



## Efficiency and Performance Sub (Finance) Committee

**Date:** WEDNESDAY, 14 NOVEMBER 2012  
**Time:** 1.45pm  
**Venue:** COMMITTEE ROOMS - WEST WING, GUILDHALL

**Members:** Roger Chadwick (Chairman)  
Ray Catt (Deputy Chairman)  
Nigel Challis  
Deputy Anthony Eskenzi  
Sheriff & Alderman Jeffrey Evans  
Deputy Revd Stephen Haines  
Anthony Llewelyn-Davies  
Deputy Edward Lord  
Jeremy Mayhew  
Deputy Dr Giles Shilson  
John Tomlinson

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Lunch for Members will be served in the Guildhall Club at 1pm

**John Barradell**  
Town Clerk and Chief Executive

# **AGENDA**

## **Part 1 - Public Agenda**

1. **APOLOGIES**
2. **DECLARATIONS BY MEMBERS OF ANY PERSONAL OR PREJUDICIAL INTERESTS IN RESPECT OF ANY ITEMS ON THIS AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**  
To agree the minutes of the meeting held on 18 September 2012.  
**For Decision**  
(Pages 1 - 4)
4. **OUTSTANDING ACTIONS**  
Report of the Town Clerk.  
**For Decision**  
(Pages 5 - 16)
5. **TRANSFORMATION AND EFFICIENCY BOARDS UPDATE**  
Joint report of the Deputy Town Clerk and the Chamberlain.  
**For Information**  
(Pages 17 - 30)
6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
7. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
8. **EXCLUSION OF THE PUBLIC**  
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

## **Part 2 - Non-Public Agenda**

9. **FINANCIAL POSITION OF THE GUILDHALL SCHOOL OF MUSIC AND DRAMA**  
Report of the Chamberlain.  
**For Information**  
(Pages 31 - 50)
10. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

# Agenda Item 3

## EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Tuesday, 18 September 2012

Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee held at Guildhall, EC2 on Tuesday, 18 September 2012 at 1.45pm

### Present

#### Members:

Roger Chadwick (Chairman)  
Ray Catt (Deputy Chairman)  
Nigel Challis  
Deputy Anthony Eskenzi  
Alderman Jeffrey Evans  
Deputy Revd Stephen Haines  
Deputy Edward Lord  
Jeremy Mayhew  
Deputy Dr Giles Shilson  
John Tomlinson

#### Officers:

Susan Attard	- Deputy Town Clerk
Claire Sherer	- Town Clerk's Department
Neil Davies	- Town Clerk's Department
Chris Bilsland	- Chamberlain
Suzanne Jones	- Chamberlain's Department
Peter Martin	- Barbican Centre

### Part 1 - Public Agenda

#### 1. APOLOGIES

Apologies were received from Anthony Llewelyn-Davies.

#### 2. DECLARATIONS BY MEMBERS OF ANY PERSONAL OR PREJUDICIAL INTERESTS IN RESPECT OF ANY ITEMS ON THIS AGENDA

There were no declarations.

#### 3. MINUTES OF THE PREVIOUS MEETING

**RESOLVED:** That the minutes of the meeting held on 12 July 2012 be agreed as an accurate record.

#### 4. OUTSTANDING ISSUES

Following a request at the last meeting, Members considered an Outstanding Actions schedule which included actions from all reports presented to the Sub

Committee since its inception in May 2011. This would be reported to all future meetings.

Members emphasised the need to report all closed actions to the Sub Committee for agreement to remove from the register. This would be on the basis that Officers would maintain a complete historic record of the closed actions for future reference.

One Member noted that this outstanding actions list should prove to be useful tool for Officers in ensuring that outstanding actions were followed up in a timely manner.

With reference to the Business Planning Framework (at page 19 of the report), Members noted that it was important that they receive further assurance as to the alignment of the financial and business planning process and requested that the Chamberlain prepare a statement of the City Corporation's approach for their consideration. The Chamberlain advised Members that this would be considered by the Resource Allocation Sub (Policy and Resources) Committee in the New Year and would also be picked up by this Sub Committee, either as a full report or under this outstanding actions list. It was agreed that this item would remain "open" for the time being.

**RESOLVED:** That –

- i. subject to the Business Planning Framework (at page 19 of the report) remaining "open", the classification of actions as "closed" or "open" as per the attached schedule be agreed; and
- ii. an updated schedule would be received at each meeting, with previously agreed "closed" actions removed.

## **5. TRANSFORMATION AND EFFICIENCY BOARDS UPDATE**

Members considered an update report on the work of the Transformation Board and the Efficiency Board since the last meeting of the Sub Committee.

With regards to the proposed "triggers" for departmental reporting, the Sub Committee were generally happy with the approach on the condition that the Sub Committee should review the approach in 6 months to ensure Members were satisfied with their level of oversight and that the agenda and minutes for both Boards would be sent to the Chairman, Deputy Chairman, Deputy Anthony Eskenzi, Jeremy Mayhew and John Tomlinson for their information.

**RESOLVED:** That –

- i. this update be received;
- ii. the proposed future work programme for this Sub Committee (as included at appendix 2 of the report) be noted; and
- iii. subject to the conditions set out above, the "triggers" for departmental reporting (as at paragraphs 14-21 of the report) be approved.

6. **SHARED SERVICES (CITY OF LONDON CORPORATION & CITY OF LONDON POLICE)**

The Sub Committee considered a report of the Town Clerk updating Members on work underway between the City of London Corporation and the City of London Police to develop a shared service model in a number of areas.

In response to being informed that the City Corporation had, as part of a pilot, been taking non-emergency calls for the City of London Police, Members were keen to consider recharging options should this become a permanent arrangement. They also noted that any decisions to recharge for services should be applied consistently across all departments.

**RECEIVED**

7. **REVIEW OF THE PROCUREMENT AND PROCURE TO PAY (PP2P) PROGRAMME**

The Sub Committee received a report providing detailed analysis of the Procurement and Procure to Pay (PP2P) programme.

Members also considered the addendum to the report which sought their input into the metrics that should be included as part of the regular Finance Committee update report.

Members noted that the report was much clearer than earlier reports and noted that it would also be helpful for the report to:

- set out the agreed baseline (post due diligence) with performance tracked against it
- make clear the consultant's fee structure and variations
- incorporate all the information on to as few graphs as possible with tables to backup key information

**RESOLVED:** That –

- i. the report be received; and
- ii. the Chamberlain would incorporate Members' views into the regular PP2P Finance Committee update report and circulate to Members for comments.

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

There were no questions.

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

There was no other business.

10. **EXCLUSION OF THE PUBLIC**

**RESOLVED** - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds

that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

## **Part 2 - Public Agenda**

### **SUMMARY OF MATTERS CONSIDERED WHILST THE PUBLIC WERE EXCLUDED**

**11. GUILDHALL SCHOOL OF MUSIC & DRAMA: CAMPAIGN FOR MILTON COURT ACTIVITY 2011/12**

Members noted an update report on progress towards reaching the fund-raising target on the Guildhall School of Music & Drama's new facilities at Milton Court.

#### **RECEIVED**

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

There were no questions.

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

There was no other business.

