barbican Centre

27. As part of the Service Based Review process, Adrian Ellis Associates (AEA) Consulting was commissioned to provide a review of the Barbican Centre's current operations and to identify areas in which there might be scope for improvements in efficiency and effectiveness. They also scrutinised and assessed the Centre's Service Based Review proposals. All the recommendations arising from the effectiveness review have been incorporated into the Centre's strategic planning process, and regular updates on progress against the Strategic Plan and the departmental SBR savings are reported to the Barbican Centre Board and its Finance Sub Committee.
28. The latest report presented brief updates on 24 projects across five project 'clusters', noting that there are currently no risks to delivery of any projects contained within the plan, however some areas have encountered slight delays because necessary consultation with teams across the organisation and required pre-project capabilities being achieved.

Remodelling Libraries

29. In December 2014 the Policy and Resources Committee received a report outlining transformation opportunities for the City Corporation's Library services and agreed that: the principle of ongoing transformation of the services should be pursued, and that further work should take place on planning and costing a range of options relating to two of the City's Lending Libraries: Barbican and Shoe

Lane. As reported previously no Service Based Review financial targets were dependent on the completion of this work.

30. In April 2016, the Projects Sub Committee agreed a request to halt work on the project for the transformation of Barbican Library due to pressures on internal resources and uncertainty over the future configuration of the Barbican Library in relation to the wider development of the Cultural Hub.
31. The Shoe Lane project proceeded to the stage of costed estimates and drawings, but progress was slower than anticipated due to the use of a new procurement framework and pressures on internal resources. Final costings for the work came in significantly higher than expected and additional corporate resources of over £100k would have been required to complete the project. Officers explored all avenues and concluded that the projected income following completion of the works did not justify requesting the additional resources. An issues report was presented to the Projects Sub Committee in July 2016, when Members agreed to close down the project.

Independent Schools

32. This review examined issues regarding fees, scholarships and bursaries at the three Independent Schools and was conducted in consultation with School Heads and the governing bodies. Following reports to the Boards of each of the three independent schools, covering activity in support of the Education Strategy, and their policy in relation to scholarships and bursaries, a composite report was agreed by the Education Board in December 2015.
33. The key outcomes of this review were:
 - No changes to the funding arrangements of the Independent Schools
 - The Independent School Boards to review their activities in support of the Education Strategy and those activities to be reported to the Education Board for cross-cutting consideration.
 - The Independent Schools to continue to set fees at a level which allows them to manage their own business and to assist the Boards, they should be presented at the fee-setting meeting with comparator fee data and future spending plans.
 - A move towards using the City Corporation's funding for means-tested awards over a phased period, reflecting each School's individual business needs.

34. Members requested that no further work take place.

Conclusion

35. Whilst some of the reviews have been completed and work arising from them has been incorporated as 'business as usual', implementation in other areas is still continuing. This report notes a number of improvements that have been implemented and where progress is continuing to be monitored at Member level.
36. In view of the stage that most of the reviews have reached, it is proposed that this is the final report covering all of the Service Based Review cross-cutting reviews.

The Sub-Committee will continue to receive regular updates on the Strategic Asset Management programme and periodic updates on other areas, as part of either reports on the Efficiency and Sustainability Plan, or in reports from individual Chief Officers.

37. As noted elsewhere on the agenda, one of the four workstreams under the Efficiency and Sustainability Plan is the development of further cross-cutting reviews, to be started when the SBR reviews have been completed. A report will be submitted to the Sub-Committee in early 2018 with initial thoughts on the selection of areas for future cross-cutting reviews under the Efficiency and Sustainability Plan.

Appendices: None

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Committee(s)	Dated:
Efficiency and Performance Sub Committee	15 November 2017
Subject: Update on Corporate and Business Planning	Public
Report of: The Head of Corporate Strategy & Performance	For Information
Report author: Kate Smith, Head of Corporate Strategy & Performance	

Summary

This paper provides the Efficiency and Performance Sub Committee with an update on progress with the development of the new Corporate Plan and departmental Business Plans and how, this year, Corporate and Business Planning processes are being linked to budget-setting processes for the first time.

It also provides an update on further Member, officer and targeted external consultation and engagement on the draft Corporate Plan, taking place between September and November, and how this is being used to develop performance measures and targets and to help inform the selection of strategic priorities for 2018/19.

Recommendation

Members are asked to note the report.

Main Report

Background

1. The Corporate Plan is currently being refreshed to enable the City Corporation to drive departmental activities to deliver on corporate priorities and to optimise allocation of resources.

