



## **Efficiency and Performance Sub (Finance) Committee**

**Date:** WEDNESDAY, 21 MARCH 2018  
**Time:** 1.45 pm  
**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  
N.B. Part of this Meeting could be subject to audio video recording**

**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 30 January 2018.  
**For Decision**  
(Pages 1 - 4)
4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**  
Report of the Town Clerk.  
**For Information**  
(Pages 5 - 6)
5. **WORK PROGRAMME FOR FUTURE MEETINGS**  
Report of the Town Clerk.  
**For Information**  
(Pages 7 - 8)
6. **ECONOMY, EFFICIENCY AND EFFECTIVENESS HEALTH CHECKS**  
Report of The Town Clerk.  
**For Information**  
(Pages 9 - 14)
7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
9. **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**

10. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**  
To agree the non-public minutes of the meeting held on 30<sup>th</sup> January 2018.  
**For Decision**  
(Pages 15 - 20)

11. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**  
Report of the Town Clerk.  
**For Information**  
(Pages 21 - 22)
12. **DEMAND AND VALUE FOR MONEY REVIEW/TRANSFORM PROGRAMME - PROGRESS UPDATE**  
Report of The Commissioner of the City of London Police.  
*To Follow.*  
**For Information**
13. **DEPARTMENT OF THE BUILT ENVIRONMENT - VALUE FOR MONEY AND EFFICIENCY REPORT**  
Verbal Report of the Director of the Built Environment.  
**For Information**
14. **OPERATIONAL PROPERTY REVIEW - PROGRESS REPORT**  
Joint Report of The Chamberlain and The City Surveyor.  
**For Information**  
(Pages 23 - 36)
15. **PROGRESS ON IMPLEMENTING DEPARTMENTAL FACILITIES MANAGEMENT REVIEW RECOMMENDATIONS**  
Joint Report of The Chamberlain, The Town Clerk and The City Surveyor.  
**For Information**  
(Pages 37 - 40)
16. **ASSET MANAGEMENT - SERVICE BASED REVIEW UPDATE**  
Report of The City Surveyor.  
**For Information**  
(Pages 41 - 66)
17. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
18. **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, 30 January 2018**

Draft Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee held at Guildhall, EC2 on Tuesday, 30 January 2018 at 1.45 pm

### **Present**

#### **Members:**

Jeremy Mayhew (Chairman)  
Deputy Jamie Ingham Clark (Deputy Chairman)  
Alderman Matthew Richardson  
Ian Seaton  
Deputy Philip Woodhouse

In addition, Deputy John Bennett was in attendance in his role as Chairman of the Board of Governors of the Guildhall School for Music and Drama

#### **Officers:**

John Cater	-	Town Clerk's Department
Peter Kane	-	Chamberlain
Paul Wilkinson	-	City Surveyor
Kate Smith	-	Town Clerk's Department
Tom Conniffe	-	Town Clerk's Department
Geoff Parnell	-	Chamberlain's Department
Lynne Williams	-	Principal, Guildhall School of Music and Drama
Niki Cornwell	-	Chamberlain's Department

#### **1. APOLOGIES**

An apology was received from Randall Anderson.

#### **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 15 November 2017 be agreed as an accurate record.

#### **4. OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

Members received a report of the Town Clerk which set out the outstanding actions from previous meetings of the Sub-Committee.

#### *Departmental Reporting Schedule for 2018*

The Chairman expressed his concern that the Commissioner of Police's office had yet to confirm the Commissioner's availability to attend the next Efficiency

& Performance Sub Committee meeting on 21<sup>st</sup> March. The Town Clerk confirmed he would chase up a reply to the invitation.

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

5. **WORK PROGRAMME FOR FUTURE MEETINGS**

Members received a Report of the Town Clerk which set out the work plan for future meetings.

The Chairman requested that future iterations should replace the column outlining the business at a previous meeting (in this case the 15<sup>th</sup> November) with one indicating the likely business at a further future meeting (in this case 13<sup>th</sup> July). Furthermore, he suggested, the Special Departmental Focus line should be positioned next to the Income Generation line to bring together the opportunities being considered by Chief Officers.

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

6. **CORPORATE AND BUSINESS PLANNING UPDATE**

Members received a Report of The Town Clerk, concerning Corporate and Business Planning.

Members welcomed the Report as a useful step in efforts to align the Corporate Plan with business planning and budget-setting.

Members raised the wording in box 11 (page 22), around facilitating a “world-leading digital experience”. Some individual departments across the City Corporation (such as the Guildhall School) had digital communications of a very good standard; however, due to the scale of the Corporation’s core Communications activities, progress across the board would, Members accepted, be a long-term project.

Members asked officers how they had planned to communicate the Corporate Plan to Members; the Town Clerk responded that a single top sheet that highlighted the high-level changes would go to all Committees. Ultimately, it was incumbent upon officers to treat the Plan as a working document; officers should be promoting the plan to Members throughout the five-year period, 2018-23.