**The meeting ended at 3.17pm**

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Chairman

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# Agenda Item 4

Committee(s):	Date(s):
Efficiency and Performance sub-Committee	14 <sup>th</sup> November 2012
Subject: Outstanding Actions	Public
Report of: Town Clerk	For Decision
<b><u>Summary</u></b>	
<p>At the 18<sup>th</sup> September 2012 meeting, Members agreed to receive an updated schedule of outstanding actions at each meeting, with previously agreed closed actions removed.</p> <p>The attached schedule includes all actions that remained open following the last meeting, together with an officer assessment of their current status. Where actions are still open, an indication has been given, where possible, of a date for the action to be delivered.</p>	
<b>Recommendation:</b>	
<ul style="list-style-type: none"><li>• That Members agree the classification of actions as “closed” or “open” as per the attached schedule.</li></ul>	

**Contact:**

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EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 5<sup>th</sup> November 2012)

Item	Action	Officer responsible and target date	Progress updates	Open/ Closed
<b>Departmental report – Chamberlain’s Department</b>				
<b>Report to 13/7/2011 meeting: Item 4</b> <b>Chamberlain’s departmental report – Efficiency review</b>	The Chamberlain to provide a further report to a future EPSC meeting addressing specific issues in relation to the IS Review.	Chamberlain	EPSC November 2011 - The Chamberlain updated Members on the outsourcing of IT services and infrastructure. Members noted that further work would be undertaken on how best to deliver IS Services and that this would be reported to the sub-Committee  August 2012 – Report to be presented to September Finance Committee  November 2012 – further report to IS Sub Committee and Finance Committee which will be verbally reported to the 14 <sup>th</sup> November meeting	Open  Update to be provided after results of soft market testing are known.
<b>Report to 24/11/11 meeting: Item 10</b> <b>Peer review of financial and</b>	An action tracker to be reported to future meetings which includes the responsible Officer and timescales for delivery of actions relating to this item.	Chamberlain – Future EPSC meetings	EPSC February 2012 - An action tracker was reported to the meeting where it was resolved that progress against the action tracker would be reported to the Committee on an	Open

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 5<sup>th</sup> November 2012)

Item	Action	Officer responsible and target date	Progress updates	Open/ Closed
business support services			exception basis. Update August 2012 - No issues requiring Member attention Update November 2012 – no issues	

**Departmental report – Department of Community and Children’s Services**

<p><b>Report to 27/9/11 meeting: Item 9</b></p> <p><b>Community &amp; Children’s Services department - Efficiency review</b></p>	<p>Future progress regarding the delivery of efficiency and performance improvements and the DCCS commissioning strategy to be reported in summary form to the Efficiency &amp; Performance sub-Committee either as a separate report or within the Transformation and Efficiency Board update reports.</p>	<p>Director of Community &amp; Children's Services</p>	<p>Community and Children’s Services Committee June 2012 - The Committee received an update highlighting the commissioning intentions for 2012/13. The strategy included three reviews: supported living; Portsoken Area, and youth services, the outcomes of which are due later this year. Other commissioned services were highlighted in the June report, including the 2012/13 priorities.</p> <p>August 2012 – Report to be submitted to Community and Children’s Services Committee in</p>	<p>Open – update scheduled for November meeting</p>
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EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 5<sup>th</sup> November 2012)

			October regarding reviews of Youth Service and Supported Living. Reviews for 2013/14 to be agreed in March 2013.	
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**Departmental report – Guildhall School of Music & Drama**

<b>Report to 12/7/12 meeting: Item 6</b>  <b>Guildhall School of Music and Drama - Update</b>	The Chamberlain to provide an update report on Milton Court fundraising, including a breakdown of funds that had been pledged and those that had been received.	Chamberlain – September 2012	EPSC Sept 2012 – Update report received. Members expressed concerns regarding the pace and timing of fund raising – to be covered at a special Member/office meeting and in the full financial update in November 2012	Closed
<b>Report to 12/7/12 meeting: Item 6</b>  <b>Guildhall School of Music and Drama - Update</b>	The Chamberlain to table a report to Members as soon as the GSMD student intake for 2012/13 is finalised.	Chamberlain	July 2012 - Student numbers not expected to be finalised until end of September, therefore report to be presented in November 2012	Closed
<b>Report to 12/7/12 meeting: Item 6</b>  <b>Guildhall School of Music and Drama - Update</b>	The GSMD's Principal and the Chamberlain to present a full report on the GSMD's financial performance.  The Chairman of the GSMD Board to be invited.	Principal of the GSMD/ Chamberlain – November 2012  Town Clerk	To be reported to November meeting.	Closed

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 5<sup>th</sup> November 2012)

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<b>Departmental report – Barbican Centre</b>				
<b>Report to 24/11/11 meeting: Item 12</b>	Members were updated on the plans for reducing the Centre’s expenditure and increasing income. Members requested that the sub-Committee be kept informed of any related financial matters as necessary.	Chamberlain/Managing Director of the Barbican Centre	August 2012 – No issues requiring Member attention. Financial forecast for 2012/13 within budget.  November 2012- No issues requiring Member attention. Financial forecast for 2012/13 within budget. Forecasts for 2013/14 are currently being compiled.	Open
<b>Barbican Centre Update</b>				

<b>Improved co-ordination (“Joining-up”) between Mansion House, Guildhall complex and the Central Criminal Court</b>				
<b>Report to 3/2/12 meeting: Item4</b>	The Chairman and Deputy Chairman to be updated on progress made in all areas of improved coordination, with full updates on the CRM database and seating arrangements being reported to the Committee for information as it is reported through the other relevant Committees.	Town Clerk – Future EPSC meetings	May 2012 - The Deputy Town Clerk highlighted the action in relation to improving the use of the City Corporation’s CRM database and advised Members that work was continuing although further work was required on joining up the departmental diaries to create a central Corporation diary.  July 2012 – Update on CRM system	Open
<b>Improved co-ordination – progress update</b>				

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 5<sup>th</sup> November 2012)

			<p>provided to the Policy and Resources Committee</p> <p>Sept 2012 – The Remembrancer, through the Events Coordination Group, has led the development of a corporate wide diary system. More information about City Corporation events is now available within a central diary and the data is more comprehensive than before. The various departments involved, including Mansion House, Public Relations and the Remembrancers are making sure that the diary is kept up-to-date and the system is capable of being accessed by officers from those Departments. The Remembrancer is keeping this under review to ensure that the new facility continues to deliver what Members want. On the technical side, Modern.gov will soon replace the existing software systems.</p>	
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EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 5<sup>th</sup> November 2012)

<b>Central Recharges</b>				
<p><b>Report to 24/11/11 meeting: Item 9</b></p> <p><b>Chamberlain's departmental recharges - Value for money analysis</b></p>	<p>The Chamberlain to provide Members with further detail on comparative service delivery costs and to submit a report to Members to reconsider the issue of internal recharges and value for money</p>	<p>Chamberlain – February 2012</p>	<p>February 2012 – A report was received outlining the difficulties in measuring the City Corporation against the CIPFA Public Sector Corporate Services Value for Money. The Financial Services Director stated that she was exploring other possibilities, including a London-wide benchmarking club, supported by CIPFA, to look at the issues instead. This was welcomed by Members.</p> <p>August 2012 – City to participate in the five corporate service benchmarking clubs (HR, IS, Legal, Finance and Property Services).</p> <p>November 2012 –Data collection for the HR, Legal, Finance and Democratic Services benchmarking clubs currently underway. Given the IS Sourcing review, the City will not participate in the IS benchmarking club. Possible benefits of participation in the Property Services benchmarking club currently being assessed.</p>	<p>Open – update to be provided after results of corporate service benchmarking received and analysed</p>

