



Efficiency and Performance Sub (Finance) Committee

Date: WEDNESDAY, 23 MAY 2018
Time: 1.45 pm
Venue: COMMITTEE ROOMS - WEST WING, GUILDHALL

Members: Jeremy Mayhew (Chairman)
Deputy Jamie Ingham Clark (Deputy Chairman)
Randall Anderson
Alderman Robert Howard
Paul Martinelli
Hugh Morris
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 21 March 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. **CORPORATE AND BUSINESS PLANNING UPDATE**
Report of the Head of Corporate Strategy & Performance.
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 21 March 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. **EFFICIENCY PLAN UPDATE - CROSS-CUTTING PROGRAMMES**

Joint report of the Town Clerk and Chamberlain.

For Information
(Pages 23 - 26)

13. **DEPARTMENTAL MONITORING**

For Information

- a) Department of Community and Children's Services (Pages 27 - 34)

Report of the Director of Community and Children's Services.

- b) Department of Open Spaces

Report of the Director of Open Spaces.

To Follow

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

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

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EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Wednesday, 21 March 2018

Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee held at Guildhall, EC2 on Wednesday, 21 March 2018 at 1.45 pm

Present

Members:

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

Officers:

John Cater	-	Town Clerk's Department
Peter Kane	-	Chamberlain
Caroline Al-Beyerty	-	Chamberlain's Department
Paul Wilkinson	-	City Surveyor
Kate Smith	-	Town Clerk's Department
Ian Dyson	-	Commissioner of the City of London Police
Dave McGinley	-	City of London Police
Geoff Parnell	-	Chamberlain's Department

1. APOLOGIES

Apologies were received from Alderman Peter Estlin, Alderman Matthew 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

The Town Clerk proposed a drafting change to Item 6:

i) the finalised single top sheet went to all Members at the Court of Council meeting in February, *not* "all Committees"

RESOLVED – that further to the change above, the public minutes of the meeting held on 30 January 2018 be agreed as an accurate record.

4. OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS

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

RESOLVED – That the Committee notes the report.

5. **WORK PROGRAMME FOR FUTURE MEETINGS**

Members considered a report of the Town Clerk which set out the work plan for future meetings.

Members suggested that the Town Clerk and the Chamberlain restructure future iterations of the Work Programme to incorporate the following:

- i) merge the specific departmental focus line with the commercial income generation opportunities line and the Monitoring of Savings and Efficiency Programme (SBR) line
- ii) under the specific departmental focus select (and confirm) a maximum of two Chief Officers for each meeting
- iii) populate the continuous improvement line with more detail for future meetings
- iv) include reference to the non-public outstanding item concerning the City Surveyor's "Table of Opportunities"

In addition, given the late withdrawal of the Director of the Department of the Built Environment at today's meeting, Members were keen to ensure that officers were providing the requisite support to Chief Officers when preparing their departmental presentations for the Sub-Committee. Chief Officers should produce a written report as a matter of course.

Furthermore, the Chamberlain updated Members on the items under the Monitoring of Savings and Efficiency Programmes (Service Based Review) line:

- i) **Operational Property Review (OPR)**, will be reviewed by the Corporate Asset Sub Committee (CASC)
- ii) the **Asset Management Review** would take place throughout the year
- iii) a final report on the **Facilities Management review** will be produced for the Sub-Committee for the 23rd May meeting (TBC)

RESOLVED – That Members note the report.

6. **ECONOMY, EFFICIENCY AND EFFECTIVENESS HEALTH CHECKS**

Members received a Joint Report of the Chamberlain and the Town Clerk concerning the Economy, Efficiency and Effectiveness (EEE) Health Checks.

Members reiterated that existing Key Performance Indicators (KPIs) were not, on their own, an effective way to measure departmental targets, and so welcomed the Report and the initiative behind EEE health checks as a step in the right direction.