**RESOLVED** – That Members noted the Report.

7. **SUB-COMMITTEE'S TERMS OF REFERENCE**

Members considered a Report of the Town Clerk, concerning the Sub-Committee’s Terms of Reference.

The Chairman proposed a redraft to reflect the recent changes in the Grand Committee’s Terms of Reference.

**RESOLVED** – That Members approved that the Town Clerk, in consultation with the Chairman and Deputy Chairman amend the Sub-Committee's Terms of Reference.

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

There were no questions.

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

There were no items of urgent 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 Schedule 12A of the Local Government Act.

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

**RESOLVED** - That the non-public minutes of the meeting held on 15 November 2017 be agreed as an accurate record.

12. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**

Members received a Report of The Town Clerk.

13. **VALUE FOR MONEY AND EFFICIENCY PLANS - GUILDHALL SCHOOL OF MUSIC AND DRAMA**

Members received a Report of the Principal of the Guildhall School for Music and Drama.

14. **CITY SURVEYOR'S DEPARTMENTAL FOCUS**

Members received a Report of the City Surveyor.

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

There were no questions.

16. **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 3:20pm**

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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	<b>Contract Management Corporate Supplier Scorecard</b> The Sub Committee to receive reports on performance against the high-level categories.	Chamberlain	May 2018	Initial performance report submitted to May's Sub Committee
2.	Jan 2018 Item 5	<b>Work Programme for Future Meetings</b> The Chairman requested that future iterations should replace the column outlining the business at a previous meeting (in this case the 15th November) with one indicating the likely business at a further future meeting (in this case 13th July). Furthermore, he suggested, the Special Departmental Focus line should be positioned next to the Income Generation line to bring together the opportunities being considered by Chief Officers	Town Clerk	March 2018	Submitted at today's meeting (March)

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### Efficiency and Performance Sub-Committee – Work Programme

Meeting:	21/3/18	23/5/18	13/7/18	11/9/18
Continuous Improvement ( <b>Efficiency and Sustainability Plan</b> )				
		Proposed cross-cutting review programme		
Specific Departmental Focus				
	City of London Police/ Built Environment	Markets and Consumer Protection / Open Spaces / Community & Children's Services	Comptroller/ Mansion House/ Remembrancer	
Commercial/Income Generation Opportunities				
		Contract Management Corporate Supplier Scorecard – initial performance report		
Outcomes and Performance				
		Corporate and Departmental Business Planning: - Corporate Plan reporting		

Meeting:	21/3/18	23/5/18	13/7/18	11/9/18
Benchmarking and Value for Money				
		CIPFA Benchmarking: Finance (TBC)		
Monitoring of Savings and Efficiency Programmes ( <b>Service Based Review</b> )				
	<p>Operational Property Review update</p> <p>Progress on implementing departmental Facilities Management review recommendations</p> <p>Asset Management Review update</p> <p>Economy, Efficiency and Effectiveness Health Checks</p>			

<b>Meeting</b>	<b>Date</b>
Efficiency and Performance Sub Committee	21 March 2018
<b>Subject</b> Economy, Efficiency and Effectiveness Health Checks	
<b>Report of</b> Kate Smith, Head of Corporate Strategy & Performance, and Caroline Al-Beyerty, Deputy Chamberlain	
<b>Report Author</b> Kate Smith, Head of Corporate Strategy & Performance and Mark Jarvis, Head of Finance	<b>For information</b>

## Summary

This paper provides an update on the methodology and reporting mechanism for departmental Economy, Efficiency and Effectiveness Health Checks (EEE Health Checks) that was approved by Summit Group in February 2018. It was designed to represent good practice, drive continuous improvement, optimise use of resources and ensure that the benefit of carrying out such health checks significantly outweighs their administrative burden. This means that the amount and quality of data contained in the health checks will vary significantly by department this year but that the information will improve as corporate performance data sets and processes are built.

## Recommendation

That Efficiency and Performance Sub Committee:

- Notes the EEE Health Check methodology and reporting mechanism set out.

## Main Report

## Background

1. The EEE Health Check methodology and reporting mechanism set out herein seeks to satisfy three internally generated requirements:
  - i. better alignment of Business Plans to the Corporate Plan, and thereby resources to outcomes, requested by Policy and Resources Committee in November 2017.
  - ii. support for the Efficiency and Performance (Finance) Sub Committee (EPSC) in meeting its duties as set out in its Terms of Reference:
    - “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
    - “To review periodically the performance of each Chief Officer in order to promote efficiency and value for money” and

- iii. delivery of the 2% efficiency savings targeted within the Efficiency and Sustainability Plan shared with the government.
2. In previous years Chief Officers have reported their departments' value for money, defined as the optimal use of resources to achieve intended outcomes, to EPSC using statutory service KPIs. However, Members felt that doing so did not help drive continuous improvement and have requested a different approach be taken.
  3. The Chief Officer Peer Review (COPR) - another stated deliverable in the Efficiency and Sustainability Plan and currently nearing completion - was designed in part to meet this request.
  4. The EEE Health Check methodology set out here follows on from preparations for and discussions held within the COPR. Furthermore, the reporting mechanism proposed can be incorporated into the mechanism for reporting on the outputs of the COPR previously agreed with Summit Group and EPSC.