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 5<sup>th</sup> November 2012)

<b>Business Planning</b>				
<p><b>Report to 27/9/11 meeting: Item 5</b></p> <p><b>Business Planning Framework 2012/13</b></p>	<p>That a “think piece” report showing linkages between Business Planning and Resource Allocation be submitted to the sub-Committee</p>	<p>Chamberlain – February 2012</p>	<p>EPSC February 2012 – A report was submitted to Members who agreed that, as part of the 2013/14 budget estimates process, the forward financial planning position and key business plan objectives would be reported together to Committees so that these could be taken into account more visibly in the financial planning process.</p> <p>July 2012 - Business planning objectives now included as section in the revised templates for service committees for 2013/14 budget estimates.</p> <p>EPSC Sept 2012 – The Chamberlain confirmed that greater alignment between service and financial planning would take place for 2013/14 and beyond.</p> <p>November 2012- Budget and activity reviews have been undertaken, targeted on areas where there is less budget/ activity alignment either because of time since the last review</p>	<p><b>Open</b></p>

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 5<sup>th</sup> November 2012)

			or because of significant income/cost pressures. Zero based budgeting exercises have been conducted in Community and Children’s Services and Culture, Heritage and Libraries. In depth budget and activity reviews have been carried out in departments with significant income pressures- Built Environment and the Barbican.	
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<b>Miscellaneous</b>				
<b>Report to 12/7/12 meeting: Item 5</b>  <b>Transformation and Efficiency Boards update</b>	The Chamberlain will explore how future finance reports could include a <b>breakdown of internal and external staffing costs</b> charged to City Corporation projects, especially where recharges could be made.	Chamberlain – Future EPSC meeting	Estimated internal staff costs are now included in the gateway 1 and 2 template reports for City Corporation projects.  The review of the breakdown of staff costs to projects is currently being specified.  November 2012- work is currently underway and findings will be reported to the January meeting.	Open



EFFICIENCY AND PERFORMANCE SUB-COMMITTEE (EPSC) - Outstanding Actions (as at 5<sup>th</sup> November 2012)

<b>Thematic Reviews</b>				
<p><b>Report to 18/5/12 meeting: Item 6</b></p> <p><b>Income generation initiatives</b></p>	<p>Members expressed a desire to be updated on the agreed actions:</p> <ul style="list-style-type: none"> <li>• To establish a Corporate Project Board to work with Chief Officers to identify new income streams and priority areas to increase the level and scope of charges made for existing services.</li> <li>• To give consideration to identifying services which, in accordance with the Local Government Act 2003, might require the establishment of trading accounts to exploit income generation opportunities.</li> </ul>	<p>Chamberlain – Future EPSC meetings</p>	<p>October 2012 – Focus of project being re-scoped following discussion at October Efficiency Board. Focus will be more targeted, focusing on Departments and activities where a more commercial approach to income generation would be beneficial.</p>	<p>Open</p>

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<b>Committee(s):</b>	<b>Date(s):</b>
Efficiency & Performance Sub (Finance) Committee	14 November 2012
<b>Subject:</b> Transformation and Efficiency Boards	<b>Public</b>
<b>Report of:</b> Deputy Town Clerk and Chamberlain	<b>For Information</b>
<p><b><u>Summary</u></b></p> <p>Since the last sub-Committee meeting, the Transformation Board and the Efficiency Board have each met twice.</p> <p>The Transformation Board received a presentation from the Director on the Department of Community and Children’s Services Commissioning Strategy; discussed the development of new strategic projects arising from the Strategic Opportunities workshop, and received the regular updates from the current programme of strategic reviews.</p> <p>The Efficiency Board continues to monitor the achievement of efficiency savings and budget reductions, and the latest position is reported in Appendix 1 to this report. The Board has also discussed how it can continue to support this sub-Committee, including by monitored the agreed “triggers” for departmental reporting, and received a series of updates on current projects.</p> <p><b>Recommendations</b></p> <p>That Members receive this update</p>	

## **Main Report**

### **Background**

1. At its 23<sup>rd</sup> May 2011 meeting, this sub-Committee received a report describing the establishment of two officer boards - the Transformation Board (concentrating on change management) and the Efficiency Board (concentrating on the achievement of savings and efficiencies). It was agreed that an update on the work of each Board would be provided at each meeting of this sub-Committee.

## **Transformation Board**

2. The following issues have been discussed at the Transformation Board, chaired by Susan Attard, since the last sub-Committee meeting.
3. **Department of Community and Children's Services Commissioning Strategy** The Board received a presentation from the Director, who shared her experiences and lessons learnt around moving the Community and Children's Service to a commissioning model and reshaping the service to incorporate healthcare changes from 1<sup>st</sup> April 2013. She stressed the importance of having a clear business case; support from colleagues, including Members; robust data with which to benchmark; determined leadership; and a commitment to delivering quality services to (at times) highly vulnerable people. She outlined the main barriers experienced to implementing change and how these were overcome.
4. The Board thanked the Director for sharing her experience and generally agreed this was one of the most helpful presentations they had heard, particularly in respect of practical advice for officers managing transformational change projects.
5. **Strategic Opportunities Workshop** The Board considered draft project briefs produced for four work streams that were identified following the Strategic Opportunities Workshop held earlier in the year. Outline approval to progress in developing the reviews has been given by the new Town Clerk, and each review has been allocated a senior or Chief Officer as project sponsor. They will each be supported by a senior manager from the cohort who have received Ashridge management development training. In addition to the project briefs, outline "journey maps" will be produced to show the key phases and milestones of each project, along with the key benefits and resource requirements.
6. The reviews will be monitored through the Project Vision system, currently used for projects within the scope of the Projects sub-Committee, in order to maintain a consistent programme management discipline. At the most recent meeting, the Board approved the outline briefs, and asked for further development of project plans and journey maps, with clearer statements of the desired benefits. These will be reviewed at a special meeting of the Board in December, before being presented to Chief Officers.
7. As part of one of these projects, the Board was updated on proposals for a pilot study on more flexible ways of working being conducted with the IS Division in Guildhall Justice Rooms.
8. The Deputy Town Clerk also reported her attendance at a seminar at which officers from Northamptonshire County Council presented their work on "Understanding and Managing Demand for Public Services". There were a

number of synergies between this presentation and areas within the scope of the new or existing corporate reviews, and a visit is being planned to discuss these in greater detail.

