



Corporate Services Committee

Date: WEDNESDAY, 18 OCTOBER 2023

Time: 11.00 am

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

Members:

Deputy Alastair Moss (Chairman)	Alderwoman and Sheriff
Florence Keelson-Anfu (Deputy Chairman)	Dame Susan Langley
Deputy Randall Anderson	Gregory Lawrence
Deputy Keith Bottomley	Deputy Charles Edward Lord
Alderman Sir Charles Bowman	Catherine McGuinness
Deputy Henry Colthurst	Timothy James McNally
Anthony David Fitzpatrick	Tom Sleigh
Steve Goodman	Mandeep Thandi
Deputy Christopher Hayward	James Tumbridge
	Deputy Philip Woodhouse

Enquiries: Matthew Stickley, Governance and Member Services Manager
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Ian Thomas CBE
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**

To agree the public minutes and summary of the meeting held on 6 September 2023.

For Decision
(Pages 5 - 10)

4. **FORWARD PLAN**

Report of the Chief Operating Officer.

For Information
(Pages 11 - 12)

5. **REWARD REFRESH**

Report of the Chief Operating Officer.

For Information
(Pages 13 - 20)

6. **TARGET OPERATING MODEL (TOM) - FINAL REPORT**

Report of the Chief Strategy Officer.

For Information
(Pages 21 - 58)

7. **APPRAISAL UPDATE**

Chief Operating Officer to be heard.

For Information
(Verbal Report)

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

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

Part 2 - Non-Public Agenda

10. EXCLUSION OF THE PUBLIC

MOTION - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business 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

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

12. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

Part 3 - Confidential Agenda

13. CONFIDENTIAL MINUTES

To agree the confidential minutes of the last meeting held on 6 September 2023.

For Decision
(To Follow)

14. CONFIDENTIAL MINUTES OF THE SENIOR REMUNERATION SUB-COMMITTEE

To receive the confidential minutes of the last meeting of the Senior Remuneration Sub-Committee held on 6 September 2023.

For Information
(To Follow)

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CORPORATE SERVICES COMMITTEE **Wednesday, 6 September 2023**

Minutes of the meeting of the Corporate Services Committee held at Guildhall on
Wednesday, 6 September 2023 at 11.00 am

Present

Members:

Deputy Alastair Moss (Chair)
Florence Keelson-Anfu (Deputy Chairman)
Deputy Randall Anderson
Deputy Keith Bottomley
Alderman Sir Charles Bowman
Steve Goodman
Deputy Christopher Hayward
Deputy Charles Edward Lord
Catherine McGuinness
Timothy James McNally

Officers:

Ian Thomas	- Town Clerk and Chief Executive
Greg Moore	- Town Clerk's Dept.
Matthew Stickley	- Town Clerk's Dept.
Michael Cogher	- Comptroller and City Solicitor
Emma Moore	- Chief Operating Officer
Fay Johnstone	- Chief Operating Officer's Dept.
Aliston Littlewood	- Chief Operating Officer's Dept.
Cindy Vallance	- Chief Operating Officer's Dept.
Katie Foster	- Remembrancer's Dept.

1. APOLOGIES

Apologies were received from Alderwoman Susan Langley, Mandeep Thandi, James Tumbridge, Deputy Henry Colthurst and Anthony Fitzpatrick.

The Chairman reordered the agenda to take item 19 – Confidential Item – as the final item of business.

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

There were no declarations of interest.

MINUTES

RESOLVED – That the public minutes and summary of the meeting held on 12 July 2023 to be approved as an accurate record subject to the following amendment(s):

- 1) That officers Alison Littlewood and Pauline Shakespeare be listed as having attended the meeting.
- 2) That minute 11, which erroneously duplicated the text of minute 12, be updated to as to read:

Members received a report of the Chief Operating Officer concerning work being undertaken to address the risk of non-compliance with centrally managed mandatory training for employees.

The committee discussed the completion rates of mandatory training, noting that the report outlined the arrangements for all-staff mandatory training only and not departmental or role-specific training.

The committee recognised the need for mandatory training not to be overly burdensome or lengthy and welcomed training data being reported back to the committee on a regular basis.

RESOLVED: *To note the status of centrally managed mandatory training compliance and the City Corporation's approach to continue to ensure continued improved compliance.*

4. CORONERS 2023/24 PAY SETTLEMENT

The committee received a report of the Chief Operating Officer concerning the coroners' 2023/24 pay settlement.

RESOLVED –

1. That the salary and day rates of the Senior Coroner and the day rate of the Assistant Coroners are increased by 3.5% with effect from 1 April 2023 in line with the JNC agreement.
2. That for future pay awards, the Corporate Services Committee authorise the Chief Operating Officer in liaison with the Chief People Officer and Executive Director of Environment to implement the award.

5. MINUTES OF THE JOINT CONSULTATIVE COMMITTEE

RESOLVED – That the public minutes and summary of the meeting of the Joint Consultative Committee held on 4 September 2023 be noted.

6. CORPORATE SERVICES COMMITTEE FORWARD PLAN

RESOLVED – to note the forward plan.

7. **REVENUE OUTTURN 2022-23**

The committee received a report of the Chamberlain regarding the revenue outturn for the 2022-23 financial year regarding services overseen by the Corporate Services Committee.

RESOLVED – to note.

1. Revenue outturn for 2022/23 showing an overall favourable variance to final budget of £1.034m.
2. Yet to be agreed carry forward requests of local risk budgets of £0.188m to 2023/24.

8. **STRIKES (MINIMUM SERVICE LEVELS) ACT 2023**

The committee received a report of the Remembrancer regarding the Strikes (Minimum Service Levels) Act 2023.

RESOLVED – to note the report.

9. **EMPLOYEE RIGHTS ACTS**

The committee received a report of the Remembrancer regarding several Acts of Parliament which had received Royal Assent earlier in the year.

RESOLVED – to note the report.

10. **CHIEF OFFICER & SENIOR MANAGEMENT GROUP RECRUITMENT PROCEDURE**

The committee noted that a full report on the Chief Officer and Senior Management Group recruitment procedure would be brought to a future meeting of the committee and that the update would therefore be deferred to said meeting.

11. **STAFF APPRAISAL COMPLETION RATES UPDATE**

Officers provided a verbal update to the committee regarding staff appraisal completion rates. The committee noted that 73% of staff appraisals had been recorded as completed across the City of London Corporation but that the figure was 49% when Corporation institutions were included. It was noted that work was underway to improve the completion rates for institutions over the coming months.

The committee welcomed the increased completion rates but expressed its concern that staff within the Corporation did not have completed appraisals and agreed that a session be held in due course for members and officers to discuss how to improve appraisal completion rates.

RESOLVED – that the staff appraisal completion rate for 2023/24 civic year be set a target of 82%.

QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

A question was asked about the support offered to staff who were subjected to abuse by members of public, what data was captured regarding such incidents, and whether a policy regarding the management of such incidents was regularly reviewed.

In response, the Chief Operating Officer confirmed that data was collected through health and safety reporting but that the reporting of incidents was not consistent. It was noted that the City of London Police Force and public-facing institutions and services often had bespoke local arrangements, but that a report would be brought back to the committee on the matter.

13. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

There were no urgent items.

14. EXCLUSION OF THE PUBLIC

RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act 1972.

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

There were no questions.

16. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There were no urgent items.

17. BARBICAN STRUCTURE

The committee received a report of the Barbican Centre CEO regarding prospective structural changes to the Barbican Centre staff body.

18. RESOURCE ALLOCATION SUB COMMITTEE AWAY DAY OUTCOMES - PEOPLE

The committee received a report of the Chief Operating Officer regarding the staff-related outcomes of the Resource Allocation Sub-Committee away day.

19. CONFIDENTIAL ITEM

The committee received a report of the Town Clerk and Chief Executive.

20. EMPLOYMENT CASES AND SETTLEMENTS

The committee received a report of the Comptroller and City Solicitor regarding employment cases and settlements.

The meeting ended at 1.25 pm

Chairman

**Contact Officer: Matthew Stickley, Governance and Member Services Manager
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CORPORATE SERVICES COMMITTEE – WORK PROGRAMME 2023/24

	18 October - 23	29 November -23	Provisional 10 January -24	Provisional 21 February -24	Provisional 10 April - 24	Provisional 15 May - 24	Provisional 3 July-24	Provisional 11 September – 24
Standing Annual Items	CSC Forward Agenda	CSC Forward Agenda	Annual Review of the Committee's Terms of Reference Departmental Budget Estimates CSC Forward Agenda Pay Policy Statement	CSC Forward Agenda	CSC Forward Agenda	CSC Forward Agenda	CSC Forward Agenda	CSC Forward Agenda
HR Dept Papers	Reward Refresh Update Appraisal Update – Verbal	HR ERP Delivery Update HR Corporate Projects Portfolio/Performance Update Reward Refresh Update Appraisals - Update on Completion Verbal Transformation Plan update Hays contract Chief Officer and Senior Management Group Recruitment Procedure Quarterly COO Business Plan update	COO's Business Plan 2024/25 (inc HR, Health & Safety and ED&I) Quarterly COO Business Plan update Reward Refresh Update Mandatory Training Verbal Transformation Plan update People Strategy	Reward Refresh Update Workplace attendance HR Transformation Plan Progress Report	Reward Refresh Update Verbal Transformation Plan update	Reward Refresh Update Verbal Transformation Plan update	Reward Refresh Update Verbal Transformation Plan update	Reward Refresh Update Verbal Transformation Plan update
Other Dept's Papers – e.g., MFSSs, restructures etc	Final TOM report	H&S Action Plan	DTC's Business Plan C&CS Business Plan Health & Safety (end-year)	H&S Action – Plan Progress				
Other Committee Business		Update summary/minutes from November JCC						

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Agenda Item 5

Committee(s): Corporate Services Committee	Dated: 18 October 2023
Subject: Reward Refresh	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	8: We have access to the skills and talent we need.
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	
Report of: Emma Moore, Chief Operating Officer and Ali Littlewood, Chief People Officer	For Information
Report author: Fay Johnstone, Assistant Director Reward and HR Projects	

Summary

The Corporate Services Committee approved the delegation to the Town Clerk of decision making on the operational aspects of this reward project at their meeting on 12 July 2023.

This report gives an update on activity since that meeting. It also gives an update on the next steps over the following three months.

The Corporate Services Committee is asked to: -

- Note that the Executive Leadership Board have approved the Design Principles for the project as attached at Appendix 1.
- Note the name change for the project to Ambition 25: My Contribution, My Reward.
- Note the next steps on the project.