Additionally, Members emphasised that an ongoing concern had been the way Business Plans had, hitherto, been approved virtually on the nod. Officers had to take "ownership" of the Plans as a "living document", and Members should be given more help in scrutinising these Plans.

Officers emphasised that progress had been slow due to the availability of appropriate benchmarking and performance data; this varied significantly across departments, but, as the process beds in over 2018-19, it was anticipated that this will improve – “small steps at the micro level are being made, the macro level is not quite there”.

Furthermore, Members asked the Chief Officers present at the meeting how effective were the Chief Officers Peer Reviews (COPR); officers were of the view that these sessions were helpful, as “talking and sharing” is a useful process. The challenge now was to identify ways in which their departments can work together across the piece, and how effective challenge could be provided in future.

RESOLVED – that Members noted the Report.

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

There were no questions.

8. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no items of urgent business.

9. 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.

10. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED - That the non-public minutes of the meeting held on 30th January 2018 be agreed as an accurate record.

11. OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS

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

RESOLVED – that Members note the report.

12. DEMAND AND VALUE FOR MONEY REVIEW/TRANSFORM PROGRAMME - PROGRESS UPDATE

Members received a Report of the Commissioner of the City of London Police.

13. DEPARTMENT OF THE BUILT ENVIRONMENT - VALUE FOR MONEY AND EFFICIENCY REPORT

This item was deferred.

14. **OPERATIONAL PROPERTY REVIEW - PROGRESS REPORT**
Members received a Joint Report of the Chamberlain and the City Surveyor.
15. **PROGRESS ON IMPLEMENTING DEPARTMENTAL FACILITIES MANAGEMENT REVIEW RECOMMENDATIONS**
Members received a Joint Report of the Chamberlain, the Town Clerk and the City Surveyor.
16. **ASSET MANAGEMENT - SERVICE BASED REVIEW UPDATE**
Members received a Report of the City Surveyor.
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 3.45 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	Contract Management Corporate Supplier Scorecard The Sub Committee to receive reports on performance against the high-level categories.	Chamberlain	July 2018	Initial performance report will be submitted to July Sub Committee
2.	March 2018	a final report on the Facilities Management review will be produced for the Sub-Committee for the 23rd May meeting (TBC)	Geoff Parnell	July 2018	Report is now due to be submitted for July meeting of the Sub to coincide with the final meeting of the Facilities Management Board.

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Efficiency and Performance Sub-Committee – Work Programme

Meeting:	21/3/18	23/5/18	13/7/18	11/9/18	5/11/18
Continuous Improvement (Efficiency and Sustainability Plan)					
	Economy, Efficiency and Effectiveness Health Checks Operational Property Review – Progress Report Progress on Implementing Departmental FM Review Recommendations Asset Management – SBR Update	Proposed cross-cutting review programme	City Surveyors Department's Table of Opportunities for Further Efficiencies (Paul Wilkinson) Progress on implementing departmental Facilities Management review recommendations Asset Management Review update		
Specific Departmental Focus & Commercial/Income Generation Opportunities					
	City of London Police	Open Spaces / Community & Children's Services	Barbican/Built Environment Contract Management Corporate Supplier Scorecard – initial performance report	City of London Police/ <i>One of:</i> Comptroller/ Mansion House/ Markets and Consumer Protection	<i>Two of:</i> Comptroller/ Mansion House/ Markets and Consumer Protection
Outcomes and Performance (Benchmarking)					
		Corporate and Departmental Business Planning: - Corporate Plan reporting (for info)	Business Planning Process		

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Meeting	Date
Efficiency and Performance Sub Committee	23 May 2018
Subject Corporate and Business Planning Update	Public
Report of Kate Smith, Head of Corporate Strategy & Performance	
Report Author Kate Smith, Head of Corporate Strategy & Performance	For information

Summary

This paper provides an update on changes with respect to corporate performance management processes and suggests how this Sub Committee might best use these to drive the efficiency and performance of the organisation.