9. **Shared Services** The Board received an update on various shared service initiatives being pursued by the Departments of the Built Environment; Community and Children's Services; Culture, Heritage and Libraries, and Markets and Consumer Protection. These includes examples of the City Corporation providing services for London boroughs; services being outsourced, and services being better joined-up internally. There are also examples where the City Corporation has discussed sharing services with London boroughs, but has failed to reach agreement due to factors outside of its control. A separate report on shared services is presented elsewhere on the agenda for today's meeting.
10. **Updates on Strategic Reviews** The Board receives updates on the key strategic projects at each meeting. Issues highlighted recently include:
  - i. **IS**: An Information Management Governance Board has been established and draft terms of reference agreed with the Chairman (Philip Everett). The Information Management Strategy will be reviewed by December 2012. Soft market testing for phase II of the IS review (alternative sourcing options) is taking place between August and October 2012, and a report on procurement options is due before the IS sub-Committee on 5<sup>th</sup> November.
  - ii. **PP2P**: The CLPS (City of London Procurement Service) is on schedule to deliver the three planned waves of work by March 2013. The first phase of CLPS recruitment was completed during August and September, when 22 vacancies were advertised internally, with 18 staff successfully recruited. The third ChangeTracking survey will take place in March/April 2013, in line with the CLPS wave 2 go-live. This survey measures the extent to which the objectives of the change programme have been achieved, the impact on business performance while change takes place and the strength of critical change drivers, by surveying staff across the organisation.
  - iii. **Strategic Finance Review**: Training for budget managers has now progressed to mainstream activity. The service protocols for departments have been rolled out and should be finalised by 31<sup>st</sup> October. Work is continuing on further improving the Financial Management Information system, and amendments have been made to the "budget bursting" reports, following feedback from budget holders.

- iv. HR: The HR review has completed the professional consultation stage and several meetings have been held with staff to discuss the proposed model. The new structure creates further efficiencies with an additional £150K per annum taken out of the HR budget with effect from 1<sup>st</sup> April 2012. The final proposals will be followed by personal consultation and the new structure is anticipated to go live in November 2012.
- v. Property Facilities Management: The proposed final FM restructure will be discussed with Chief Officers in the autumn, with all staff consultations and the end state restructure completed by March 2013. Mobilisation of the new contractors: Mitie (building repairs and maintenance) and Apex (lifts) continues.
- vi. Accommodation (vacation of Guildhall Yard East): Approval to Gateway 5 (Authority to start works report) was achieved on 24<sup>th</sup> September. The final layouts have been agreed and signed off by Chief Officers and contractors are being procured through the City Surveyor's Minor Works Framework. The first move takes place at the beginning of November. The project is being delivered within the budget of £600k – excluding staff costs and fees.

### **Efficiency Board**

- 11. The following key issues have been discussed at the Efficiency Board, chaired by Chris Bilsland, since the last sub-Committee meeting.
- 12. **Efficiency and Performance sub-Committee** The Efficiency Board has continued to discuss the support that it provides to this sub-Committee. The Board agreed that the schedule of outstanding actions for the sub-Committee would be reviewed and updated at every meeting of the Board. The Board noted the triggers for departmental reporting agreed by the sub-Committee at the last meeting and agreed that the triggers would be reviewed at each Board meeting. In support of this, the Board will involve the Chamberlain's Heads of Finance and the Town Clerk's Policy Officers.
- 13. In respect of the triggers, the Board noted that no issues had arisen from most recent budgetary monitoring reports or from the LAPS quarter 1 report (reported below). It was also noted that the National Audit Office was due to issue its next national local government study, on Financial Stability, before Christmas. This will be followed by reviews of Local Transport, and of Police Procurement. The City Corporation is participating in four CIPFA benchmarking clubs, and data collection has commenced. The Board noted that an overspend had been identified for the GSMD, relating to a delay in

implementing new contracts for some staff, but that this overspend would be reduced before the end of the financial year.

14. **Corporate efficiency/savings programme** The Board has received a series of updates on elements of the efficiency/savings programme, as follows:

- **Income Maximisation**: The Board discussed progress on the review of income maximisation, previously reported to this sub-Committee. It was acknowledged that certain areas of the City Corporation already display expertise in marketing and a commercial approach to income generation. The focus of the review should therefore be on learning from this experience and focusing attention selectively on those areas where there was less commercial thinking and a targeted intervention could result in significant benefit. Best practice would then be spread across the organisation by showcasing these successful interventions. The Board noted that the wide range of services provided by the City Corporation meant that what was successful in one area would not necessarily be successful in another.
- **Third Party Payments**: An interim report on the detailed analysis of all payments coded as “third party payments” during 2011/12 was considered by the Board, who requested that further detailed work be carried out. Total payments of some £105m over the three years 2009/10 to 2011/12 were examined. This will include identifying which contracts are outside of the immediate scope of the PP2P project and where there may be opportunities for detailed review to identify savings.
- **Supplies and Services**: The Board noted that a detailed “line by line” review of supplies and services expenditure for 2011/12 had commenced, covering payments with an budgeted value of some £111m. In view of the similarities with the review of Third Party Payments, the Board requested that a single report be prepared, covering both areas.
- **Departmental savings 2013/14 and 2014/15**: The Board noted that Chief Officers are in the process of developing their savings proposals for 2013/14 and 2014/15, in line with the agreed Budget Policy, and agreed to review progress towards the overall target savings.
- **Grants**: An analysis of all grants from City Fund and City’s Cash, excluding the Museum of London and London Symphony Orchestra is also being prepared. This will be analysed to determine whether there are opportunities for savings that can be proposed to Members.

15. **HMIC (Her Majesty's Inspectorate of Constabulary)** The Board considered two recent publications by HMIC. The first was a national report on police authorities' budget preparations for 2013/14 and the development of governance and accountability models under the new Police and Crime Commissioners. Although this regime does not apply in the City of London, the report was considered in order to ensure that the governance of the City of London Police by the City Corporation in its role as Police Authority reflects the best and most up-to-date practice elsewhere in the country, and financial arrangements are being specifically considered in this context
16. HMIC have also published draft Value for Money Profiles for 2012, comparing the City Police with other territorial forces in England and Wales. These will be the subject of a detailed report to the Police Performance and Resource Management sub-Committee at its first meeting of 2013. The initial analysis reported to the Efficiency Board noted that the City of London Police generally emerged as the force with the highest costs and lowest crime rates in the country. It was noted, however, that the data related to the position before the implementation of the City First programme, which responds to the significant reduction in government grant support for the City Police.
17. **Local Area Performance Solution (LAPS)** The Efficiency Board considered the final quarter one dashboard (1<sup>st</sup> April – 30<sup>th</sup> June 2012) for LAPS, the benchmarking tool comparing service performance data from London Boroughs. Of the 20 indicators applicable to the City Corporation, performance was in the top quartile for 12 indicators, and above average for a further 5, when compared with the other authorities who submitted data. The City Corporation was in the bottom quartile for only one indicator, LIS 22.
18. London Councils have delayed publication of the LAPS dashboard whilst further consultation takes place with Borough Leaders and Chief Executives. A further announcement is expected in early November. Your officers will ensure that an appropriate narrative is available on the City's website to put indicators into context where relevant.

**LIS 22: % of council tax collected**

19. The City Corporation value is 27.7%, below the group average of 31.2%. However, this is within 0.1% of the figure for quarter one of 2011/12, and follows the normal pattern of being below the London average at this time of year. By the end of the year, the City is consistently amongst the best performers nationally on this indicator and therefore this is not a cause for concern.