Main Report

Design Principles

1. The Executive Leadership Board met on 13 July 2023 (following the Corporate Services Committee workshop on 12 July) and the project team followed up with 121's with every member of the Executive Leadership Board (Departments and Institutions) during July and August to receive feedback.
2. Taking the feedback of the Corporate Services Committee and the Executive Leadership Board into account, the Design Principles as attached at Appendix 1 were presented and approved at the Executive Leadership Board meeting on 13 September 2023.

3. The Corporate Services Committee are asked to note the Design Principles.

Project name

4. The project team have been considering the name of the project “Reward Refresh”. We do not feel that this is quite right for the following reasons:
 - We have received feedback from our employees – across Departments and Institutions – that the word “reward” does not resonate with them. By connecting “reward” to “contribution”, it is felt that this will allay some concerns as the project is not just about pay.
 - The word “refresh” feels that the project is tinkering around the edges, when this project is a root and branch reform to the pay, grading and benefits strategy.

Therefore, the project is re-named Ambition 25: My Contribution, My Reward, which reflects the wording of the People Strategy.

5. The Corporate Services Committee are asked to note the project name change.

Next Steps

6. The project team are coming to the end of the data collection exercise to gather all the job descriptions and structure charts across the Corporation. The data collection exercise will be closed by the end of September 2023 with mitigation activities being put in place for gaps in the information.
7. The team are organising and delivering deep dives into each function within the Departments and Institutions to really understand the breadth and depth of each role within the Corporation. Deep dives will be completed by the end of October 2023.
8. Chief Officers have nominated people within their Departments and Institutions to form the Job Family working group. Workshops will be facilitated by Korn Ferry during November 2023 to commence the development of job families to test and feed into the job family design. This will be completed by the end of November 2023.
9. Role profiles (around 500) for the agreed families will be produced and job evaluated during December and January 2024.
10. In early 2024, draft role profiles will be reviewed, and the process of matching role profiles to job descriptions will be undertaken. It is intended that this work will extend until the end of March 2024.

Communications and Engagement with our People (including Trade Unions)

11. Engagement with our people has commenced. An email to all staff was issued on 20 September 2023, saying:

Dear Colleagues,

We promised to keep you updated on the work we have been carrying out to improve our approach to reward and recognition.

This is a strategically important programme for the whole City Corporation and a key priority for Members of the Corporate Services Committee too. Whilst it won't be a silver bullet for everything we want to achieve, the work is a critical part of our plans to become a world-class employer through our [new Corporate Plan and our new People Strategy](#).

Over the next 18 months, this ambitious programme will help us:

- Benefit from greater clarity and consistency about what's expected of us in different roles.
- Identify where our careers can take us, through clearer career paths that are easier to follow across the City Corporation.
- Ensure fair pay and reward, with clear policies and application in relation to hiring salaries, market supplements, and additional payments.

To support this process, we have commissioned consultants Korn Ferry, who are world leaders in this type of work, to partner with us to deliver these objectives and they will be in contact with departments and institutions over the coming months. Please support them and HR with any information and meeting requests they have.

A dedicated section has been created on [Colnet](#) to set out the background of this programme, more detail on its ambition and where it fits in with our other high-level programmes.

12. More detailed information is available to everyone on Colnet, our staff intranet.

13. The project team have held an initial briefing with the trade unions, and will follow up with monthly briefings to keep them engaged with the project. This will keep them fully updated right up until the point where the Corporation will have to enter into detailed and extensive consultation and negotiation in around Summer 2024.

14. The project team have also held an initial briefing with the whole HR team so that they are also fully engaged with the project and understand the implications for the HR team as a whole (across Departments and Institutions). This, again, will be followed by regular updates.

Corporate & Strategic Implications

15. Strategic implications – It is essential that the Corporation adopts a new reward strategy and pay and grading structure. Failure to do so will put the delivery of the

Corporation's strategic objectives at risk given the notable recruitment and retention challenges we currently have, and the risk of equal pay concerns.

16. Financial implications – there will need to be some provision regarding the overall size of the “pot” to be provided in pay and benefits once all the activities are considered. As the project proceeds, and options are presented for a new pay and grading structure, the financial implications will become clearer. This will be around Spring 2024.
17. Resource implications – Additional (funded, fixed term) posts have been created in the HR service to support the implementation of a new reward system. In-house support from the programme management office, Finance and Internal Communications will also be required, which is yet to be determined. It will be essential to continue to have ongoing support from Korn Ferry to implement the recommendations.
18. Governance implications – Officers will regularly report on progress to the Corporate Services Committee.
19. Legal implications – The Chief People Officer and Chief Operating Officer will work closely with the Comptroller & City Solicitor as detailed proposals are brought forward to ensure that the Corporation continues to meet its employment law duties, particularly those in relation to equalities.
20. Risk implications – There are significant risks to be managed. A comprehensive risk register has been drafted for the programme and is currently under review. However, we will be conducting a full review of all roles and grading to mitigate any risk. This is in common with many organisations who have used a non-industry benchmarked and maintained pay and grading system. This risk will be mitigated by implementing a new job evaluation system.
21. Equalities implications – A comprehensive Equality Assessment will be undertaken as proposals are developed. All decision makers have an obligation to pay due regard to an Equality Assessment before approving any recommendation to introduce new reward arrangements within the Corporation. Any organisational changes proposals must also consider any impacts on under-represented groups.
22. Climate implications – None.
23. Security implications – None.

Conclusion

24. Considerable progress has been made since the project team last reported to the Corporate Services Committee, as described above. The project team are on track to deliver the project into “business as usual” in Autumn 2024.

Appendices

- Appendix 1: Design Principles

Background Papers

The exempt Reward Refresh Update Reports to Corporate Services Committee 19 April 2023, 31 May 2023 and 12 July 2023.

Fay Johnstone

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Final Design Principles

Defining 'what good looks like' for the organisation



	We strive for:	So that
1	Equity	<ul style="list-style-type: none"> • Our definition of work and careers helps every colleague thrive, whatever their background or walk of life. • Decisions about pay and reward are consistent, transparent, and fair in the eyes of colleagues and the law.
2	Empowerment	<ul style="list-style-type: none"> • People are clear of what is expected of them and have the professional space, support and autonomy to work in ways that are proactive, collaborative, and agile. • We are one 'One Corporation'. We enable colleagues to operate and partner effectively across organisational boundaries to deliver better results, whilst embracing the unique qualities of our component parts.
3	Engagement	<ul style="list-style-type: none"> • We retain our distinct organisational identities whilst uniting around the Corporation's shared purpose and culture – where people strive for excellence, encourage trust, and drive innovation. • Colleagues see career pathways within and across job families more easily – understanding what their job offers, where their career could take them, and what it takes to get there.
4	Excellence	<ul style="list-style-type: none"> • There is clarity and consistency about what is expected of different roles at each level, enabled by standardised and future-focused role profiles, while also acknowledging the uniqueness of some of the roles across the Corporation. • We are enabled to identify and target development and retention opportunities for all colleagues, as well as attract talent – securing the Corporation's pipeline of brilliant people and reducing the risk of critical skills gaps.
5	Efficiency	<ul style="list-style-type: none"> • We benefit from a single employer model that delivers an improved, strengths based, internal labour market, where talent flows more easily across the Corporation ensuring that we retain and offer great careers for all our talent. • There is less duplication of effort associated with people related activity and processes across the Departments / Institutions and HR. • Our roles are fit for the future – where we combine our strengths, skills and the power of technology to deliver better results.

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Agenda Item 6

Committee(s): Corporate Services Committee Finance Committee Policy and Resources Committee	Dated: 18 October 2023 24 October 2023 16 November 2023
Subject: Target Operating Model (TOM) – final report	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Chief Strategy Officer	For Information
Report author: Alice Reeves, Assistant Director Corporate Performance & Analysis	

Summary

The Target Operating Model (TOM) was approved by the Court of Common Council in December 2020. It was intended to transform City Corporation leadership and organisational structures. Efficiency savings were required to be made alongside the programme. The TOM has achieved several outcomes: it has implemented an agreed set of Organisational Design principles relating to line management structures, resulting in the restructuring of departments and institutions, and it has refreshed the senior leadership team and created enabling services. Departmental savings relating to the TOM are progressing successfully.

The TOM has been extremely challenging for the organisation. Positive outcomes have been achieved. However, the original design of how the programme was to be delivered, and the sequencing of the programme, combined with the extent of the restructuring changes, has had profound effects on what was ultimately delivered, on staff morale and on some service delivery.

Recommendation(s)

Members are asked to:

- **Note** this is the final Target Operating Model programme report, with a small number of areas to complete their restructuring, anticipated by the end of 2023.
- **Note** that financial savings targets are close to being met, and where not yet delivered are due to be realised in the current financial year.
- **Note** the impact of the Target Operating Model programme on City of London Corporation.
- **Note** lessons learnt from the process of implementing the Target Operating Model, which has been shared with Chief Officers.

Main Report

Background

1. The TOM programme was approved by the Court of Common Council in December 2020. It was intended to transform the City of London Corporation leadership and organisational structures, by aligning resources and priorities, prioritising front-line services, and enabling the organisation to become more agile and efficient. In addition to the TOM, efficiency savings of 12% were required, except City Bridge Foundation (formerly Bridge House Estates) where no savings were required and the Department for Children's and Community Services which required savings of 6%.
2. The TOM programme was originally due to complete by the end of March 2022. However, due to the complexity and scale of the programme, which involved splitting departments into service (front-line) and enabling functions (corporate) and restructuring all departments and institutions, so they align with an agreed set of organisational design principles, this has taken significantly longer.
3. All areas have now completed the design of their restructuring plans (that are compliant with the organisational design principles). Some areas are still in the process of implementing these restructuring plans, these are likely to complete by the end of 2023.
4. The programme did not clearly define objectives and outcomes, except for the cost savings and Organisational Design principles – these have been (or are being) implemented.
5. The interim TOM report (Finance Committee 21 February 2023, Corporate Services Committee 1 March 2023 and Policy and Resources Committee 23 March 2023) outlined the governance for the TOM and what the programme had achieved at the end of 2022. This report focuses on the impact of the programme on the organisation.

Current Position

6. The TOM has delivered several outcomes for City Corporation, including a leadership team more representative of the community it serves, and more consistent line management structures and norms across the organisation as set out in the Organisational Design principles. However, there have been challenges associated with the programme and its delivery.
7. To date, the programme has fallen short of meeting its £17.04m savings target by £0.8m. However, this shortfall is due to be met through savings during the 2023-24 financial year.