Current Position

2. Between April and July 2017 the draft Corporate Plan was presented to all Grand Committees and a series of informal briefings either for Chairmen and Deputy Chairmen or open to all Members as part of the Member Induction / Refresh programme. This gave all Members at least three opportunities to comment on the draft, either formally or informally where it was possible to have more in-depth and cross-cutting discussions.

3. Members welcomed the move from a plan describing what the City Corporation does to a plan that focuses on why and how it does what it does – our overarching purpose and competencies. The new two-side format was also well received. Questions at Committees generally related to specific mentions of activities within the remit of the Committee, and there were comments on the lack of emphasis given to the delivery of high-quality public services; the cultural offer, and an acknowledgement of customers.
4. Members also asked about the development of Key Performance Indicators (KPIs) and other measures for the outcomes, and were informed that these are in development as part of the supporting detail that will be made available with the published plan. To assist with the identification of performance indicators in departmental Business Plans that can be used for reporting performance against the Corporate Plan, workshops are being planned for later in 2017 for business planners and the informal Corporate Strategy Network on the measurement and monitoring of outcomes.
5. The feedback received from Members at the informal sessions and at the Grand Committees was used to produce a second draft of the Corporate Plan and will be borne in mind as the process of linking Corporate and Business Planning processes is completed. As requested, all Members were invited to an additional briefing session after the Committee cycle finished to comment on the revised draft and the next level down of the plan which consisted of three or four points under each of the twelve outcomes describing the broad themes of work the City Corporation engages in to achieve each.
6. The Members present fed back that they thought the plan was a very good representation of the City Corporation and its aims and abilities and shared practical advice on how to improve a couple of areas which were less compelling, suggesting brevity, good examples to look at and urging targeted external consultation prior to the plan being presented for endorsement.
7. The resultant draft, now on five sides rather than just the initial two, was circulated to all Members just before recess and can be found at **Appendix 1**. This is the version that is being used in consultation and engagement during the autumn.

Further engagement on the Corporate Plan

8. Officer engagement commenced at the Senior Leaders Forum on 6 September where the most senior 120 officers discussed the draft Corporate Plan and committed to using it within their departments to shape their business plans and provide a 'golden thread' through to appraisals.
9. All officers, including the police and schools, have been invited to attend one of twenty staff feedback sessions, half of which will be held in non-Guildhall locations, in an attempt to stimulate engagement with the Corporate Plan and help them see and demonstrate how they will contribute to it. These, if fully

booked, will reach around 500 officers. All officers have also been sent a survey so that everyone has a chance to comment by 6 November.

10. As suggested, selected stakeholder groups, partners and peers will also be asked for feedback on the draft corporate Plan over a similar timescale. This is likely to be over a short series of breakfast events and presentations at existing meetings.
11. To give all Members a further opportunity to comment an all-Member briefing has been organised for 7 November.
12. It is expected that there will be some minor changes resulting from the consultation and engagement outlined above before it is submitted to Policy and Resources Committee in January 2018. A more extensive programme of Member engagement will then be held in preparation for presentation to the Court of Common Council in March 2018 alongside the 2018/19 Budget Report.
13. This joining up of decision-making processes and timescales across budget-setting and priority-setting represents a significant step towards the City Corporation being able to allocate its resources in full knowledge of where it can achieve most impact on the issues and opportunities faced by the City, London and the UK.

Next steps

14. The next steps in linking up these processes are:
 - redesigning detailed Business Plans to reflect the draft Corporate Plan
 - identifying relevant performance indicators in departmental Business Plans so that performance against the Corporate Plan can be reviewed formally on an annual basis and to respond to Members' demands for more meaningful performance measures focused on outcomes and impact rather than just outputs and activity
 - aligning, integrating and enabling tracking of other corporate processes through Business Plans, such as risk management, workforce planning and actions to meet budget reduction challenges
 - putting mechanisms in place for sharing learning and expertise and stimulating innovation across the City Corporation in order to drive organisational culture change and, thereby, continuous improvement.
15. Members will first notice a change at the Service Committees in the lead up to Christmas, where, for the first time, this year draft high-level (two page) Business Plans will be submitted to Service Committees alongside Budget Estimate reports. This will mark the beginning of joint budget-setting and priority-setting and the move towards corporate and business planning being processes rather than merely documents.

Appendix

- Appendix 1: Draft Corporate Plan 2018-23

Background Papers

Corporate and Departmental Business Planning update, 17 May 2017

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Draft Corporate Plan 2018 - 23

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a sustainable and diverse London within a globally-successful UK.

We aim to...