20. **Savings from strategic reviews and other initiatives** Appendix 1 shows the latest position in respect of the savings generated by the current programme of strategic and other reviews, as monitored by the Efficiency Board. Table 1 shows the reviews that have already generated savings during the current financial year (2012/13), along with the anticipated full year savings. Table 2 shows the same reviews, with the savings generated for the City Fund only. Members will recall that a savings target of £5 million per annum was set for the City Fund and this table allows for reconciliation against that target. Table 3 shows the impact of the departmental budget reductions implemented in 2011/12. These are reported separately as they are additional to the £5 million target.

**Background Papers:**

- *Report of the Chamberlain and Deputy Town Clerk to the Efficiency and Performance sub-Committee of the Finance Committee on 23<sup>rd</sup> May 2011: Transformation and Efficiency Boards*

**Appendix:**

1. Savings Schedule (as at 12<sup>th</sup> October 2012)
2. LAPS dashboard for Q1 of 2012/13

**Contact:**

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**SAVINGS SCHEDULE**  
(as at 12<sup>th</sup> October 2012)

Notes:

	Savings shown are not cumulative – they indicate the savings achieved/anticipated in each year, compared to a base year of 2009/10 for most items.
	Forward figures are at current prices. They should only be inflated if inflation increases are to be provided in future years.

<b>Table 1: Phase I Savings - all funds</b>	Current financial year £000	Full year impact £000
Street Cleansing	581	581
Trade Waste	334	334
Public Conveniences	143	143
Unaccompanied Asylum Seeking Minors	50	50
HR Review (phases I and II)	300	300
IS Shared Services	428	428
Chief Officer Budget Reviews 2009	2,645	2,645
Barbican Estate Car Parks	197	197
Telecoms	77	77
Security Contract	50	50
Cleaning and Window Cleaning Contract	150	150
PP2P net (cost)/savings	(1,981)	493
<b>Sub-total</b>	<b>2,974</b>	<b>5,448</b>

<b>Table 2: Phase I Savings - CITY FUND ONLY</b>	Current financial year £000	Full year impact £000
Street Cleansing	581	581
Trade Waste	334	334
Public Conveniences	143	143
Unaccompanied Asylum Seeking Minors	50	50
HR Review (phases I and II)	177	177
IS Shared Services	293	293
Chief Officer Budget Reviews 2009	2,498	2,498
Barbican Estate Car Parks	197	197
Telecoms	44	44
Security Contract	27	27
Cleaning and Window Cleaning Contract	35	35
PP2P net (cost)/savings	(756)	554
<b>Sub-total</b>	<b>3,623</b>	<b>4,933</b>

<b>Table 3: 2011/12 Budget Reductions</b>	Current financial year £000	Full year impact £000
Departmental reductions 2.5%	3,880	3,880
Departmental reductions 10%	13,696	14,035
Museum/LSO/LSSO	800	800
New Homes Bonus (note 1)	268	268
Departmental reorganisations	134	550
Golden Lane Leisure Centre		
Contract	40	119
Academies support post	(39)	(39)
One-off costs of change	(1,500)	0
<b>Sub-total</b>	<b>17,279</b>	<b>19,613</b>

## Notes:

1	Receivable for six years and to be adjusted year on year for net additional dwellings
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City of London: London Performance Dashboard: 2012-13 - Q1 Final

Risk and vulnerability	Value	Group Average	Better performance
LIS 1: violence against the person crime rate per 1,000 population Year to Date Apr 12 to Jun 12	0.42	4.90	
LIS 2: Robbery, dwelling burglary, and theft from a motor vehicle crime rate per 1,000 population Year to Date Apr 12 to Jun 12	0.5	5.84	
LIS 3: Total notifiable crime rate per 1,000 population Year to Date Apr 12 to Jun 12	5.5	24.96	
LIS 4: % of childrens core assessments completed within 35 days Year to Date Apr 12 to Jun 12	n/a	75.73	
LIS 5: % of child protection cases reviewed within required timescales Year to Date Apr 12 to Jun 12	n/a	#N/A	
LIS 6: % of children having a child protection plan for 2nd or subsequent time Year to Date Apr 12 to Jun 12	n/a	9.21	
LIS 7: % of referrals to children's social care going on to initial assessment* Year to Date Apr 12 to Jun 12	n/a	69.77	
LIS 8: % of vulnerable people supported to maintain independent living** Full year Apr 11 to Mar 12	99.3	97.70	
LIS 9a: average length in days of processing HB/CT benefit new claims Full year Apr 11 to Mar 12	18.0 (a)	23.29	
LIS 9b: average length in days of processing HB/CT benefit change of circumstance Full year Apr 11 to Mar 12	7.0 (a)	9.77	

key
borough performance
average performance
national comparator

**Guidance notes**  
a. The diamond represents performance for your chosen borough. To the right of the black bar represents better than average performance, to the left represents lower than average performance.  
b. Lower than average performance does not necessarily imply poor performance, and vice versa.  
c. \*\* This denotes there are fewer than 16 returns for that indicator.  
d. Please note that the national comparator measure does not necessarily relate to the same time period as borough data. Please see 'explanations' for further information.  
e. (a) this denotes that where the data for an indicator has been presourced by London Councils, the borough submitted their own data instead.

Improving life chances	Value	Group Average	Better performance
LIS 10: % of pupils achieving level 4 or above in both English and Maths at KS2 Annual 2010-11	93.0	77.45	
LIS 11: % of LAC achieving 5 A*-C GCSEs (inc English and Maths)** Annual 2010-11	n/a	14.74	
LIS 12: % of persons in school years 12-14 who are NEET Year to Date Apr 12 to Jun 12	n/a	4.79	
LIS 13: % of social care clients receiving Self Directed Support Year to Date Apr 12 to Jun 12	n/a	49.78	
LIS 14: % of carers receiving needs assessment or review Year to Date Apr 12 to Jun 12	n/a	13.67	
LIS 15: % of care leavers in employment, education or training Year to Date Apr 12 to Jun 12	n/a	55.11	
LIS 16: % of working age people on out of work benefits Snapshot as at February 12	3.2	11.90	
LIS 17: number of households living in temporary accommodation Snapshot as at 30 Jun 12	11	1094.55	
LIS 18: number of homeless applications accepted Rolling year Jul 11 to Jun 12	17	346.55	