The ultimate aims of the changes are to drive value for money and to help the organisation become more collaborative, innovative and agile. They will do this in two ways:

- i) By enabling officers to provide Members with the best possible information and advice; and
- ii) By making it as simple as possible for ideas, learning and achievements to be shared, assessed and progressed.

The changes encompass a new corporate performance framework; revisions to project and programme management assurance processes; a refresh of the Corporate Risk Register in light of the new Corporate Plan; and the ongoing development of financial performance dashboards.

The objective is to streamline these governance processes into a single corporate governance system that works both for senior officers accountable for recommending decisions to Members and for officers responsible for doing the work.

Main Report

Background

1. The five pieces of information Members need to make good decisions are:

- I. what the corporate goals are;
- II. current and expected performance levels against those goals;
- III. the level of risk for each goal;
- IV. how well work is being designed, planned, managed and resourced to support achievement of the goals; and
- V. how performance might change as a result of proposals on the table.

I - Corporate goals

2. The Corporate Plan 2018-23, approved by the Court of Common Council in March 2018, sets out three strategic objectives – to contribute to a flourishing society, to support a thriving economy and to shape outstanding environments – and describes each in terms of four outcomes that we’re aiming for as an organisation. This gives us a set of twelve ‘currencies’ and ‘directions of travel’ against which we can track our performance at a corporate level.
3. Further to this, we have financial goals which are set out within annual budgets and the Medium Term Financial Plan.

II – Current and expected performance levels against the goals

4. Financial performance management against targets and budgets is already carried out by the City Corporation and the Chamberlain’s department is already beginning to use this data to develop dashboards.
5. To evaluate performance against outcomes, need a defined set of SMART impact targets for each outcome and to measure performance against them. This will be done by collating target and performance information from Business Plans.
6. The introduction, in January 2017, of the two-page, high-level summary Business Plans, which required inclusion of all high-level activities (including development activities and those where they were supporting rather than leading workstreams) and measures of success that related to the outcomes (or ambitions) the department was aiming for, was a first step towards being able to evaluate performance at a corporate level.
7. The Court of Common Council approval, in March 2018, of a revised template for the two-page, high-level summary Business Plans, which now requires departments to state which of the twelve Corporate Plan outcomes they are aiming for and include measures of success that align discretely (one-to-one rather than blended) with them was a second step.
8. With this information, Members and officers will be able to do two things, the former being the remit of this Sub Committee and the latter the remit of Policy & Resources Committee:
 - i. to identify where and investigate why performance is off-track; and
 - ii. to influence relative performance by allocating new resources or re-allocating existing resources.

The extra information that will help this Sub Committee fulfil this role is set out in section IV below.

III – The level of risk for each outcome

9. In 2017, Zurich plc was commissioned to assess risk appetite of Members and senior officers across the City Corporation. Zurich plc is now helping refresh the Corporate Risk Register to align with the new Corporate Plan. This work will ultimately give accountable officers and Members visibility of current risk levels and appetites for each outcome and, if needed, commission a 'drill down' into operational data to see what is driving the risk level and what could be done to make it more acceptable. (A 'higher than' risk appetite level may indicate that our mitigation efforts need increasing whereas a 'lower than' risk appetite level may indicate that we can take more risks and drive innovation.)
10. The changes planned include embedding actions arising from corporate and departmental risk registers within departmental Business Plans to enable such 'drill downs' at pace.