Grow the economy

By championing the City and UK as the best place in the world to do business

Shape the City of the future

By strengthening its connections, its capacity and its character as a great place to work, live and visit

Contribute to a flourishing society

By inspiring everyone to play their part in an inclusive culture of creativity and opportunity

Everything we do supports the delivery of these **three strategic objectives**.

We contribute through our departmental activities to the achievement of **twelve corporate outcomes**:

Grow the economy

The UK has the world's best regulatory framework (focusing on Financial and Professional Services) and access to global markets

The City is the global hub for business innovation

London nurtures and has access to the skills and talent it needs to thrive

The City positively impacts people and the environment

Shape the City of the future

The Square Mile is the ultimate flexible-working space - inspiring, dynamic and secure

The Square Mile is digitally and physically well-connected and responsive

The Square Mile has outstanding public spaces, heritage, attractions, retail and hospitality

The Square Mile is a focal point for world-class creativity and culture

Contribute to a flourishing society

People are safe and feel safe

People enjoy good health and wellbeing

People have access to suitable accommodation in cohesive communities

People lead enriched lives and can reach their full potential



Who we are

We are responsible for...

Promotion of the City and UK's global reputation
City of London Police including its national economic crime responsibilities
The Old Bailey, the Central Criminal Court of England and Wales
Significant parts of London's green-belt and natural heritage
A property portfolio and housing both within and beyond the Square Mile
City Bridge Trust, London's biggest independent charitable funder
Five Thames bridges
London's Port Health Authority for the tidal Thames
London's Animal Health Authority and Heathrow Animal Reception Centre
The Square Mile's local authority services
Education, through our leading group of Academies, independent schools and array of educational and cultural facilities
The Barbican, Europe's largest multi-arts centre
The Guildhall School of Music and Drama, a world-leading conservatoire
London Metropolitan Archives and other heritage assets
The UK's three largest wholesale food markets

We want to achieve far more for the City, London and the UK by:

Building on our distinctive capabilities...

Our extraordinary blend of private, public and voluntary sector responsibilities and expertise
Our independent voice, convening power and reach
Our longer-term view, informed by our local, regional, national and global perspectives
Our resilience and the length, breadth and depth of our ever-expanding experience and relationships

And committing to...

Being relevant, responsible, reliable and radical
Displaying passion, pace, pride and professionalism
Being open, transparent, inclusive and greater than the sum of our parts
Unlocking the full potential of our many assets:

our elected Members and staff
our stakeholders and partnerships
our data and technology
our funds and property
our heritage

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and thereby our legacy

How we grow the economy

We contribute to these four outcomes through our work in:

1. The UK has the world's best regulatory framework (focusing on FPS) and access to global markets

- Influencing UK policy and regulatory issues and promoting regulatory confidence founded on the rule of law
- Protecting, enhancing and promoting the UK's access to global markets and the ease, reliability and cost-effectiveness of doing business here
- Leading nationally and advising internationally on the fight against economic and cyber crime
- Attracting and retaining investment and promoting exports

2. The City is the global hub for business innovation

- Strengthening local, regional, national and international relationships to help identify and secure new opportunities for business, collaboration and innovation
- Supporting organisations in pioneering, preparing for and responding to changes in markets, products and ways of working
- Supporting business growth and sustainability in new and emerging, small and medium-sized and large and established enterprises

3. London nurtures and has access to the skills and talent it needs to thrive

- Protecting and enhancing access to global talent
- Promoting the City, London and UK as attractive and accessible places to work and our industries as exciting and accessible career choices
- Identifying future skills needs, shortages and saturations
- Nurturing a relevant and sustainable skills pipeline

4. The City positively impacts people and the environment

- Championing responsible practices to improve economic, social and environmental outcomes
- Facilitating the giving of time, skills, knowledge and money to support achievement of positive social and environmental outcomes
- Leading by example; demonstrating our own commitment and achievements as well as encouraging other organisations and individuals to make responsible choices

How we shape the City of the future

We contribute to these four outcomes through our work in:

5. The Square Mile is the ultimate flexible-working space – inspiring, dynamic and secure

- Creating an exciting and enriching environment to attract and engage the City's current and future workers
- Opening up opportunities to stimulate learning, collaboration and innovation
- Continually adapting workspaces to meet changing needs and excite enterprise and creativity
- Building resilience to natural and man-made threats by protecting and adapting our built environment and infrastructure

6. The Square Mile is digitally and physically well-connected and responsive

- Championing and facilitating a world-leading broadband experience, both inside and outside
- Championing ease of access to London, from within the UK and across borders, via air, rail and road
- Improving the experience of arriving in and moving through the City
- Collaborating to develop and trial smart innovations that address City challenges and unlock potential