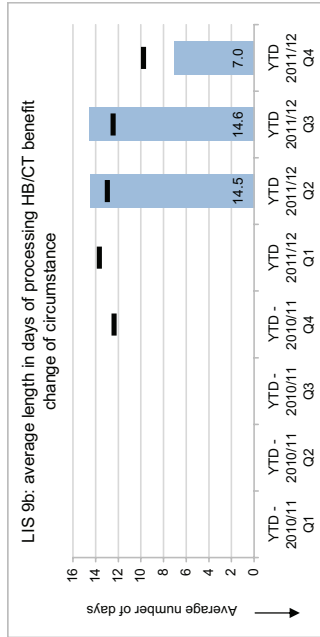
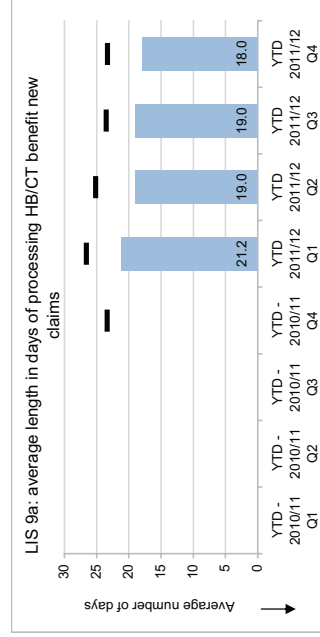
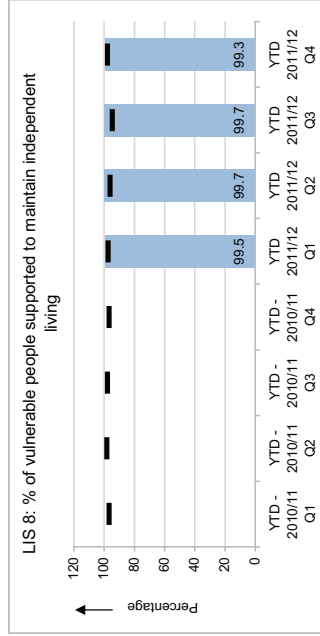
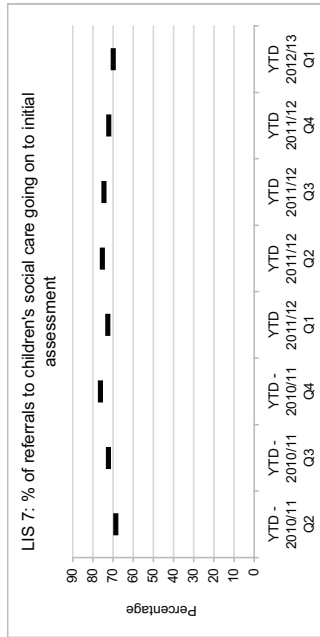
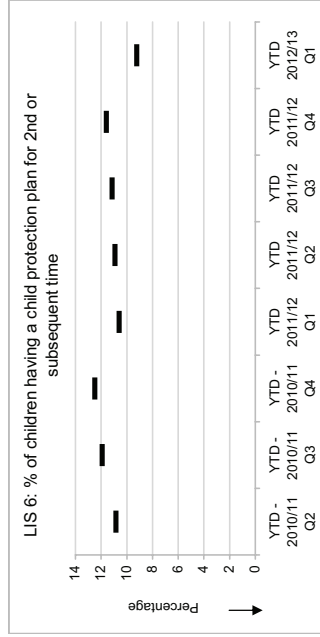
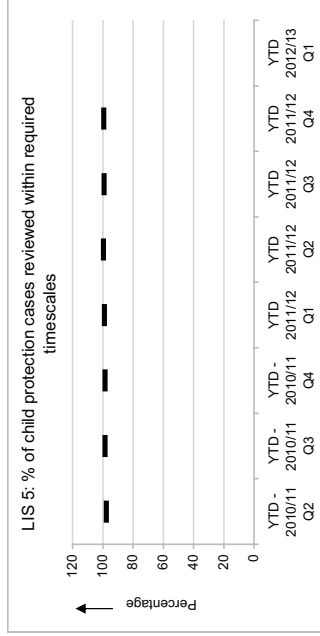
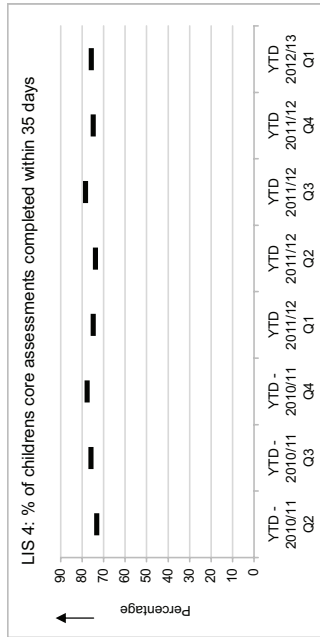
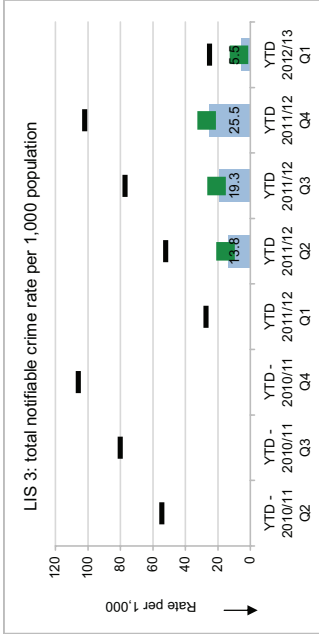
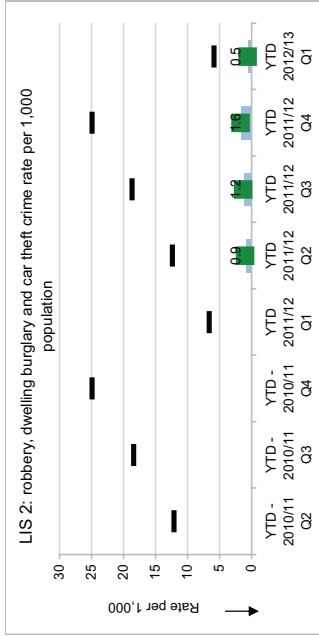
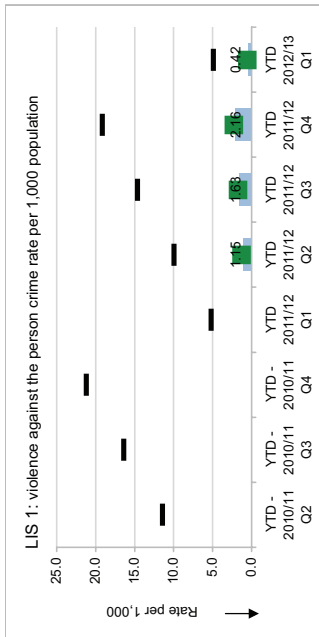


Quality of the environment	Value	Group Average	Better performance
LIS 19: kg of residual waste per household Year to Date Apr 12 to Jun 12	104	148	
LIS 20: % of household waste sent for reuse, recycling & composting Year to Date Apr 12 to Jun 12	32.3	35.1	
LIS 21a: % of land that has unacceptable levels of litter Most recent survey	4.2	5.7	
LIS 21b: % of land that has unacceptable levels of detritus Most recent survey	0.2	9.2	
LIS 21c: % of land that has unacceptable levels of graffiti Most recent survey	0.3	4.4	
LIS 21d: % of land that has unacceptable levels of fly posting Most recent survey	0.0	1.7	

Interest to the public	Value	Group Average	Better performance
LIS 22: % of council tax collected Year to Date Apr 12 to Jun 12	n/a	31.7	
LIS 23: % of non domestic rates collected Year to Date Apr 12 to Jun 12	n/a	32.9	
LIS 24: average sickness days per FTE (2010-11 Q4 onwards excludes school staff) Rolling year Jul 11 to Jun 12	7.7	7.8	
LIS 25a: % of minor applications determined within 8 weeks Year to Date Apr 12 to Jun 12	80.8	68.4	
LIS 25b: % of 'other' planning applications determined within 8 weeks Year to Date Apr 12 to Jun 12	73.3	77.6	