8. Departments and institutions were restructured simultaneously, hampering elements of delivery, and is one of the reasons that restructuring was not completed by March 2022 as originally anticipated. This approach also reinforced existing silos and severely impacted upon staff morale.
9. Of the four workstreams originally set up, not all were fully resourced – including that on people and culture. This is central to City Corporation being able to achieve its objectives and has now been separated from the TOM and is being taken forward as part of the People Strategy. Part of this workstream will focus on refreshing the corporate vision, values and behaviours - staff engagement on the People Strategy is already underway.

Outcomes and Analysis

10. The TOM has been disruptive to the organisation and its staff. Moving forward activity on the people strategy, organisational culture, continuous improvement and data will be key to support staff deliver objectives and create efficiency savings. The structural changes created by the TOM, together with the arrival of the new Town Clerk and Chief Executive means that the people elements and culture change can be delivered as an integral part of business as usual.
11. Programme-level equality impacts, metrics and other measures were not defined, so detailed analysis of specific TOM impacts is challenging. It is clear, however, that programme design and ineffective project planning exacerbated the challenges in delivering wide-ranging TOM changes. Enabling functions and support services (predominantly in HR, DITS and Chamberlains) were not scaled up to manage transition which, amongst other things, negatively impacted staff morale.
12. Despite splitting between service and enabling functions, programme activity did not involve reviewing the organisation horizontally and operationally for consistency and duplication, to align the needs of service departments with provision from the corporate centre. This is generating unintended consequences and impacting on potential efficiency gains. It is also reducing interoperability between departments that are already affected by staffing cuts. For several internally facing enabling functions (and some others) it has created uneven workloads and instability across the organisation.
13. Financially, the TOM is close to achieving its targets. Annual savings from the TOM total £16.18m - this has been achieved through redundancy, flexible retirement and holding current vacancies, as well as non-pay savings. The total savings target is £17.04m, leaving unachieved savings of £0.86m. These are being addressed in 2023/24. The target for staffing costs savings was exceeded by £2.84m – reaching a total of total £7.33m.

14. The TOM cost City Corporation £10.045m between 2019/20 and 2021/22 - most of this spend relates to redundancy and flexible retirement costs. There may still be further redundancy costs that are yet to be realised from those areas still implementing staff changes. During this period, costs relating to consultancy spend were £1.51m (for project and programme services provided by external providers). In addition, there are new ongoing salary costs of £1.8m mainly due to staffing changes arising from the TOM.
15. Many lessons have been identified following the TOM. These have been shared with Chief Officers and should be taken into consideration for any future change programmes. Now that City of London Corporation has restructured it is in a better position to manage change.

Proposals

16. Members of Policy & Resources Committee, Corporate Services Committee and Finance Committee to note the status and impacts of the TOM programme - that some restructuring and cost savings activity will continue until the end of the calendar and financial year, respectively – and that there will be no more reports on the TOM.

Corporate & Strategic Implications – The TOM is delivering a more consistent and updated corporate and leadership structure for the organisation. It brings departments to a starting point to deliver transformational change; however, it does not deliver this. The TOM has successfully delivered new leadership structures, but further work is needed for culture change to happen.

Financial implications – TOM savings are still being realised. The general 12% savings applied to budgets totalling £18m. The TOM savings target (linked to staffing reductions) agreed by Court of Common Council in 2020/21 was £4.5m – this is the figure that has been exceeded.

At the time this decision was made, it was not possible to estimate what the TOM savings would be and allocate a target to departments as each department has a different cost base. The TOM target was therefore a range with a minimum value of £4.5m and is part of the overall 12% reduction totalling £18m. In addition to savings, some new and strengthened functions were proposed that required investment (e.g. EDI, Chief Strategy Officer and office of the Chair of Policy and Resources) – these are where the new ongoing staffing costs apply.

Resource implications – Programme management resource ceased in March 2022, so programme support is limited to ensuring governance processes are functioning. This should not affect delivery by the end of 2023.

Legal implications - None

Risk implications – The longer the programme delivery aspect of the TOM process takes, the longer it will take for the organisation to focus on transformational change and realise the benefits of TOM.

Equalities implications – A programme level PSED or EIA was not completed. However, departmental restructuring plans were required to detail EIA implications and, where relevant, PSED assessments and actions.

Climate implications - None

Security implications - None

Conclusion

17. The TOM has been a wide-ranging and complex programme transforming City Corporation structures. New structures have been agreed and implemented or are due to be implemented by the end of 2023.
18. The 12%, or other agreed, cost savings are on track to be achieved by departments and institutions, noting that other cost savings initiatives are now underway given financial pressures.
19. The TOM programme had profound impacts on staff morale. The conclusion of the TOM programme represents an opportunity for City Corporation. The organisation has been restructured, and a new Town Clerk and Chief Executive is in post, with a vision for people and culture within the organisation that will support delivery of collective corporate goals.
20. Any lessons learnt from this TOM should be reviewed and applied in the event of further restructuring programmes being considered.

Appendices

- Appendix 1 – TOM Final Report

Background Papers

None

Previous report to Committee on this subject:

Target Operating Model (TOM) – Interim update report - Finance Committee 21 February 2023, Corporate Services Committee 1 March 2023 and Policy and Resources Committee 23 March 2023

Non-Public report of the Establishment Committee - Court of Common Council – 3 December 2020 (available on request from the Town Clerk's Department)

Alice Reeves

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Target Operating Model: Final Report

October 2023

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Introduction

The Target Operating Model (TOM) was approved by the Court of Common Council in December 2020. The purpose of the TOM was “to update and simplify the structures and ways of working of the City of London Corporation to enable us to be radical, more agile and proactive to withstand both internal and external challenges. Fundamentally, the TOM’s aspiration was to ensure best use of resources to deliver our mission: to create a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK”¹.

The TOM interim update report² was published in early 2023. This summarised where activity had reached by the end of 2022 and what had been achieved, including TOM-related savings, and outstanding activity. Information explaining the context, background, governance and organisational design (OD) principles of the TOM programme can be found in the Interim Report.

This is the final TOM programme report. This report is retrospective and covers the corporate restructure and its impacts. The design phase of the TOM completed earlier this year (the majority of departments completed TOM restructuring in 2021/22); the remaining restructure implementation agreed during the design phase (through Officer and Member governance structures) is underway and likely to complete at end of 2023. OD principles are now widely implemented, meaning there is an opportunity to use the new corporate structures combined with the developing People Strategy, transformational change and organisational culture to address remaining challenges.

The TOM has been extremely challenging for the organisation as, like many complex bodies, the organisation adjusts to post-covid financial realities and adapts for the future. Positive outcomes have been achieved, however, the original poor design of how the programme was to be delivered, and the sequencing of the programme combined with the extent of the restructuring changes, have had profound effects on what was ultimately delivered, on staff morale and on some service delivery.

Measuring TOM outcomes is also challenging. These were not defined from the outset, were not consistently communicated and shifted during the process. Beyond the OD Principles, 12% savings targets (and agreed exceptions or variations), no performance indicators or success criteria were set for the programme. Of the four programme workstreams, only one has a defined outcome, and three were resourced. The analysis in this report consequently focuses on how far the intentions of the workstreams were implemented in the absence of measurable outcomes and any unintended consequences of the programme.

On TOM related finance targets, the cost of the programme to date has been £10.045m, mainly relating to redundancy and flexible retirement costs. The TOM has made annual savings of £16.18m just short of the target of £17.04m. The savings shortfall is being addressed in the 2023/24 financial year; star chambers took place during May/June 2023 to ensure these savings will be delivered. Figures do not include costs for filling roles temporarily where necessary, or buying in services where staff had left (in some cases as a consequence of the TOM).

The TOM has been a catalyst for transformation and reform and is now an opportunity to realign around priorities, both political and from the new Town Clerk and Chief Executive. This will take time and resource to embed. Modernised structures are in place, but investment needs remain, in order to generate and deliver successful outcomes and prioritisation. This report covers:

- 1. TOM outcomes:** analysis of what has or has not worked
- 2. TOM finance review:** the costs and savings associated with the TOM to date, including project costs, implementation costs and all other costs linked to TOM activity
- 3. Restructuring and Head of Profession (HoP) implementation:** an update on areas still implementing OD principles and Heads of Profession with provisional timelines

¹ TOM Steering Group Terms of Reference

² Target Operating Model (TOM) Interim Update – December 2022

4. **Ongoing activity:** activity linked to TOM outcomes being delivered through newer and refreshed workstreams

Part 1: TOM Outcomes

This section focuses on programme delivery and the extent to which the intentions of the TOM were achieved. The programme aimed for wide-scale change, affecting a large number of roles. Programme design hampered delivery, with some support services not being prepared to manage the process. This has had profound impacts that are set out in the first part of this section.

Programme delivery was split into four workstreams. The first three of these were resourced, the fourth was not (with the exception of institutions, see below). Analysis below explores delivery of each workstream.

- a. Tier 1 restructure, talent & leadership
- b. Organisational design
- c. Enabling functions
- d. Ways of working, institutions, behaviours & culture

In addition to restructuring, departments were required to make cost savings (with some exceptions/variations), see part 2: finance.

Scope and programme design

The TOM programme had far-reaching ambitions, with restructuring affecting most roles within the organisation. Restructuring very large complex departments required far reaching changes affecting staff. This is especially true for areas such as Environment where modernisation has required significant change, affecting jobs and livelihoods.

Programme design and ineffective project planning further exacerbated the challenges in delivering wide-ranging TOM changes. Enabling functions and support services (predominantly in HR, DITS and Chamberlains) were not scaled up to manage transition which, amongst other things, negatively impacted staff morale and put additional pressure on these teams.

In particular, the lack of planning for HR capacity needed to support a restructure had major negative impacts. The department was simultaneously required to support restructures while restructuring itself, and was under resourced in the extreme at a point when it played a critical role in supporting restructuring and recruitment. During this process, HR staff were also suffering from restructure related uncertainty about their own roles. This delayed decision making, resulting in some staff suffering very long periods of uncertainty while recruitment and restructuring decisions were made, resulting in City Corporation losing skilled, experienced staff.

Staff were further affected by a hiring moratorium, creating significant secondary pressures on existing roles and impacting on morale and motivation of staff remaining in the organisation. All of these impacts impaired corporate ability to deliver services. Where gaps were addressed through hiring of temporary staff this incurred costs. Where departments were permitted only to recruit to fixed term contracts this resulted in higher staff turnover leading to poor project delivery due to a lack of continuity.

Furthermore, the programme stated an aspiration of culture change but prioritised meeting savings targets. These, alongside implementing Organisational Design Principles (see next section), became the focus of the programme.