7. The Square Mile has outstanding public spaces, heritage, hospitality and retail

- Creating and transforming buildings, streets and spaces to make places for people to admire and enjoy
- Promoting greening and animation of buildings and streetscapes
- Protecting, curating and promoting world-class heritage assets, cultural attractions and events
- Championing a distinctive and attractive gastronomic, hotel and retail experience

8. The Square Mile is a focal point for world-class creativity and culture

- Curating and driving delivery of Culture Mile, an internationally distinctive destination and catalyst for innovation, learning and collaboration both across and beyond the Square Mile
- Building a Cultural Education Partnership - Culture Mile Learning - to increase access and opportunities for enrichment, inspiration and learning
- Cultivating excellence in creative arts that add to the vibrancy and attractiveness of the City
- Inspiring people from all communities to discover and love the arts

How we contribute to a flourishing society

We contribute to these four outcomes through our work in:

9. People are safe and feel safe

- Promoting community safety through facilitating justice, tackling terrorism, violent and acquisitive crime, fraud, cyber-crime and anti-social behaviour and preparing our response to natural and man-made threats
- Safeguarding children, young people and vulnerable adults
- Protecting consumers and users of buildings, roads and open spaces
- Reassuring people about safety

10. People enjoy good health and wellbeing

- Providing access to thriving and biodiverse green spaces for physical activity, recreation and learning
- Providing a clean urban environment and facilities that support healthy lifestyles
- Raising awareness of factors affecting mental and physical health to promote self-management as well as sign-posting to and providing activities and services
- Reducing health inequalities through outreach and better service design

11. People have access to suitable accommodation in cohesive communities

- Providing and maintaining appropriate housing, workspaces and community facilities and helping people access them
- Curating a complementary mix of buildings and uses and designing out crime and anti-social behaviour
- Facilitating opportunities for communities to come together and to consider and accommodate each other's needs
- Reaching out to vulnerable people, providing sanctuary and facilitating activities that support social wellbeing and prevent social isolation, violence and extremism

12. People lead enriched lives and can reach their full potential

- Providing access to world-class education, heritage, culture and creative arts to people of all ages and backgrounds, for enrichment, for learning and to inspire them to achieve
- Promoting effective transitions from education to employment
- Increasing employment opportunities and chances and thereby social mobility
- Bringing individuals and organisations together to create public value and gain positive experiences through giving time, skills, knowledge and money

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Committee(s)	Dated:
Efficiency and Performance Sub-Committee – For information	15 Nov 2017
Subject: Central Risk Budget Review	Public
Report of: The Chamberlain	For Information
Report author: Caroline Al-Beyerty, Deputy Chamberlain	

Summary

The Chamberlain requested that a review of central risk budgets take place to identify potential efficiency savings and/or increases to income budgets similar in scale to those required of local risk budgets.

Central risk budgets are held for non-controllable expenditure or income, where there may be a fluctuation in actual values that would be outside the control of the relevant Chief Officer, e.g. rates and rents.

Additional income potential has been identified totalling £7,271k (5.3% of total 2017/18 central risk budget), achievable in 2018/19 (£288k City's Cash and Guildhall Administration, £3,934k Bridge House Estates and £3,049k City Fund). Budget adjustments will be proposed as part of the 2018/19 budget setting process.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. The Central risk budget comprises:

- Corporate budgets such as investment income, capital financing and central contingencies;
- Cost items that are more effectively controlled centrally, e.g. where it would not be appropriate for a Chief Officer to benefit from underspends nor be penalised for overspends;
- Service charge income relating to the recovery of central charges for support costs and insurance;
- Expenditure items the Chamberlain has agreed to fund centrally;
- Income and expenditure items of political sensitivity;

2. Departments have been asked to make 2% year-on-year efficiency reductions from 2018/19 – 2020/21 from net local risk budgets.
3. The Chamberlain has requested a review of central risk budgets to identify potential savings that can be made.

Current Position

4. There are central risk items for each of the Corporation's three funds and Guildhall Administration. An analysis of the type of cost and income items within each fund is summarised below in Appendix 1.
5. Table 1 summarises the 2017/18 central risk expenditure budgets and analyses whether the cost is controllable or not. The ability to make savings will largely fall into areas where costs are within our control.