IV – How well work is being designed, planned, managed and resourced

11. Picking up from paragraph 8. above, to drive performance improvement, officers are using an 'outcome chain' approach', as described in the paper to the last meeting of this Sub Committee Summit Group, entitled 'Economy, Efficiency and Effectiveness Health Checks', to provide insight into:
 - How well inputs (resources) are being used – **economy**
 - How well activities (operations) are being managed – **efficiency**; and
 - How successfully outputs (results) are being converted into impacts on outcomes – **effectiveness**
12. As with the other assessments described in sections II to V, this approach can be used to provide a fairly light-touch* assessment across all corporate outcomes, departments and strategic workstreams to show where improvements might be made, or to share the benefits of innovations and good practice, and commission work to that effect. (* 'Light-touch' when compared to zero- or activity-based budgeting approaches.)
13. As set out in the paper on EEE Health Checks, all improvements identified in the health checks will 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. It was also set out that, as with the outputs of the Chief Officer Peer Reviews, all improvements identified would be reported to Summit Group and that Summit Group would recommend which departments might benefit from further consideration of their EEE Health Check by this Sub Committee. As economy and efficiency information is largely financial, these areas will be of particular interest to EPSC, whereas effectiveness data will be more relevant to Service Committees and Policy and Resources.

V – How performance might change as a result of proposals on the table

14. Within the proposed corporate performance framework and revised project and programme gateway process, officers proposing strategies and projects must set out how these are expected to impact on discrete corporate outcomes. They must also provide assurance that all related inputs, high-level activities and impact measures will be embedded within the relevant departments' Business Plans and that any additional capacity and / or capability needs will be met. A gateway has also just been added that requires projects to be signed-off before they are absorbed into Business Plans so that assurance can be given that these (and other) elements have been thought through and pinned down.
15. We also need negative impacts to be captured however, which means if the proposals put forward might affect our ability to deliver existing or emerging pieces of work or outcomes, this too will need to be outlined and its impact on outcomes captured. With this information in place, the expected (positive and negative) impacts of a proposal can be overlaid on current performance projections to show officers and Members the likely effects of approving the proposal.
16. Comparison of the overlays of different proposals will allow both groups to see which of the proposals on the table, or which combination of proposals, is most likely to best meet the performance challenges we face, thereby allowing them to recommend or make good decisions and, if necessary, to prioritise.
17. The Corporate Strategy & Performance Team is currently working on a new way of prioritising the allocation of resources based on a matrix approach, which plots importance and impact ('Should we in principle?') against capability and capacity ('Can we in practice?').
18. Other existing templates and forms that fall within the scope of the work set out in this paper will also be revisited, user-tested and revised as the streamlining of workstreams into one corporate governance system progresses. The Head of Corporate Strategy & Performance is chairing a Task & Finish Group which is responsible for delivering these changes.

How the information will look and what EPSC will see

19. The Corporate Strategy & Performance Team is also in the process of developing a dashboard approach based on the Balanced Scorecard methodology that, once populated with performance against outcomes, risk and EEE Health Check data, will cover all five pieces of information set out above.
20. The figure overleaf shows the proof-of-concept dashboard built in MS Excel including tabs to drill down to individual measures. Once this approach has

been fully scoped, the suite for the entire City Corporation will be built on a software platform more appropriate to the task and rolled out to departments.