The combination of the scale, programme design and workstream structure (further detail below) created complexity in the context of an ineffective delivery structure.

Leadership and management

Workstream 1 focussed on restructuring executive leadership. An independent review of organisational design was conducted by McLean Partnership³. This identified that City Corporation was challenged in its efforts to achieve the Corporate Plan 2018-2023 outcomes. Specific issues identified related to management structures being unfit for purpose and recommendations fed into workstream 1 (Tier 1 restructure) and 2 (Organisational Design). Findings stated:

- Management structure is unwieldy and lacks agility, with the size of the management team too large
- Size and structure of the organisation supports a lack of engagement and reinforces a siloed approach
- Too many tiers of management, particularly between grade F and grade H
- Average span of responsibility for managers is too low
- Span of responsibility for the Town Clerk and Chief Executive is in excess of any meaningful standard norm
- Duplication of roles and responsibilities
- Demographics of the organisation at senior levels does not fully represent the City it serves

Leadership transformation was achieved early. McLean Partnership recommendations identified the need for a slimmed down management structure more representative of the community it serves. The new executive team is more diverse and line management numbers for the Town Clerk and Chief Executive have been adapted in line with new structures. An updated organogram at annex A provides further detail on management structures.

Further detail on the relationship between the institutions and the broader City Corporation, including line management arrangements between the Town Clerk and Chief Executive and Institutions is in the 'Ways of Working' section below.

Organisational design

Workstream 2 dealt with the remaining McLean Partnership recommendations not covered above. These led to the development of the OD principles, used as the guiding structure for transforming departments and institutions.

OD principles

- Create no more than six layers in the organisation (excluding Town Clerk and Chief Executive)
- Create shared management objectives for all senior management grades
- Ensure spans of managerial control will be equalised to one manager per six employees in most circumstances
- Phase out all one to one management responsibility
- Organise our services to create the new operating model, for example reviewing duplication of roles
- Use agreed designations for the most senior three tiers in the organisation
- Create an agreed Establishment for each department and workforce plan so that vacancies are managed and not left unfilled without planned activity

Implementation of the OD principles is still outstanding in a small number of areas (see part 3). However, overall principles have been consistently implemented across City Corporation. Agreed

³ Independent Management Review – McLean Partnership, March 2020

designations are in place for senior tiers of management, standardised spans of management control (phasing out one to one management and limiting one manager to no more than six employees) have in most cases been implemented, with a small number of exceptions where no alternative was practicable. This restructuring has also decreased the number of layers in the organisation. The table in part 3 maps the delivery of the OD principles, updated from the interim report.

Senior leadership ensured that OD principles were adhered to. Chief Officers provided assurance that OD principles were adhered to via the Executive Leadership Board and updated in establishment plans.

Enabling functions & service departments

Workstream 3 was aimed at restructuring City Corporation service provision and aligning corporate resources with service delivery by prioritising front line services and strengthening enabling (corporate) services. This section covers the modernisation that took place within departments and alignment between enabling functions and service departments.

Departments

Outward-facing service departments (DCCS, Environment and IG) were reimagined alongside cross cutting enabling departments providing corporate business support. Beyond splitting functions by type, no work was envisaged (or took place) to align the needs of service departments with provision from the corporate centre.

For several of the internally facing enabling functions the TOM has created uneven workloads and instability across the corporation, with some service responses deemed as not fit for purpose and struggling to fulfil the basics in terms of service delivery. Despite the well-intentioned benefits of the COO department when it was first created, many areas of dysfunction and lack of dynamism are concentrated within the COO function which has had to manage this while creating a new departmental identity. The department includes include Human Resources (HR), Digital, Information & Technology (DITS), Health & Safety (H&S), Markets, Commercial, Project Governance and Equality, Diversity & Inclusion (EDI).

The work that has been undertaken to-date to significantly transform and improve service response includes:

- The TOM process under the COO exposed an underinvestment in the Project Management Offices (PMOs). Teams previously split across Surveyors and the COO were merged, and a review has led to development of proposals for the transformation of our approach. These include the establishment of a professional and appropriately resourced enterprise-wide Portfolio Management Office and merger with the Commercial team.
- Health & Safety was previously split between departments, was under-resourced and pitched at too junior a level. A single team is now led by a Director of Health & Safety at Chartered Membership level for IOSH, with subject matter experts remaining in more complex departments (such as Environment and the Police). The H&S Management System is going through an overhaul process, supported by an external review to make it appropriate for the organisation and resolve limited assurance levels
- Due to the profound restructuring needs of HR (and the importance of their role in delivering outputs following on from workstream 4 below) this area has required transformation funding to rebuild and transform their service effectively - this remains ongoing. The extensive capability gaps identified during the TOM process have now been recruited to.
- The IT Department has been repositioned as DITS (Digital, Information & Technology Services) and a formal operational level agreement is in place with City of London Police under a shared

service model. Changes in leadership have enabled improvements on aged infrastructure and disaggregated systems to enable a better platform for new tech adoption.

- Equality, Diversity & Inclusion became a standalone team with an expanded remit to include service delivery, community and workforce issues. Personnel gaps in the team have meant progress has been focussed on the basics, statutory requirements and re-establishing engagement and approach for the Staff Networks, Dignity at Work Advisor networks and links to delivery departments.

While the majority of these are enabling functions, Markets are not. During the TOM design process initial discussion focussed on locating Markets within City Surveyors. Upon the approval of the Markets Co-location Project as a major project, the project team was incorporated into the Markets division. This operational/project team remains an anomaly within an enabling services department.

Some benefits have been realised for other enabling services, though some areas are still experiencing knock-on challenges:

- Governance & Member Services experienced significant change: here the TOM has allowed for the creation of a few specialist roles where experience and capacity was previously lacking, an innovation that is boosting the department from a local and organisational perspective, particularly in the areas of IT Support and Member Learning & Development.
- The Corporate Strategy function was enhanced under TOM to include corporate risk management, reflecting an intention to develop an integrated and aligned, professional and insight-led approach to strategy, planning, risk management and change to strengthen strategic planning capabilities. However, due to lack of budget allocation for this team (beyond for staffing), there are limitations on what can be achieved. Further investment is necessary to realise the full ambitions of the TOM in relation to developing capability to anticipate change and progress data driven decision-making (see part 4).
- Prior to the TOM it had been identified that there was inadequate support for the Chair of Policy and Resources to properly discharge their duties in the role (which could lead to reputational risks and ineffective relationship and stakeholder management). The TOM and a growth bid created an Office of the Policy Chair which include both a Policy Unit and Private Office directed by the Executive Director and Private Secretary. The Office has established itself as the primary conduit between the Policy Chairman, the Corporation and external stakeholders. The Office supports the Policy Chairman by providing advice, coordinating logistics, and long-term planning. Within the Office of the Policy Chair, the Policy Unit works closely with Chief officers and Members on cross-cutting policy, discrete projects and emerging issues. The Unit helps to articulate and shape the Policy Chair's objectives, translating these goals into tangible programmes and outcomes, collaborating closely with departments across the organisation, and tracking delivery.

Separating the organisation into service and enabling departments has also generated improvements for service departments.

For DCCS the TOM has allowed for key frontline services to be strengthened to meet operational demands and secure the statutory footing of services. This is leading to a reduction of agency staff and associated savings.

The first phase of the Environment TOM (this department required multiple phases to restructure due to its size and complexity) improved the structure in The Commons, making it more relevant and mainstream; in Epping Forest and the Commons it has also driven an update of decades old job descriptions that did not correlate to roles. It has boosted Planning, making the Planning and Development Division more integrated, responsive and agile. By bringing together different areas of work, it has also created a more integrated approach in merging policy formulation and delivery, through schemes encouraging innovation. The City Operations Division brings into one team the whole of the Square Mile, including City Gardens, enabling improved cross team working.

Where this restructure has been less effective is how the restructuring was linked to the Governance Review conducted by the Lord Lisvane⁴. This recommended a reorganisation of Committees to align their identity and structures more closely to the Corporation's needs. Following the TOM the Environment Department in fact gained committees (through the creation of a new sub-committee) and is now required to service 12 committees (Grand and Sub), including five by one single division. Although this could be seen to reflect an increase in responsibility, in reality it translates to a significantly increased workload for fewer staff, adding further pressure to enabling services, in particular finance, where there is no additional resource.

Interdependencies

Despite splitting between service and enabling functions, no work was envisaged (or resourced) to review the organisation horizontally and operationally for consistency and duplication (for example of enablers such as HR or IT functions within Institutions), to align the needs of service departments with provision from the corporate centre. This is generating unintended consequences, impacting on potential efficiency gains. It is also reducing interoperability between departments that are already curtailed by staffing cuts.

The siloed focus of cost reductions led to a loss of capacity in some services, causing a degradation in service provision. Some of this pressure may have been alleviated had the programme explored technological solutions - these could have supported service areas where staffing gaps existed or were created by TOM. Consequences include delays in recruitment and penalty charges due to failure to meet payment deadlines. Having the right number of staff is critical, however some of these challenges may have been better managed by earlier exploration of technological solutions such as e-invoicing and better process development, although noting that our current aged systems need to be addressed before such benefits can be realised.

Duplication of different functions has not been reviewed, and similar roles may be proliferating. Unless duplication is addressed at a corporate level, enabling departments cannot create economies of scale, and are likely either to need to increase budgets, or plan for service degradation. Duplication can also inhibit the development of depth of knowledge within specialist teams – depth which can be a driver for recruitment, development and progression for staff, and which benefits the organisation.

The simultaneous restructuring of departments meant it was not possible to review the needs of service departments, as these were not known. Achieving alignment between supply and demand is necessary to optimise efficiency. If a service area review or change in activities results in growth then logically there is likely to be a knock-on growth requirement for enabling functions - or if, for example, automation is implemented as part of service efficiency, then an increase in IT and transformational support is likely to be required to underpin this.

Feedback from different departments points to demand for enabling services currently outpacing supply in areas such as finance, HR, DITS and legal. Anecdotal evidence suggests less support being available due to reduced capacity and outdated, clunky systems, leading to delays, less rigorous scrutiny and lower levels of support. This results in further delays for users, with associated increases in costs, and a diminished corporate capacity for agility.

Interdepartmental service provision (both for service providers and users) is one area where the TOM programme created or exacerbated inefficiencies that impact upon delivery. For example, service demand and volume of work has not changed for City Surveyor's Department (CSD) though roles have been lost without commensurate resource to make efficiency solutions. There has also been a TOM-driven reduction in resource within the financial services facility, where business partners now cover multiple departments (as opposed to being a dedicated function) and within the

⁴ Corporate Governance of the City of London Corporation, Report of a Review by the Lord Lisvane KCB DL, September 2020

central finance capacity. This has reduced the speed and comprehensiveness of responses to queries, creating a knock-on effect on the ability and agility of CSD to provide its own services internally and externally.