Table 1: Central risk 2017/18 expenditure budget summaries

	City Fund £'000	City's Cash £'000	BHE £'000	Guildhall Admin £'000	Total £'000	Is the cost controllable?
Capital & Supplementary Revenue Projects	(27,158)	(15,333)	(5,113)	-	(47,604)	Yes, subject to policy decisions
Rent and Service Charges	(1,087)	-	-	-	(1,087)	Subject to negotiation
Rates	(2,291)	(963)	(100)	(3,494)	(6,848)	No, but can be appealed
Insurance	(30)	-	-	(14,713)	(14,743)	Subject to negotiation, dependant on extent of operational property estate
Grants	(7,800)	(2,466)	(21,000)	-	(31,266)	Yes, subject to policy decisions
Contingencies	(8,737)	(6,197)	(612)	(16)	(15,502)	Yes, subject to Committee decisions
Service Specific	(569)	(3,912)	-	-	(4,481)	Some are, but not all
Hospitality	-	(2,612)	-	(135)	(2,747)	Yes, but politically and reputationally sensitive
Miscellaneous	(9,417)	(742)	(60)	(106)	(10,325)	Some are, but not all
TOTAL:	(57,089)	(32,225)	(26,885)	(18,464)	(134,663)	

6. The following categories of expenditure can be excluded from further in-depth analysis:
 - Premises – rents and service charges: These are subject to periodic rent reviews and officers will seek to obtain savings where possible. Decisions

over which buildings we continue to occupy are subject to the operational property review.

- Premises – rates: These are set by the Valuations Office Agency (an agency of the Department for Communities and Local Government). The City Surveyor carries out a review with an external rating agent following each revaluation. The treatment of rates varies according to the use of each building. Some budgets sit within local risk, e.g. Independent Schools to allow accurate fee setting, and others sit within central risk. Where rates increase and the budget is within local risk a business case to increase the budget may be considered.
 - Contingencies: These generally relate to Finance and Policy and Resources Committee contingencies and are therefore politically sensitive. Specific contingencies are held where a cost is uncertain and a local risk budget does not exist. However, contingency budgets have been scrutinised to assess if there is headroom to adjust the budgets.
 - Asylum Seekers (unaccompanied asylum seeking children): These budgets have been the subject of a separate piece of work to assess whether the correct budget is in place to support this demand led service and is under review.
 - Hospitality: These budgets include expenditure on behalf of the Lord Mayor, the Remembrancer and the Guildhall Club and are therefore politically sensitive, however, hospitality budgets have been scrutinised to assess if there is headroom to adjust the budgets.
 - Bridge House Estates: The majority of central risk expenditure relates to grant making. The award of grants is a policy decision for the charity so no analysis has been undertaken to assess potential efficiency savings.
7. A line by line review was conducted for each cost and income item within City Fund, City's Cash and Guildhall Administration to assess the scope for potential efficiency savings on expenditure items and scope to increase income budgets.
8. A number of items of expenditure were identified through the line by line review which are subject to proposals that are in development and which may yield savings in future years but which are not yet progressed enough to result in savings during 2018/19.
9. The highest spend categories are:
- Capital and Supplementary Revenue Projects: The inclusion in central risk is an accounting treatment. Policy decisions on inclusion in the capital programme are made by Projects Sub-Committee and decisions on financing the capital programme are made by Resource Allocation Sub-Committee following prioritisation by officers at Priorities Board.
 - Grants and Levies: The issue of grants are policy decisions. The majority of grants are issued by the City Bridge Trust within Bridge House Estates.

Other grants provide funding to external bodies such as the Museum of London and the London Symphony Orchestra.

- Insurance: Contracts are renewed on a 3-5 year basis offering opportunities to review cover and premiums. During 2016/17 renewals generated annual savings of £233k. However Insurance Premium Tax increased from 6% to 9.5% and is due to increase further. The Corporation also has a captive company, City Re Ltd., which generates significant insurance commission, the budget for which also sits in central risk.

10. The largest income budgets are:

- Estate rental income and service charges: these are considered below following review by the City Surveyor. Management of the property portfolio is monitored and approved on a regular basis by the Property Investment Board and Investment Committee.
- Investment Income: Returns on investments are scrutinised on a regular basis by the Financial Investment Board and Investment Committee.
- On street parking income: these budgets are considered below and are subject to regular review to ensure that these support the Corporation's overall strategy on traffic management.
- Planning Fees: Any increase in these budgets, as a result of fee increases, is subject to Parliament agreeing a change in legislation. This has been postponed since the General Election but should legislation change income generated would increase subject to approval by the Planning and Transportation Committee.

Proposals

11. The following potential budget adjustments to City Fund central risk budgets have been identified for 2018/19, subject to agreement with Chief Officers.