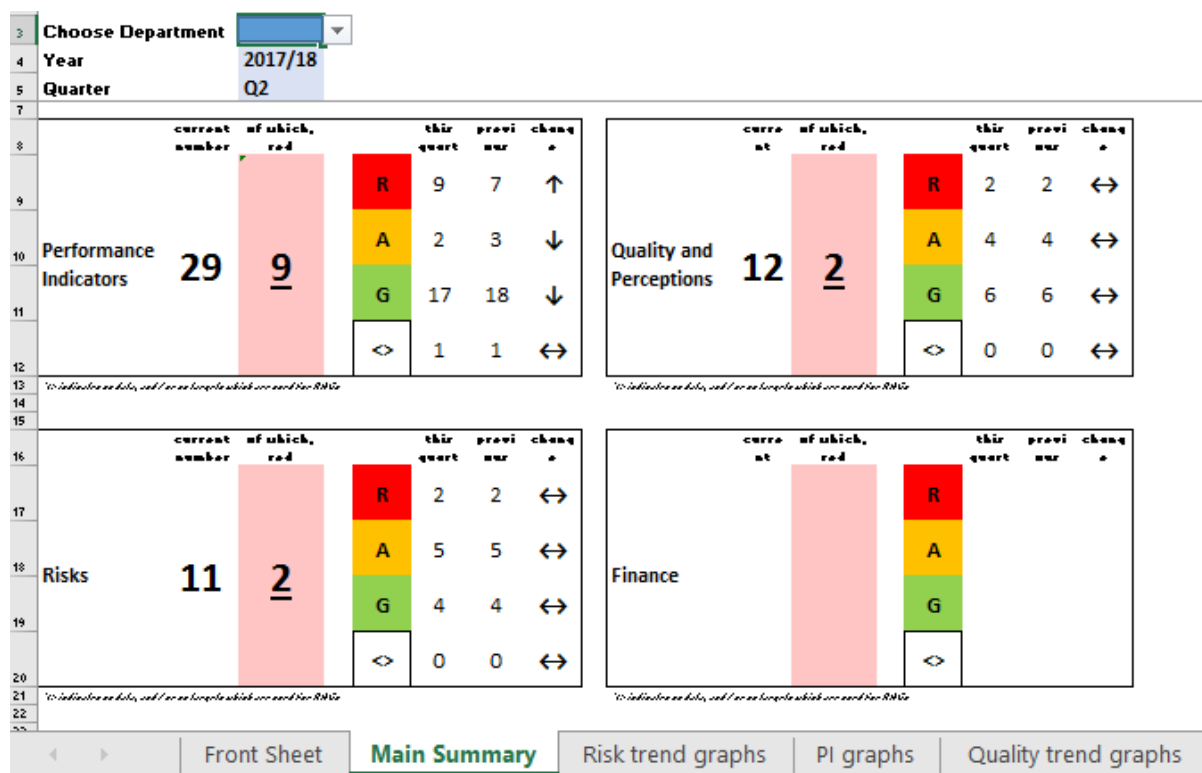


Figure 1: Part of the prototype departmental dashboard/scorecard

21. Over time we could achieve a much more detailed and robust picture giving the full array of expected (or, rather, projected) impacts using Business Intelligence. This represents a shift from merely monitoring to using analysis and insight to drive performance improvement.

Corporate, strategic and financial implications

22. As stated in the Corporate Plan, we have committed to using our data as an asset and being relevant and radical as an organisation. To that end, Summit Group has also identified that we need to drive collaboration, innovation and agility. This report sets out proposals for fulfilling those commitments.
23. The pace at which the changes identified can be implemented will depend on the availability of corporate performance data which in turn will depend upon how far departments have progressed with identifying outcome measures and putting processes in place to collect and report them. However, the benefits of the approach have been emerging since the beginning of the Corporate Plan refresh process and will continue to build incrementally as more officers (and Members) ask more good questions and strive to achieve more. Year one will be used to build baselines, benchmarks and targets and will reveal the degree of challenge ahead. It will also be used to bring the business planning cycle in line with budget allocation timetables. The next update will set out how this will be done.

Conclusion

24. For the first time, we can have access to data and technology that can tell us, in a digestible format, how well we are doing with delivering on our corporate aims and what we can expect to happen next. The challenge of moving to this new way of working however is not small - the systems underpinning it need building and combining and the skills and behaviours our staff need to service it need developing. Furthermore, if we decide to take this route, the work needs to be done in a way that ensures that the benefits significantly outweigh the administrative burden.
25. The technology to support such an approach is expected to develop significantly over the period of the Corporate Plan. With tenacity of vision and continued investment, it is expected that it will take the full five-years for the approach outlined to be developed fully. It is hoped that the City Corporation can be a pioneer and exemplar in this field and help other complex organisations drive their own performance, for their own sakes and so that they can work better with us to achieve our shared goals.

Appendices

None

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

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