Developing processes that support the design, delivery and management of service provision as a core precept will help build in mechanisms for resolving current arrangements being a drag on efficiency. This is likely to require a review of service needs for all departments and will take a number of iterations before it is resolved, and supply and demand are balanced. Overall, these interdependencies can be greatly improved through better data, specifically management information (MI) data that is shared between departments. Service areas do not currently have the capacity to predict demand: for example DITS has seen significant increase in demand in the past 12 months for software licenses and devices (reflecting the end of the recruitment freeze and post TOM staffing increase). This has led to strain on services and budgets. Developing shared MI that captures upstream changes will improve downstream forecasting, meaning accurate predictions of change can be fed into budget setting by services, who will then be able to match real time demand with increased agility, while minimising service degradation. Overall, this workstream has been successful: in the longer term this will help the organisation create cross-cutting efficiency savings. Where there remain challenges and constraints on delivery, this is due to funding limitations, staffing gaps, a lack of robust shared MI, and because there has been no horizontal review to align service supply and demand. There may be benefits in undertaking this work to improve efficiency.

Ways of working, institutions, behaviours and culture

Following the onset of the pandemic, it was recognised by City Corporation leadership and Members that there was a need for the organisation to be more agile and responsive, make better use of resources including data, and combat existing silos to deliver outcomes.

This workstream brought together many different types of activity and deliverable. For the purposes of clarity, the section has been split into two parts: institutions and ways of working (covering silos and decision-making). As noted above this workstream was not resourced, so no activity took place to develop behaviours and culture. However, due to the importance of corporate culture and behaviours, these are being progressed through the People Strategy – this is detailed in part 4: ongoing activity.

Institutions

There is no specific definition for the term 'Institution' within City Corporation. Each area that is referred to as an institution has different functions, statutory duties and/or structural arrangements and status (such as being a charity).

The TOM aimed to enhance the autonomy and to clarify and optimise the relationship between the institutions and the broader City Corporation. The TOM delivered institutions that are accountable to their boards for delivery of outcomes specific to their institution, and accountable to the Town Clerk and Chief Executive for contribution to wider City Corporation outcomes. The Institution leadership and line management arrangements are detailed below. The City Corporation institutions and Board members will broadly:

1. Be accountable to their own boards for the delivery of outcomes specific to their institution and successful overall performance.
2. Be responsible for the leadership and management of their own teams and accountable for their budgets.
3. Be accountable to the Town Clerk and Chief Executive for contribution to wider City Corporation outcomes

4. The City of London Police Authority Team will report to the Town Clerk and Chief Executive in his capacity as Chief Executive of the Police Authority
5. The Managing Director of the City Bridge Foundation reports to the Town Clerk & Chief Executive but is also directly accountable to the CBF Board, consistent with the charity's governing documents and how the Court manages conflicts of interest as trustee of CBF.

The arrival of the new Town Clerk and Chief Executive in February 2023 saw the following additional outcomes added to the above:

6. The Institution leaders will attend and contribute to the Town Clerk and Chief Executive Chaired City Corporation monthly Executive Leadership Board meeting
7. Undertake the Institution leaders' annual appraisals and objective setting and share the outcomes with the Town Clerk and Chief Executive for comment and sign off
8. Engage the Town Clerk and Chief Executive and City Corporation Comptroller, City Solicitor and Chief People Officer in any conversations of poor performance or misconduct of the Institution ELB member and work within corporate policies

For the purposes of local authority functions the Town Clerk and Chief Executive is, the head of paid service and the chief executive officer across all the Corporation's functions. Accountable to various committees but ultimately the Court of Common Council, the Town Clerk and Chief Executive is responsible for the officer corps including chief officers. Under the scheme of delegation, the powers of any chief officer can be assumed by the Town Clerk and Chief Executive. As the Court's most senior officer he has the power to issue reasonable management instructions to those who report to him and is ultimately responsible for the day-to-day management of chief officers, where such management is required.

Feedback from institutions indicates that the TOM has improved operational effectiveness, increasing focus on distinct business areas, including developing shared services for schools, and more sector specific agility; alongside better regulatory compliance, including with the Charity Governance Code, as relevant.

Ways of Working: Silos

This paper has already indicated that programme design undermined the capacity to deliver intended objectives including breaking down silos. Where horizontal reviews took place there has been success on de-siloing, for example in Markets. Here, the three existing markets were brought together under a single management team, requiring a review of existing roles, resource and activity. This removed duplication, has driven up standards and consistency across the department, delivering more consistent oversight and increased collaboration and creating efficiency savings. This structure now includes the Markets Co-location Project team to ensure a holistic approach between the current and future markets development.

Continuing to improve alignment between enabling functions and service provision will allow for deeper consideration of the City Corporation value chain and increased efficiency within the organisation.

Ways of Working: data & decision-making

The TOM aspired to better use of data for decision-making and the development of a corporate business analytics capability. Again, no workstreams, defined outcomes or channels to deliver these outcomes were developed.

The ability to drive this forward was also hampered by programme design: the CSPT restructure removed technical capability (for PowerBI) from this team and focussed on building analytical

capability. DITS restructuring did not consider where technical capability had been lost, so has not rebuilt this. This has led to a gap in the management of the back-end corporate data. There is also limited capability to drive forward corporate data management and governance or any ethical or financial considerations or opportunities related to this. While unaddressed, this gap is creating data silos and duplication of data, and preventing effective sharing of corporate data.

In 2022, DITS received additional funding to upgrade to the enhanced Microsoft E5 licence for all City Corporation staff. The business case was predicated on the additional security functionality available through E5 with the enhanced licence giving departments access to Microsoft's Business Intelligence tool, PowerBI. This presents an opportunity to make the first step in addressing the proliferation of reporting and business intelligence tools in use across City Corporation and move to a more standardised approach, where the reporting tool and the data itself can be shared more widely.

Transparent data and proactive use of management information to inform decision-making and measure performance is underdeveloped within the organisation, and requires further investment to fully deliver the outcomes intended through the TOM. CSPT and DITS are collaborating to drive improvement: the former is working with individual departments and teams to help identify key data streams to produce management information and performance data upon which to base decisions and in doing so, enhancing corporate analytical capabilities; the latter is taking forward work on a data maturity assessment that will create a baseline and provide recommendations for improvement. More performance focussed activity, reporting and accountability will also be driven through the business planning process, ELB and SLT and the development of a new Corporate Plan that will include the measurement of outcomes, performance monitoring and regular reporting.

Improved data capabilities will generate better management information and enable more effective alignment of activity and resources with corporate outcomes. Data can be used to identify efficiency savings, and automating the use of data will create efficiencies and free up staff to focus on delivering work.

Part 2: TOM finance

Since the TOM was launched, the financial situation for City Corporation has changed. Further cost savings options and measures (including opportunities for income generation) are now required to support new cost pressures being identified – these are outside the scope of this report.

When the TOM was originally agreed, a savings target of £17.04m was set. This was mainly intended to be delivered by salary savings achieved by headcount reduction, however, departments were free to make the savings in the way they saw fit (this could be headcount reduction, income generation or other reductions in spend etc). Specific departmental savings targets were set, with most departments required to make 12% savings, with the exception of Bridge House (no savings required) and DCCS (6% savings).

TOM costs

Between 2019/20 and 2021/22 the totals costs of the TOM were **£10.045m**: most of this spend relates to redundancy and flexible retirement costs

- The total costs for redundancy/flexible retirement to 2022/23 are **£7.9m**
 - There may be further redundancy costs which are yet to be realised from those areas which have not yet finalised their TOM, or are still restructuring – see part 3. These costs are not yet known
- During this period the costs relating to Consultancy were **£1.51m**
 - These costs relate to payments made to external providers for Project and Programme costs
- Additionally there are new salary costs of **£1.8m**
 - These are ongoing and are a result of staffing changes arising from the TOM

TOM savings

The annual savings from the TOM total **£16.183m**

- Of this total, the savings relating to staff costs total **£7.334m**
 - These were achieved through redundancy, flexible retirement and holding current vacancies
 - The target for staffing cost savings was £4.5m; this has been exceeded by **£2.84m**
- The remaining **£8.849m** of savings have been achieved from non-pay initiatives (including income generation)
- The total savings target is **£17.040m**, this leaves unachieved savings of **£0.857m**

The unachieved savings are being addressed in 2023/24. Plans for realising these savings were discussed as part of the Medium Term Financing Plans with Chief Officers at the recent Star Chambers ahead of the RASC away day.

For a detailed breakdown of savings delivered by individual departments, refer to annex F.

Part 3: Outstanding TOM activity

Restructuring and implementation of OD principles

The table below summarises where restructuring remains underway at the time of writing, with best estimates of completion dates. Departments or institutions that are still implementing TOM are required to complete formal governance processes. It is anticipated that the TOM will be completed by the end of 2023, over 18 months after it was originally scheduled to end.

Some areas previously under the Deputy Town Clerk functions now sit with the Town Clerk's department following the arrival of the new Town Clerk and Chief Executive. This was not a TOM-related change and does not affect the OD principles. The table below indicates which areas have not yet completed TOM restructuring. For the full list refer to annex C.