Table 2: City Fund Central Risk proposed budget amendments

Expenditure Category	2017/18 Budget £'000	Potential saving/income	£'000	% of category
Estate Rental Income	44,978	Rental forecasts are reviewed quarterly by the City Surveyor reflecting additional income	1,779	3.96
On Street Parking income	10,821	New charges are proposed for 2018/19 resulting in additional revenue streams	270	2.50
Interest on Cash Balances	3,033	Budget has been reviewed and can be increased based on historic performance and recent interest rate increase.	1,000	33.0
Total			3,049	

12. The following potential budget adjustments to City's Cash central risk budgets have been identified for 2018/19, subject to agreement with Chief Officers.

Table 3: City's Cash Central Risk proposed budget amendments

Expenditure Category	2017/18 Budget £'000	Potential saving/income	£'000	% of category
Estate Rental Income	53,014	Rental forecasts are reviewed quarterly by the City Surveyor reflecting additional income	288	0.54

13. The following potential budget adjustments to Bridge House Estates central risk budgets have been identified for 2018/19, subject to agreement with Chief Officers.

Table 4: Bridge House Estates Central Risk proposed budget amendments

Expenditure Category	2017/18 Budget £'000	Potential saving/income	£'000	% of category
Estate Rental Income	21,577	Rental forecasts are reviewed quarterly by the City Surveyor reflecting additional income	3,934	18.23

Conclusion

14. All items within central risk have been scrutinised and reviewed. A number of queries were raised on several items of expenditure and income which have resulted in proposals to increase income budgets as detailed above.

Appendices

- Appendix 1 – Central Risk Original 2017/18 Budgets

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	City Fund	City's Cash	Bridge House Estates	Guildhall Admin	TOTAL:
	£'000	£'000	£'000	£'000	£'000
Capital & SRP Expenditure	(27,158)	(15,333)	(5,113)	-	(47,604)
Premises (excl. Insurance)	-	-	-	-	-
Rent & Service Charge paid	(1,087)	-	-	-	(1,087)
Rates	(2,291)	(963)	(100)	(3,494)	(6,848)
Sub-total:	(3,378)	(963)	(100)	(3,494)	(7,935)
Insurance					
Premises Insurance	(30)	-	-	(12,935)	(12,965)
Misc Insurance	-	-	-	(1,717)	(1,717)
Transport Insurance	-	-	-	(61)	(61)
Sub-total:	(30)	-	-	(14,713)	(14,743)
Grants and Levies					
Grants, Levies & Precepts	(533)	(2,466)	-	-	(2,999)
Museum of London	(5,292)	-	-	-	(5,292)
London Symphony Orchestra	(1,975)	-	-	-	(1,975)
CBT	-	-	(21,000)	-	(21,000)
Sub-total:	(7,800)	(2,466)	(21,000)	-	(31,266)
Contingencies					
Finance Committee	(800)	(950)	-	-	(1,750)
Policy & Resources Committee	-	(892)	-	-	(892)
International Disasters	-	(100)	-	-	(100)
Other Specific	(7,937)	(4,255)	(612)	(16)	(12,820)
Sub-total:	(8,737)	(6,197)	(612)	(16)	(15,562)
Service Specific Costs					
Economic Development Office	-	(3,546)	-	-	(3,546)
Central Criminal Court (Judges salaries & pensions)	(278)	(366)	-	-	(644)
Asylum Seekers Service	(291)	-	-	-	(291)
Sub-total:	(569)	(3,912)	-	-	(4,481)
Hospitality					
Lord Mayor Hospitality & Mansion House Dinners	-	(490)	-	-	(490)
Lord Mayor's Banquet	-	(188)	-	-	(188)
Remembrancer (incl. Committee Dinners)	-	(1,533)	-	-	(1,533)
Guildhall Club	-	(401)	-	-	(401)
Staff Canteen	-	-	-	(135)	(135)
Sub-total:	-	(2,612)	-	(135)	(2,747)
Misc					
Audit Fees	(148)	(78)	(37)	-	(263)
Parking Reserve	(5,227)	-	-	-	(5,227)
Employees	(368)	(11)	-	-	(379)
Expenses	-	-	(23)	(21)	(44)
Subscriptions	(164)	(370)	-	-	(534)
Elections and Ward Expenses	(178)	-	-	-	(178)
Markets Food Standards Agency Fees	-	-	-	-	-
Fees and Services	(680)	(175)	-	-	(855)
Union expenses	-	-	-	(85)	(85)
Housing Benefits	(314)	-	-	-	(314)
Other Local Authorities	(2,338)	-	-	-	(2,338)
Gresham Almshouses	-	(108)	-	-	(108)
Reg of Births, Deaths & Marriages	-	-	-	-	-
Sub-total:	(9,417)	(742)	(60)	(106)	(10,325)
Total Expenditure	(57,089)	(32,225)	(26,885)	(18,464)	(134,663)