## Methodology

5. The National Audit Office refers to three key elements when assessing the value for money of government spending:
  - a. **Economy** – minimising the cost of resources used or required (*'spending less'*)
  - b. **Efficiency** – the relationship between the output from goods and services and the resources to produce them (*'spending well'*) and
  - c. **Effectiveness** – the relationship between the intended and actual results of spending (*'spending wisely'*).
6. A short list of questions has been designed around these three areas that serves as a prompt to departments to help clarify the information that should be collated in order to demonstrate the economy, efficiency and effectiveness of the service. These can be found at **Appendix 1**. Business Planners have been asked to work with Heads of Finance and management teams to pull together existing KPIs and benchmarking data with relevant, contextual information and a forward look as part of their Business Plans for 2018-19.
7. To test the questions and provide a worked example, a pilot has been completed by the Department of Community & Children's Services. As a publicly-facing service function with significant pressures and reporting requirements and readily available benchmarks, this has been a much more comprehensive review that would be possible or expected in other

departments. It has since been shared with all Chief Officers along with a previous version of this report.

8. Consultation with departmental SMTs and finance business partners suggests that this may be more challenging in some areas of the business than others, particularly where availability of appropriate benchmarking data is limited or non-existent. Summit Group acknowledged that the amount and quality of data contained in the health checks will vary significantly by department this year but that both will improve as performance data sets and corporate processes are built and improved upon during 2018-19 and beyond.

### **Reporting mechanism**

9. It was agreed that all improvements identified in the health checks be shared with SMTs and finance Business Partners and that high-level findings and progress with these be presented alongside departmental Business Plans for review by Service Committees and within corporate performance reports.
10. As with the outputs of the COPR, it was agreed that all improvements identified be reported to Summit Group and that Summit Group recommends which departments might benefit from further consideration of their EEE Health Check by EPSC. This responds to the Chairman of Finance's previous recommendation that this would be a better use of the sub committee's time than spending more than a year working through a cycle of reports from all departments.
11. This means that as with the COPR, outputs will not be reported to Members for each department, but rather an overview of the outputs of the process will be reported with the intention that new cross-cutting themes for improvement will be identified.

### **Corporate and Strategic Implications**

12. The draft Corporate Plan, 2018-23, approved by the Court of Common Council in March 2018, commits us to unlocking the full potential of our many assets, including our funds. Put another way, it commits us to delivering value for money in everything we do.
13. This includes how we go about carrying out health checks, so we must be proportionate and ensure that the benefit of carrying out such health checks significantly outweighs their administrative burden. To help ensure that this is the case, it was agreed that the departmental health checks are delivered within existing resources.

## **Conclusion**

14. Considerations of departments' economy, efficiency and effectiveness are key tools in driving continuous improvement. To optimise their benefits the methodology used and reporting mechanism must also be proportionate and represent a good use of funds and resources. The proposal agreed by Summit Group and set out here seeks to ensure that this is the case.

## **Appendices**

1. List of questions posed within the Economy, Efficiency and Effectiveness Health Check



## **Appendix 1: List of questions posed within the Economy, Efficiency and Effectiveness Health Checks**

### **Guidance & Prompt Questions to establish Baseline**

The extent to which resources expended can be justified on the basis of what is achieved can be determined by investigating three factors:

Economy: the level of resources required to produce an input

Efficiency: the relationship between the inputs used to deliver a service and the level of activities delivered (the output)

Effectiveness: the relationship between the intended and actual outcomes of a service, project, or programme.

#### **1. SERVICE SUMMARY**

Table identifying gross & net spend in each area of the business (with FTE's), alongside a very short description of the outputs & outcomes for the service.

#### **2. ECONOMY**

- a. How well do you comply with Procurement Regulations? – inc. CPS statistics/rankings on waivers & PO's.
- b. How has the department been involved in the Operational Property Review? What property rationalisation is expected in the next 12 months?
- c. Comparison of level of spend today with previous years – what have been the main drivers of change?
- d. Which major (>£250k) Capital Projects have completed in the last 12 months and what percentage were on or below budget. Are there any common themes from Gateway 7 reports that need to be acted on?

#### **3. EFFICIENCY**

- a. How does the cost of your service compare to other providers in the sector/market? (external benchmarking)
- b. Which areas of the business have you reviewed the method of provision of in the last 12 months? (Committee reports referring to Commissioning decisions)
- c. Which areas of the business are you planning to review in the next 12 months?

#### **3. EFFECTIVENESS**

- a. How do you currently measure and report on the effectiveness of the various aspects of your service?
- b. Customer feedback – how do you measure it and what is it telling you?
- c. Which areas are difficult to measure and why? What are you doing to develop those areas in the next 12 months?

#### **CONCLUSION**

- a. For which areas of your service will you be carrying out an EEE Health Check in the next 12 months?

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