Area	TOM remaining activity
Environment	Phase 2 (Natural Environment Epping Forest and North London Open Spaces) final structure agreed and implementation progressed, expect completion late 2023
City Bridge Foundation	<p>A two-phased approach to designing and implementing the future operating structure of CBF was proposed: Phase 1, focused on embedding a comprehensive leadership team across the charity's primary and ancillary objects and support functions; and Phase 2 focusing on the charity's wider resourcing needs, directed by the newly established leadership team.</p> <p>Phase 1 has been successfully implemented. Key external factors have delayed the full implementation of Phase 2, notably a delay in appointments to the new leadership team, the City Bridge Foundation Supplemental Royal Charter, and the impact of Covid 19 on the work of the charity. To ensure areas that can be implemented earlier than others are progressed, and employee security can be provided where possible, Phase 2 will be treated and implemented going forward on a business-as-usual basis; change estimated over the next 18 months. Any change proposals will align with the City Corporation's design principles and will be undertaken in accordance with appropriate governance.</p>
City of London School City of London Girls School City of London Freemans School	Shared services leadership team completed September 2023, along with most functional posts, with final more junior positions to be staffed in IT and finance by end 2023.
Barbican	<p>A strategic framework has been co-designed with colleagues across the business that focused initially on our purpose and values and which has been used to inform our organisational goals and priorities. We have additionally initiated a piece of work around an audience strategy which presents a market shift in focus. Both pieces of work will enable us the opportunity to understand the resource, size, shape and capability needed to deliver against our aspirations.</p> <p>Alongside the above, to help with organisation review discipline the Barbican has developed an approach and framework to manage organisational reviews in structured/systemised and more disciplined ways that</p>

	<p>includes building in operating model requirements and addresses internal needs. This approach and process has been drawn from best practice and experience and is designed to deliver an improved operating model and organisational structures that ensures the Barbican is fit for the future sustainable, has the right capabilities, agile, adaptable and has a culture that delivers against our strategic framework and priorities.</p> <p>To address immediate challenges and opportunities there are a few operational areas that have been reviewed (these include creative collaboration and marketing).</p> <p>We have also needed to manage a few exits from the organisation including at Director level. The composition of the executive and management level will invariably be impacted. The two director roles that are leaving the organisation are subject to a report to Corporate Services on 6 September 2023, within which we describe our intended response to these changes.</p> <p>We are conscious there is a fair bit of organisation change in parts of the organisation – this is a natural consequence of transformation and whilst we start rebuilding the top layer of the organisation we will start to shape the structures, capabilities and skills for the future we need for the Barbican moving forward.</p>
City of London Police (CoLP)	<p>City of London Police has completed its proposed designs which were discussed at Police Authority Board and its Resource Risk & Estates Committee in May, and Corporate Services Committee in July. Consultation on the proposed model will take place from 29 August to 27 September. Designs will be finalised and implementation will commence from mid-October. Activity is anticipated to be complete at the end of 2023.</p>

Head of Profession: implementation and role development

The role of Head of Profession (HoP) was designed to lead and champion a specific profession across Departments, Services and Institutions. They must ensure the standardisation and development of their enabling service, and influence cross-cutting activity such as risk management within that specific profession. The HoP represents the interests of their profession on a range of issues, such as pay and grading. HoP functions are held alongside day to day posts. Because of the variety of professions, each function requires very different management.

The Interim Report highlighted that the development of HoP roles and responsibilities varied in maturity. This is still the case, though progress is being made in some areas.

A HoP has the remit to look across different areas of the organisation. This could be used to support efficiency by looking at potential duplication of activity and streamlining. Alignment of this profession with other enabling functions alongside a greater integration of risk management, will be critical to the successful delivery of the City Corporation's corporate outcomes and priorities. Activity is now underway on behalf of the Chief Strategy Officer to develop the HoP role, including guidance and advice required on the processes, tools and techniques used in strategy development, business planning, risk management, and measuring and reporting organisation performance designed to improve capability.

HoP activity will be taken forward as business as usual, with HoPs responsible for developing the individual roles and roles within each defined profession within City Corporation, as well as ensuring optimal communications into ELB, relevant committees and other relevant groups. The scope of a HoP and specific authority exercised by each HoP role still require definition, and a clear corporate understanding of the role communicated. For details of the individual HoP roles, refer to annex D.

Part 4: Ongoing activity

As outlined above, some TOM programme workstreams were not resourced, most critically that of People and Culture. To progress these, work is now being taken forward outside the context of the TOM.

People and culture

As already noted, work to develop organisational culture was not completed. As set out above, the TOM has negatively impacted on staff morale. The lack of HR resource (discussed above) slowed down decision making processes resulting in the already low morale surrounding job losses being drawn out and driven further down. This specific lack of resource is also why the workstream on culture and ways of working never gained traction.

Both people and culture are central to City Corporation being able to achieve its objectives successfully. This is why culture change activity will become a workstream of the People Strategy, being delivered by HR. Part of this workstream focuses on refreshing the corporate vision, values and behaviours (led by the Town Clerk and Chief Executive with the involvement of the Senior Leadership Team working with their teams).

The creation of City Corporation's first People Strategy was initiated from an original eight theme framework (see annex E1) approved by Corporate Services Committee in December 2022. Engagement occurred across City Corporation in spring 2023 and this work, also informed by the results of recent employee surveys, has led to a refinement down to five core themes (E2): My Contribution, My Reward; My Wellbeing & Belonging; Effective Leadership; My Talent & Development; Modernising & Transforming our City Corporation. Work will continue through autumn to engage our employee and member communities in the continued development of the People Strategy and to connect it fully with the new Corporate Plan. Our intention is to publish the People Strategy by April 2024. Associated vision and values engagement work will commence from early 2024. Following review by the Corporate Services Committee, Policy & Resources Committee and Court of Common Council, we hope to also communicate our final vision and values by summer 2024.

Employee surveys

An all-employee survey was undertaken in spring 2022, with all areas within City Corporation responsible for taking forward actions from that initial survey. Since then two additional internal pulse surveys have taken place: one on Reward (feeding into a larger Total Reward Project) and one on Workplace Attendance. A second all-employee survey is planned for 2023/2024, building on the 2022 survey. Consistency between surveys enabling progress tracking will be a critical, though it is expected that some modifications are likely. Work on the survey will be completed in summer 2023. This activity is led by HR.

Continuous improvement & transformation

A need for Continuous Improvement activity was identified during the TOM review that created the COO department. Funding was sought for a small number of phase 1 pilot projects focusing on continuous improvement took place (including trialling the use of Rapid Improvement Events, workshops designed to help solve problems and/or improve processes in different services). Now

confirmed as a permanent capability this function has been absorbed into the Transformation and Improvement team, within the newly combined Project Governance & Commercial team.

A focussed and sustained programme on continuous improvement is considered important, and responds to a need identified through the staff survey. It will support the Corporation to face current financial challenges by ensuring efficiency and productivity. Making it easier to get things done and ensuring our systems and business processes are efficient and function well will make a big difference to how staff experience working at the Corporation.

The Transformation Team will focus on taking forward Phase 2 of the Continuous Improvement Pilot and associated Rapid Improvement Events, and improving transformation on a macro scale. This includes developing a unified vision for transformation and a systematic approach to change management to ensure transformation efforts are successful. Work will take place across three key disciplines:

- Transformation
- Enterprise Change Management
- Continuous Improvement

This activity will address a need to unify strategic transformational programmes and support and enable transformation projects (including RPR) by providing a common approach to change and capability to manage change effectively. It will enable improved productivity through training and localised workshops focussing on improving processes and ways of working. Tools will also be designed to make change more effective, and the ability to deliver it more efficient.

Governance & organisational design advice

Officer governance processes were set up alongside Member Governance activity to manage TOM in the form of the Design Advisory Board (DAB) and Steering Group, as detailed in the interim report. The intention of the DAB was to provide cross-cutting advice and guidance on proposals for departmental and institutional design. This has been valuable in pooling corporate knowledge and experience with the outcome of enhancing outputs and identifying (and resolving) potential issues. This has also shaped organisational design in a more collaborative way.

The last elements of the design phase of the TOM were agreed earlier in 2023 and are now in the process of implementation. OD principles are business as usual and the DAB and Steering Group have been stood down. All guidance relating to TOM remains available on the intranet with the Chief Strategy Officer serving as the Chief Officer point of contact for questions on alignment and compliance with TOM principles. This does not affect Member Governance arrangements.

Conclusion

The TOM has achieved much for the organisation. New leadership structures are in place from which to progress activity, including in key areas such as people and culture. All departments and institutions are likely to have restructured by the end of 2023.

However, TOM also profoundly affected staff, and has directly resulted in a loss of skills and morale. Key areas of learning are around programme design. Poor preparatory planning for service areas meant they were unprepared to support the extensive organisational change created by the TOM. The origins of the TOM may have been based in culture change, but the programme focussed solely on a limited number of outcomes: savings targets and OD restructure principles. The programme missed out on delivering innovation and progressing work to remove silos because it was hampered by its design (and requirement for simultaneous restructuring of departments) and due to the speed and urgency of the attempt to deliver the programme by March 2022.

The programme is close to achieving its cost savings targets, and work is ongoing to monitor these until they are delivered. However, cuts in some corporate service areas are impacting upon service delivery in other departments.

Consolidation of departments across service and enabling functions has been successful, which has delivered benefits for both service departments and enabling functions. Challenges remain on breaking down silos and aligning supply and demand of services, which may generate efficiency savings, especially with better use of data.

In future it is likely there will be a need to review intra-departmental service provision and address opportunities to adapt to current and future challenges to ensure effective delivery of services, as some areas may not be optimally resourced to deliver these. This will require a collaborative approach.

Activity on the people strategy, organisational culture, continuous improvement and data is now critical to support staff in delivering against their objectives (and by extension corporate objectives) and to create efficiency savings.

The structural changes created by the TOM and the arrival of the new Town Clerk and Chief Executive with a clear vision for City Corporation means that the people elements and culture change can be delivered as an integral part of business as usual.

Annex A: Executive leadership organogram

Executive leadership structure organogram post TOM implementation. This is correct at the time of writing.

TOWN CLERK & CHIEF EXECUTIVE		
DIRECT REPORTING (17)		INDIRECT REPORTING (1)
Chamberlain & Chief Financial Officer	Executive Director of Community & Children's Services	City of London Police Commissioner
Chief Operating Officer	Executive Director of Environment	
Chief Strategy Officer	Executive Director of Innovation & Growth	
City Surveyor & Executive Director of Property		
Comptroller & City Solicitor Deputy Chief Executive		
Deputy Town Clerk		
Remembrancer		
Executive Director of Corporate Communications and External Affairs		
		Barbican Chief Executive Officer
		City of London School Head Teacher
		City of London School for Girls Head Teacher
		City of London Junior School Head Teacher
		Freeman's School Head Teacher
		Guildhall School of Music and Drama Vice Principal & Director of Music
		Managing Director of Bridge House Estates

Annex B: Lessons learnt

The table below includes all lessons learnt from the TOM programme, including those from the interim report. Starred lessons are those that are new in this report.