	City Fund	City's Cash	Bridge House Estates	Guildhall Admin	TOTAL:
	£'000	£'000	£'000	£'000	£'000
Income					
Estate Rental Income	44,978	53,015	21,577	-	119,570
Service Charges	7,139	2,081	-	-	9,220
City Moiety (net Royal Exchange Income)	-	307	-	-	307
Guildhall complex lettings (topslice)	-	-	-	204	204
Additional Rates	21,200	-	-	-	21,200
Markets	2,435	3,360	-	-	5,795
On Street Parking	10,821	-	-	-	10,821
Planning fees/land charges	833	-	-	-	833
City Surveyors Fees and Services	-	40	-	-	40
Open Spaces	-	465	-	-	465
Schools (DSG & SEN)	544	-	-	-	544
Comptroller & City Solicitor's Office	-	-	-	200	200
Government Grants	6,554	-	-	-	6,554
Advice Service Grant	140	-	-	-	140
Misc. Fees and Charges	-	-	-	245	245
Insurance Commission	-	-	-	2,750	2,750
Insurance Charges	225	-	1,129	-	1,354
Interest on Cash Balances	3,033	305	100	-	3,438
Investment Income	-	18,383	14,373	-	32,756
Contributions to Capital	130	2,340	-	-	2,470
Total Income:	98,032	80,296	37,179	3,399	218,906
TOTAL:	40,943	48,071	10,294	(15,065)	84,243

Committee(s)	Dated:
Efficiency and Performance Sub-Committee	15/11/2017
Subject: Chamberlain's Department Efficiency and Sustainability Proposals	Public
Report of: Chamberlain	For Information
Report author: Matt Lock – Chamberlain's Department	

Summary

The Corporate Efficiency and Sustainability Plan requires Chief Officers to identify sustainable efficiencies of 2% each year for the three years from 2018/19. For Chamberlain's department, this equates to approximately £460,000 in the first year.

Proposals to meet this efficiency saving have been identified through Chief Officer Peer Review, business planning and staff engagement, with ideas evaluated categorised as; innovation, income generation and continuous improvement.

While some due diligence remains, the Chamberlain is confident that, through the identification of more effective and efficient service delivery approaches, the required savings will be achieved.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. The Corporate Efficiency and Sustainability Plan sets out a framework that incorporates continuous improvement savings with a rolling programme of Chief Officer Peer Reviews to help secure more radical changes in efficiency and effectiveness. The Chief Officer Peer Reviews are focussing on innovation, collaboration and agility. The first peer group, which included the Chamberlain's Department, has concluded, the remaining groups are underway and will be complete within the next few months.
2. Savings will be derived from an across the board light touch continuous improvement target, whereby departmental budgets are reduced by 2% each year from 2018-19.

Current Position

3. The Chamberlain's department is now working towards implementing the first tranche of departmental efficiency proposals as part of the 2018/19 budget setting and business planning process as well as developing further those longer term, more transformational initiatives.
4. This report provides Members with information regarding the approach taken to this within the Chamberlain's department and our proposals to deliver against the Corporate Efficiency and Sustainability Plan. Proposals have been categorised under the following headings:
 - Innovation
 - Income generation
 - Continuous improvement
5. The Chamberlain's net expenditure budget is approximately £23m, comprising mainly salary costs. The 2% efficiency target equates to £460k net budget reduction.

Approach to Identifying Efficiencies

6. We have approached our efficiency planning in several ways:

Business Planning: Continuous improvement has been part of our departmental business planning for many years. The focus has, until now, been broadly in relation to improved outcomes tracked through more challenging key performance indicators and targets. The Efficiency and Sustainability Plan embeds further the need to review our operational delivery models with a view to reducing overall costs and maximising potential income streams which is, in turn, driving more innovative behaviours. While our departmental business plan has always had a medium to longer term focus at a strategic level, the pursuit of more innovative changes to our service delivery is leading us to undertake more detailed operational planning over a longer period. Our business plan for 2018/19 will incorporate more specific information in relation to our intentions for 2019/20 and 2020/21.

Chief Officer Peer Review: The purpose of this review is to help Chief Officers to explore how their departments can be more innovative, collaborative and agile; to develop their business plans and to formulate efficiency savings or income generation proposals to help meet and go beyond the annual 2% continuous improvement requirement. The Chamberlains department identified several ideas, such as Robotics Process Automation, which are now being reviewed against a set of evaluation criteria and, where appropriate, being developed into proposals.