Many of the lessons below are relevant to wide-scale corporate change programme management within the organisation. Other lessons have been shared with Chief Officers and the relevant lead department(s). Lessons (and what should be done differently) can broadly be split into three key areas:

- The programme over-promised and underdelivered: in future, focus on simple, achievable and measurable aims
- The programme dragged on: in future execute quickly but coordinate impacts and outcomes across the organisation
- Staff were left bruised and disillusioned: in future get the internal comms right with honest, transparent, regular communication

No	Detail
1	Scope & Project/programme management: Complex organisational change needs adequate time and resource: significantly more than was set out in the original TOM plans – timelines were too short to achieve all original intentions given the complex nature of City Corporation. All workstreams should be fully scoped and resourced when the programme starts.
2	Support and sequencing: Change programmes require significant support from specific corporate functions such as HR and programme management – these functions should be adequately resourced for the full duration of the programme, and should not undergo change processes at the same time as the areas they are supporting, especially the HR function.
3	Governance: Officer governance structures added significant value to TOM process and provided valuable assurance to Members and Committees that OD principles were being followed while avoiding repetition / duplication of work
4	Comms: Communication of change programmes is key to success: internal comms should be significantly more extensive and staff more engaged in any future programme to improve ability to deliver successfully
5	Cross-cutting programme: new structures have been developed with limited input from across the organisation. This means that siloes have been reinforced; future activity should specifically be reviewed to prevent reinforcement of siloes
6	Performance & success criteria: no criteria were set out at the start of the programme, so there is no way of clearly indicating the extent of the success (or not) of the programme. Performance measures will need to be developed retrospectively which will not be able to take the change delivered by the programme into consideration.
7	Structure: splitting the organisation between front line and corporate support services has improved clarity within the organisation and helped break down some siloes. Awareness should not be lost that both types of function are critical to the effective and successful operation of the organisation and require funding and resource commensurate to the function they perform across the organisation.
8	Structure & Income generation: this was not included in the TOM programme; given the change in economic circumstances, departments who are income generating may benefit from reviewing opportunities to further develop funding streams and the organisational support/design required to achieve this.
9	Chauffeuring and fleet management has been identified as areas where further cost savings could be made. A review into this may support cost saving efforts under the HoP
10	Process: Reviewing organisational structures uncovered that in some cases job descriptions had not been reviewed for many years (in some cases for in excess of a decade). Structures should be put in place to ensure these are reviewed and kept up to date at a frequency that is relevant to the role/department.

11	Staff sentiment in relation to key TOM outcomes should be monitored in future staff surveys to develop a dataset to indicate success measures for the intentions of the programme
12	Digital, technology and data systems: A review of digital, technology and data systems across the corporation may identify opportunities to delivery more efficient, leaner services through technology. It may also support transforming ways of working.
13	Establishment Control: overall final establishment should be produced alongside programme closure. Department plans are owned and activity to develop them led by Chief Officers.
14	Measures for TOM as BAU: Measures and metrics to be developed to understand and monitor organisational success in the context of TOM outcomes. Oversight of TOM as BAU is held by the Chief Strategy Officer; activity on metrics will require input from across the organisation.
15	HoP: further development of the Head of Profession function, and planning for scoping these roles to ensure effectiveness for City Corporation.
16*	Project delivery: future transformations should ensure that there is an appropriately sized and resourced programme office in relation to the scale of the programme, realistic timetabling, clearly developed programme objectives with tracked benefits and outcomes (including tracking of cross departmental efficiencies and benefits), and regular organisational communications
17*	Moratorium on recruitment meant that many vacancies were held in some areas/departments – this prevented work being progressed and caused upstream challenges and increased pressure on remaining staff
18*	In some cases City Corporation needed the right tools as well as restructuring: fast tracking new technology solutions may have created early efficiency savings on which to base restructure
19*	Any future restructuring and cost saving efforts needs to focus on City Corporation holistically (including on how resources align with objectives), including to prevent silos being deepened by restructuring processes
20*	The TOM has not resolved challenges on some interdependencies and service responsibilities between departments: resolving these may create operational efficiencies
21*	The original intention was that TOM would be implemented hand in hand with Lisvane recommendations as governance is central to organisational competence and efficiency – this has not happened
22*	TOM work had the knock-on effect of a wholesale review of job descriptions in parts of City Corporation (which in some cases had not been reviewed for many years) – building in these type of reviews regularly may benefit the organisation
23*	In some departments/institutions the TOM created much closer links between services that naturally support and assist one another as these functions were moved more closely together: repeating this across different departments may generate opportunities for cost and efficiency savings
24*	TOM OD criteria have created overdue consistency across the organisation, but this does not mean that processes have been reviewed and streamlined. Creating space for this to happen may generate efficiency savings.
25*	While removing one to one management chains was necessary in some areas – in some departments this has effectively blocked the opportunity enhance staff skillsets by allowing them to develop line management responsibilities
26*	In some departments cuts were required despite growth in service demand, impacting resilience of services and severely stretching teams – in future consideration should equally be given to service provision options in the face of any cuts
27*	Enabling services were critical to delivering TOM effectively and fast. They were not prepared, lengthening TOM processes and impacting on morale. For any future change programmes, relevant enabling services should be reviewed and prepared before any restructuring takes place. Exploring technological solutions to improve enabling services before any changes may also improve the facilitation of change.

Annex C: TOM implementation

Implementation of OD principles and restructuring (including provisional timelines) as at 31 August 2023

Area	TOM Status
Town Clerk's Including Deputy Town Clerk functions	Completed 2022
Comptroller and City Solicitor's	Completed 2021
Innovation & Growth	Completed 2021
Community & Children's Services (DCCS)	Completed 2021
Remembrancer's	Completed 2021
Guildhall School of Music and Drama (GSMD)	Completed 2022 As part of the new GSMD strategic plan and new business model a 'size and shape' exercise is taking place to ensure currency and viability of programmes to inform estate and facilities planning. Major changes resulting from this may have an impact on temporary staff.
London Metropolitan Archive	Completed 2022
City Surveyor's	Completed 2023
Chamberlain's	Completed 2022 and implemented except for Financial Services Division
Chief Operating Officer's	Completed 2022
Environment	Phase 1 (Planning and Development Divisions: City Operations Division; Port Health and Public Protection Division; Directorate and Business Services Division as well as The Commons team in Natural Environment) completed 2022 Phase 2 (Natural Environment Epping Forest and North London Open Spaces) final structure agreed and implementation progressed, expect completion late 2023
City Bridge Foundation	Phase 1 completed 2022 (creation of Leadership Team), including increased autonomy Further change will be incremental by team and treated as business-as-usual change estimated over the next 18 months to avoid delays across phase 2 and provide employee security where possible. Any proposals will be brought to Members in line with governance outlined in the organisational change guide and will align with the Organisational Design Principles.
City of London School City of London Girls School City of London Freemans School	Shared services leadership team completed September 2023, along with most functional posts, with final more junior positions to be staffed in IT and finance by end 2023.
Barbican	A strategic framework has been co-designed with colleagues across the business that focused initially on our purpose and values and which has been used to inform our organisational goals and priorities. We have additionally initiated a piece of work around an audience strategy which presents a market shift in focus. Both pieces of work will enable us the opportunity to understand the resource, size, shape and capability needed to deliver against our aspirations.

	<p>Alongside the above, to help with organisation review discipline the Barbican has developed an approach and framework to manage organisational reviews in structured/systemised and more disciplined ways that includes building in operating model requirements and addresses internal needs. This approach and process has been drawn from best practice and experience and is designed to deliver an improved operating model and organisational structures that ensures the Barbican is fit for the future sustainable, has the right capabilities, agile, adaptable and has a culture that delivers against our strategic framework and priorities.</p> <p>To address immediate challenges and opportunities there are a few operational areas that have been reviewed (these include creative collaboration and marketing).</p> <p>We have also needed to manage a few exits from the organisation including at Director level. The composition of the executive and management level will invariably be impacted. The two director roles that are leaving the organisation are subject to a report to Corporate Services on 6 September 2023, within which we describe our intended response to these changes.</p> <p>We are conscious there is a fair bit of organisation change in parts of the organisation – this is a natural consequence of transformation and whilst we start rebuilding the top layer of the organisation we will start to shape the structures, capabilities and skills for the future we need for the Barbican moving forward.</p>
City of London Police (CoLP)	<p>City of London Police has completed its proposed designs which were discussed at Police Authority Board and its Resource Risk & Estates Committee in May, and Corporate Services Committee in July. Consultation on the proposed model will take place from 29 August to 27 September. Designs will be finalised and implementation will commence from mid-October. Activity is anticipated to be complete at the end of 2023.</p>

Annex D: Head of Profession

HoP Function & Lead	HoP in place	Activity Description / How the role will be developed / current plans for role and profession
Commercial Commercial Director	Yes	Work is ongoing to embed the HoP role. An online Commercial Academy was launched in January 2023 to provide clearer bite-sized guidance to service areas regarding the Procurement Code and roles and responsibilities. The Service continues to develop a network of officers involved in procurement and contract management across the Corporation.
Legal Comptroller & City Solicitor	Yes	Currently unspecified
Estates & Facilities Management City Surveyor	Yes	Work is on-going to communicate and embed the City Surveyor's role as HoP. The department aims to align its approach with others across the Corporation to ensure a consistency across the organisation and communicate the role and remit of this HoP across the organisation.
Corporate Comms & Marketing Executive Director of Comms & External Affairs	Yes	Corporate Comms & Marketing HoP function has been centralised under the ED for Comms & External affairs. Further activity will take place in due course.
Security Strategic Security Director	Yes	Work is ongoing through the Senior Security Board and thematic subgroups across the portfolios. With the draft Terrorism (Protection of Premises) Bill, 'Martyn's Law' ⁵ work is being monitored to ensure compliance, with the approved security contract under review.
Business Planning Chief Strategy Officer	Yes	This portfolio was expanded to include risk and strategy development. Work ongoing to review and update the business planning process and lead development and alignment of HoPs
Events Remembrancer	Yes	Event Mapping activity is taking place reviewing event formats, audiences, resourcing and systems. Future activity aims to focus on: <ul style="list-style-type: none"> • Implementing new approaches for the sharing of information and collaboration across all event teams • Reviewing event planning and evaluation processes to ensure events are strategically aligned with wider Corporation outcomes and objectives • Developing an EDI framework for events • Creating a talent pipeline by supporting event apprentices across the organisation
Financial Services Chamberlain	Yes	The Chamberlain has statutory responsibilities to ensure the effective financial management of the City Corporation's affairs in its public (inc. charitable) and private capacities. As HoP for finance ensure adequate

⁵ Public safety requirements for venues/organisations due to be implemented post Manchester Arena bombing

		<p>resourcing and delivery of an effective finance function. Overseeing adherence to financial regulations and procedures, managing financial risk and issues, developing capability of finance staff and enabling decision making. Thereby enhancing collective value of the function.</p> <p>The Financial Services Director chairs the Finance Leadership Group- drawing together all finance leads for departments and institutions alongside the Corporate Treasurer, Assistant Director, Financial Shared Services, the Head of Internal Audit and key posts within corporate accounting for professional oversight and to build strong and collaborative relationships to deliver the above responsibilities and drive improvements within the finance service.</p> <p>The City Bridge Foundation and Charities Finance Director is the professional lead for charities finance.</p>
Internal Audit Head of Internal Audit	Yes	<p>All Internal Audit activity across all operations of the City of London Corporation is delivered by a single team under the leadership and line management of the HoP.</p> <p>There is potential to expand the remit of the HoP to incorporate the work of second line assurance functions: developing approach to improve effectiveness and support upskilling of these teams (currently being influenced through the delivery of planned Internal Audit reviews of these functions).</p>
Health & Safety Director of Health and Safety and lead for the Corporate Health and Safety Team	Yes	<p>Health and Safety HoP covers:</p> <ul style="list-style-type: none"> • Advising departments on adequate competent provision, the appropriate professional standards required and sector benchmarking • Through professional networks, matching suitable professionals within the Corporation to development roles for professional growth • Championing the Level 6 Occupational Health and Safety qualification and supporting professionals working toward Chartership status with IOSH; leading the commitment to develop the health and safety professional and strengthening the integrity of the profession internally • Driving the continual improvement of City Corporation's health and safety management system through engagement with internal and external interested parties to ensure governance and policy supports change • Supporting departments in focusing and prioritising their workstreams to best deliver departmental health and safety aims and objectives through the department health and safety business plans • Collaborating with other Heads of Profession to deliver the best outcomes for significant projects
IT Digital, Information and Technology Service Director	Yes	<p>Work has commenced to consolidate the organisation's application estate, and in September 2023 this had achieved a 50% reduction.</p>

		<p>A future Technology State and Roadmap is being developed, allowing greater alignment around our choice of technology. This will be strengthened by a new Digital & IT Strategy which will focus on innovation through simplicity, convergence, and automation.</p> <p>The organisation's Managed Service Partner contract with Agilisys is coming to an end, and several services have successfully transitioned in-house.</p> <p>Co-Design of the future service to better align with organisational priorities has commenced, and this is expected to result in some changes to the structure to better accommodate services transitioning in.</p> <p>Work continues to strengthen the relationship with institutions with a move towards increased collaboration and convergence.</p> <p>Data will be a big focus for us this as a Data strategy is developed, allowing the organisation to make better data driven decisions.</p>
<p>HR Chief People Officer</p>	Yes	<p>HoP role development underway; guidance and further activity planned</p> <p>As part of the People Strategy, the Head of HR Profession role will be set out, including guidance, engagement and dotted line responsibility for all Institutional Directors/ Heads of HR across the Corporation.</p> <p>There is an opportunity to create a HR Profession Centre of expertise and to share and drive HR best practice.</p> <p>Gaps identified are consistency of practice and risks of setting precedents which jeopardise single employer status.</p>
<p>Programme Management Project Governance Director</p>	Yes	<p>Established as part of the implementation of the proposals set out in the project governance review. A change network has been established, bringing together officers leading business change and transformation in services across the Corporation</p>
<p>Business Support Chief Operating Officer</p>	Yes	<p>The business support area is poorly defined, with further activity due in 2023. This role would likely require a cross-cutting, horizontal review process which is not felt to be appropriate or beneficial for business support at this time, following the team/vertical TOM processes already completed.</p>
<p>Fleet Management Chief Operating Officer</p>	Yes	<p>Discussions on HoP scope underway; specific guidance planned and new draft policy completed.</p>
<p>Philanthropic & Charitable Activities Managing Director City Bridge Foundation</p>	Yes	<p>Further development to take place</p>
<p>Arts Artistic Director – Barbican Centre</p>	Yes	<p>The Head of Profession, Arts & Culture role is focussed on connecting the many different aspects of culture and cultural offerings within the City of London.</p> <p>Much can be achieved by unifying and amplifying much of the excellent work already taking place across the Square Mile. This role will be used to add value and improve efficiency across existing activity, as an urgent need has been identified to shape and articulate a</p>

		<p>strategic framework for City of London arts and cultural activity that unites:</p> <ol style="list-style-type: none"> 1. The emerging programme being developed by the Destination City team 2. The existing output from our major cultural institutions 3. The legacy of Culture Mile 4. The many applications received each month from developers and producers seeking permission to initiate, commission, present, or install cultural / artistic projects within the City of London <p>In addition, the HoP for Arts & Culture will lead the development of an Arts & Culture Content Strategy in collaboration and consultation with a wide range of stakeholders.</p> <p>The HoP for Arts and Culture will also leverage the profile of the role to help unite the current arts and cultural activity taking place in the Square Mile, as:</p> <ol style="list-style-type: none"> 1. Co-Chair of the City Arts Initiative (CAI) 2. Attending the Cultural Heritage and Archives Committee (CHL) 3. Established and chair the advisory group for artwork commissions as part of the Barbican Podium Project 4. A member of the City Envoy Network
<p>Equality Diversity and Inclusion Director of EDI</p>	<p>Yes</p>	<p>Noting there is a vacancy in the EDI Director post currently, a network of EDI leads has been created with increasing joint working across parts of the Corporation for Staff Networks and officers.</p>

Annex E1: People Strategy framework

Original City of London Draft People Strategy Framework as of December 2022

No	Theme	Ambition for the City of London and its People	Human Resources & OD Focus
1	Developing the organisation	<p>Our senior leaders will act as role models, creating an open and honest culture, treating people fairly by listening and acting on feedback</p> <p>Leadership will be visible and will empower line managers by introducing greater people management delegations to inform evidence-based decision making and effective employee relations</p>	<ul style="list-style-type: none"> • The Chief Executive will lead a review and refresh of our vision values and behaviours, supported by HR & OD • Views of all colleagues will be sought regularly through regular all staff surveys and pulse surveys and actions will be taken based on feedback received
2	Attracting and retaining the best talent	We will deliver a great employee experience across the entire employee lifecycle	<ul style="list-style-type: none"> • Talent management and succession planning initiatives will create job families, flexible progression, and career paths for staff • The employer brand will be reviewed and enhanced to attract the best talent • Modern working patterns, workplaces and people practices will be offered
3	Transformation (of our ways of working)	Our working practices will empower managers with devolved key people functions to effectively manage performance, meet KPIs and manage change effectively	<ul style="list-style-type: none"> • I-Trent will be upgraded to better embrace the digital environment and how we work • An Enterprise Resource Planning (ERP) will be considered as a way to increase self-service, deliver better automation, and improve processes through reduced bureaucracy • A framework will be created and will inform the commissioning of a new provider to support the management and supply of the contingent workforce • Service Level Agreements will be put in place to manage performance and ensure KPIs are met
4	Reward & recognition	We will support, recognise and reward our workforce	<ul style="list-style-type: none"> • The pay framework (in consideration of the financial position and in liaison with the Chamberlain's department) will inform the creation of a Total Reward concept • Consideration will be given to benefits and intergenerational fit, terms and conditions and job evaluation
5	Performance	We will encourage a performance based culture that enables the City of London to recognise and celebrate the excellence of its people	<ul style="list-style-type: none"> • A holistic approach to leadership and management development and people management will improve the performance of the workforce
6	Learning & development	We will have a learning culture focused on continuous improvement	<ul style="list-style-type: none"> • Coaching and mentoring will be encouraged • Hybrid learning methods will be offered

			<ul style="list-style-type: none"> • An agile project management approach linked to continuous improvement will be encouraged • The induction programme for employees and line managers will be revised • Career / learning opportunities including apprenticeships and placements will be developed to enable tailored personal and professional development
7	Wellbeing & belonging	We will take a person-centred approach within the full employee life cycle	<ul style="list-style-type: none"> • The employee wellbeing offer will be reviewed and linked to effective health and safety practices, including attention to physical and psychosocial hazards • Opportunities for employees' voices to be amplified through improved staff surveys will enable triangulation of engagement measures through data and insights • Effective occupational health services will be delivered to maximise attendance through reduced sickness absence
8	Equality, diversity & inclusion	Linked to our EDI strategy, we will fully embed Equality, Diversity and Inclusion across the organisation	<ul style="list-style-type: none"> • Targeted strategies and mitigations will reduce pay gaps and support implementation of our Public Sector Equality Duty • Regular and annual workforce modelling, planning and reporting will be incorporated into our business planning processes • EDI learning and development programmes will be reviewed
Golden Threads		Human Resources will be a high performing function	
		The City of London will develop a Head of HR profession	
		Reporting and management information will be standardised	
		Insight from data will enable engagement and performance	

Annex E2: People Strategy framework

Revised City of London *Draft People Strategy Framework as of September 2023 based on employee engagement (*subject to Committee approval)

1	My Contribution, My Reward	<p>Total reward project too broad, need to focus on pay and recognition as baseline</p> <p>Renamed Project to Ambition 25: My Recognition, My Reward</p> <p>Pay Award offer agreed and piloting ideas for recognition schemes</p>
2	My Wellbeing & Belonging	<p>What is wellbeing? Values need to be role modelled</p> <p>Wellbeing includes psychological safety where colleagues can share ideas and take risks. We will be inviting employees to help us develop our new values</p>
3	Trustworthy (Effective) Leadership	<p>Effective leadership feels top-down. How can we better understand connections to Members?</p> <p>Trustworthy leadership embodies credibility, reliability, good relationships, and shared purpose. We will regularly update on progress with colleagues and Members</p>
4	My Talend & Development	<p>We need clearer career pathways. Our learning is outdated and needs to be revamped for a digital age</p> <p>My Recognition, My Reward project and focusing on key elements of inclusive recruitment, including apprenticeships and regularly reviewing our development offerings</p>
5	Modernising & Transforming our City Corporation	<p>Our people systems and processes need streamlining and modernising</p> <p>City People Improvement Projects and Enterprise Resource Planning (ERP) Project</p>

Annex F: Breakdown of savings by department

Financial Services continue to monitor the savings. Star Chambers have been undertaken with Heads of Finance and Chief Officers to ensure that savings are delivered on a permanent basis. Any planned savings are built into the Medium Term Financial Plan. These are addressed as a whole, regardless of which savings programme they originated from.

Department	Total TOM - 12% Savings*
Total	16,182,602
DCCS	1,228,000
CS	2,697,163
DBE	2,882,000
CLS	227,000
CLSG	91,000
CLFS	105,000
Remembrancer	199,000
MCP - COO	290,000
MCP - DBE	-
GSMD	778,439
Open Spaces	1,686,000
Culture	24,000
Mansion House CCC	48,000
Mansion House	382,000
Chamberlains	1,800,000
COO	1,489,000
Comptroller	101,000
Innovation and Growth	958,000
LMA	531,000
Town Clerk	666,000

* TOM 12% savings did not apply universally: City Bridge Foundation was exempt and DCCS required to make 6% savings

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