Staff Engagement: We use various methods to draw on the operational knowledge of staff to identify areas for improvement, this is a key way of evaluating the effectiveness of our processes:

- Staff Survey – as part of our annual staff we always ask: what one or two things could be done differently within the department?
 - Focus groups – we have held thematic workshops to work through potential areas for improvement
 - Chamberlain’s weekly update – the Chamberlain writes out to the department each week, providing an update on current hot topics and priorities, this can serve as a prompt for further discussion and provides colleagues with a platform to propose new ideas directly to the Chamberlain.
 - Staff Conference – we usually incorporate an interactive element as part of this annual event. For 2017/18, this will include round table sessions focussing on innovation.
 - Chamberlain’s Innovation Awards – new for 2017/18, we are expecting to launch a new process, providing colleagues with a forum for putting forward new and innovative ideas and a way to recognise and celebrate this (this scheme is still in development).
7. While it is not anticipated that there will be a fundamental review of the structure of the department, there will be a rolling review of all team structures and resource bases to ensure that these remain fit for purpose and optimise efficiency and effectiveness. This may include consideration of shared services, partnership arrangements and potential outsourcing and will likely result in some incremental change to staffing in the department.

Evaluation of Ideas

8. All ideas put forward are being evaluated against a set of evolving criteria, the aim of which is to assess the financial impact of the initiative, operational impact (effectiveness) complexity to deliver, certainty and potential scalability, this is helping us to prioritise proposals across the next 3 years. A proportion of our efficiency plan for 2018/19 results from the realisation of efficiency savings from activities already initiated, such as cost reduction from IT service provision and contracts. Some of the more innovative proposals will fall into the following years as these require a longer lead in time.

Key Proposals for 2018/19

9. The table below summarises our main proposals for 2018/19 and the target savings for each.

Proposal	Estimated Saving (up to)
Innovation	
Robotic Process Automation (RPA): this innovative technology will, in the first instance, enable us to automate a number of complex and time-consuming accounting reconciliations. Automation will improve the effectiveness of the related processes, with reconciliations taking less time overall and without officer involvement. A pilot area has	£40,000

been identified in Corporate Accounting whereby the establishment can be reduced by 1FTE, with further reductions in the following years. It is anticipated that, over the medium and longer term, a hub of expertise will be developed enabling wider deployment across the organisation with the potential to automate transactional activities.	
Accounts Payable Scan and Capture: implementation of character recognition technology for invoice payments will reduce data input requirements and so less staff resource. Effectiveness of the end to end process is expected to increase which will likely lead to faster payment of invoices. This is expected to increase beyond year 1.	£40,000
Income Generation	
City Accelerate: an early payment discount scheme, whereby our suppliers are able to subscribe to faster invoice payment in exchange for a cash rebate. In subscribing to the scheme, suppliers commit to certain steps that enable improved effectiveness of the payment process, such as content and format of invoices. It is anticipated that the return from this will grow over the first three or so years.	£40,000
Continuous Improvement	
Reduction of operational/non-staffing budget: Chamberlain's non-staffing budgets were consolidated a few years ago, this has improved our ability manage those budgets and has led to further reductions being identified.	£60,000
IT cost reductions: various cost reductions will be realised as a result of the IT Transformation Programme and adoption of more effective solutions, coming on-line at different times. These include; reduced server costs, streamlined licencing, improved device management, decommissioned services.	£100,000+
Staffing reductions: Efficiencies are being identified within teams on a rolling basis, where posts are identified as surplus to requirements, they are being earmarked for deletion. Initial estimates for 2018/19 are that 4-8 posts may be removed (in addition to those mentioned elsewhere in this table)	£200,000
Total	£480,000

Supporting Other Departments

10. In addition to direct action to reduce our own cost base, the Chamberlain's department plays a unique role in supporting all other departments to achieve their efficiency plans. Our finance teams are embedded within departments, working in partnership to ensure value for money. Similarly, procurement and commercial management teams are working with colleagues across the organisation to secure the most advantageous contract arrangements for the City Corporation.

Conclusion

11. Members are asked to note the approach taken within the Chamberlain's department to develop our proposals to deliver ongoing efficiencies as part of the corporate Efficiency and Sustainability Plan. Potential savings have been identified through a combination of innovation, income generation and cost reduction. While it is still necessary to complete the evaluation of some proposals, there is a high level of confidence that the 2% annual efficiency target will be met.
12. The continuous improvement approach drives a rolling programme reviewing the effectiveness and efficiency of our operations, which, in order to deliver savings, will likely lead to incremental and localised staffing changes within teams.
13. This report is also intended to serve as a template for other departments to provide similar updates to this Committee in relation to their own proposals.

Appendices

- None

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