Risk and vulnerability

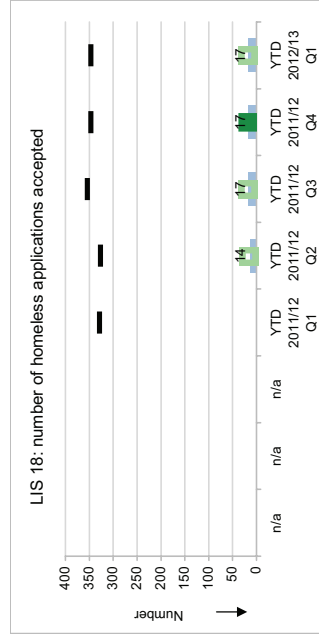
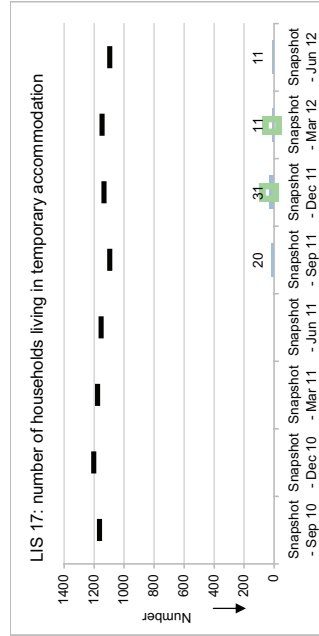
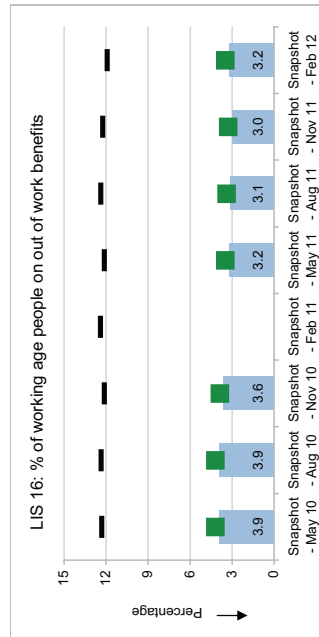
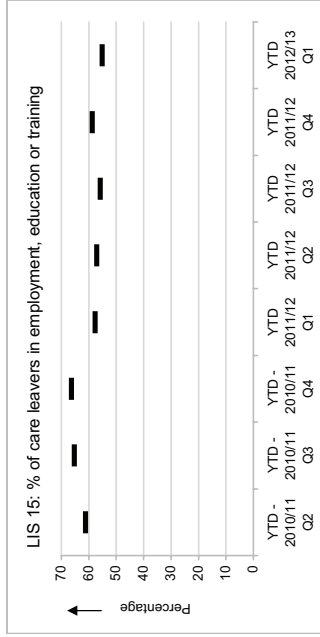
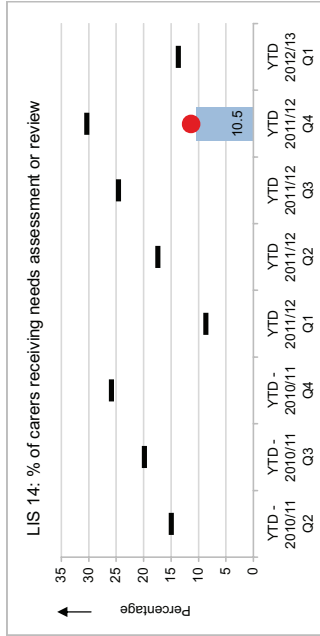
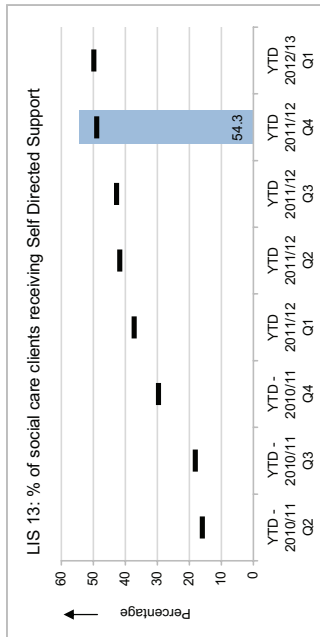
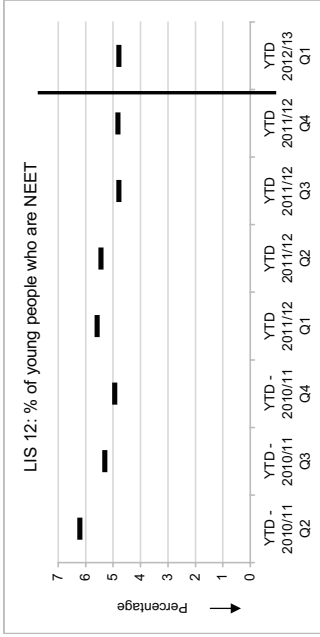
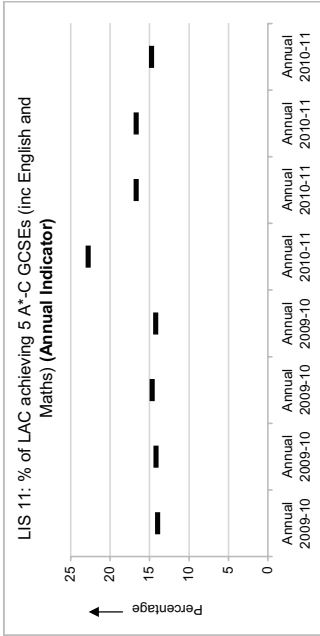
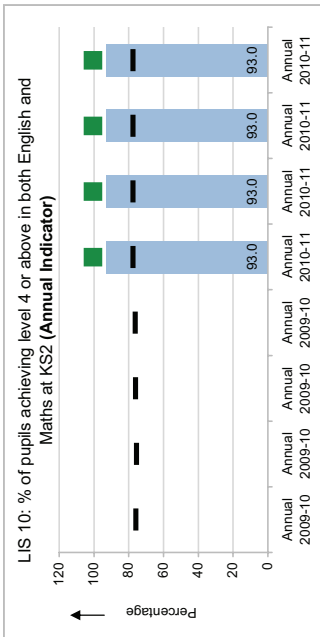
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Legend:

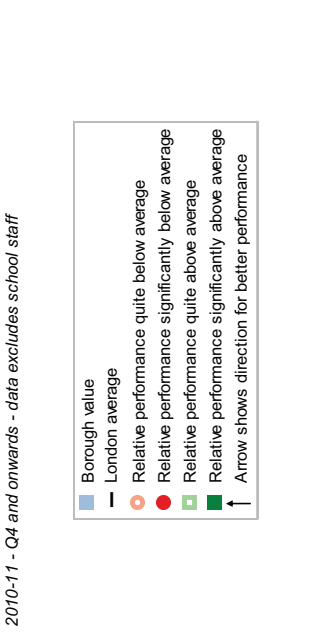
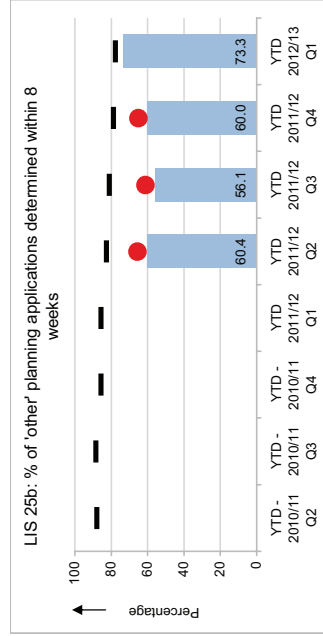
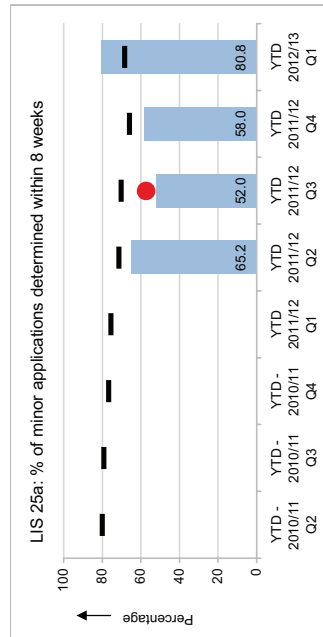
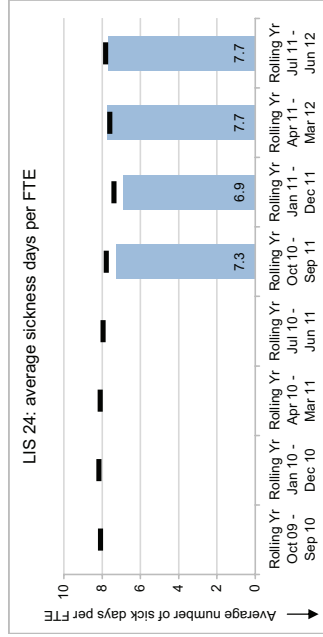
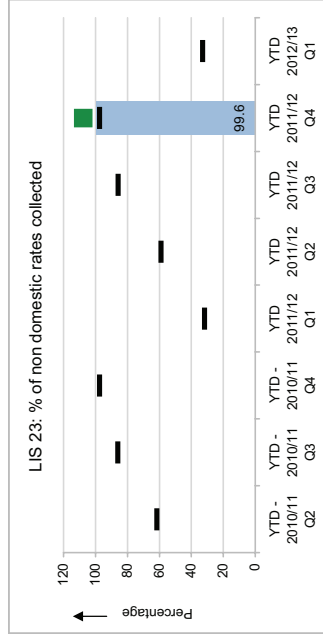
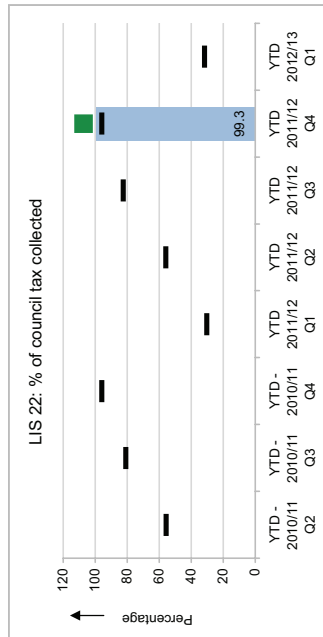
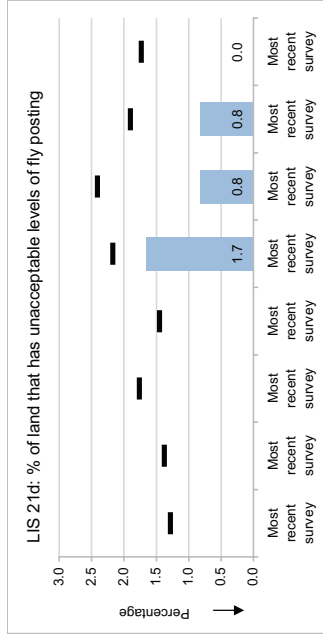
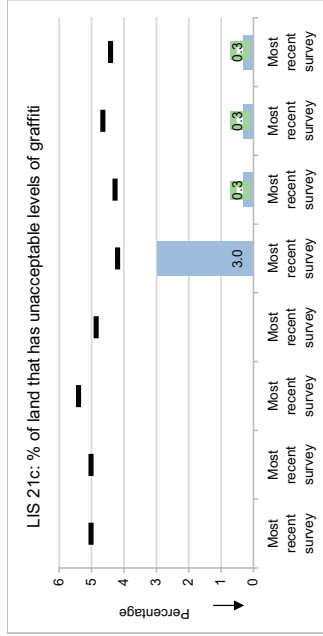
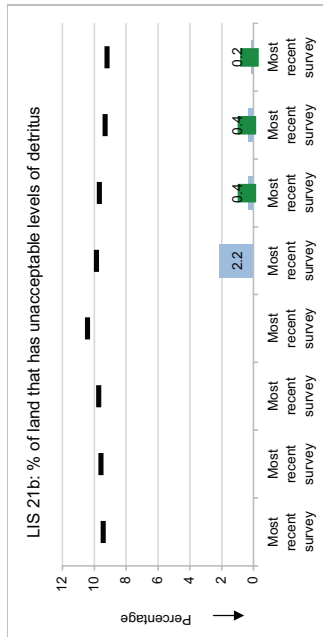
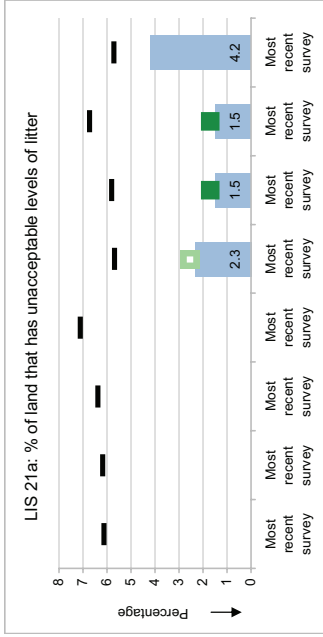
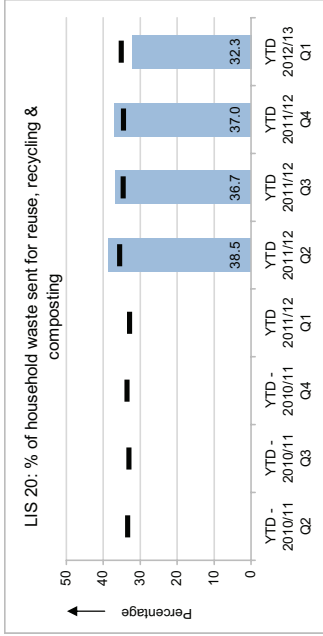
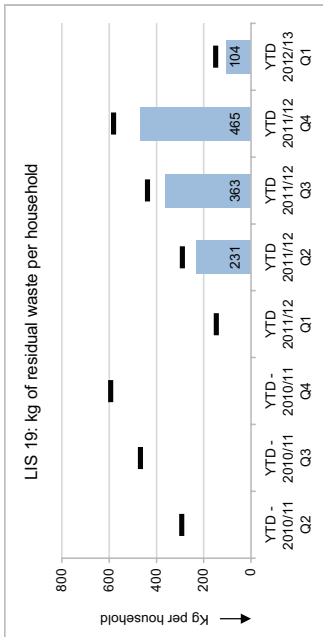
- Borough value
- Relative performance quite below average
- Relative performance significantly below average
- London average
- Relative performance quite above average
- Relative performance significantly above average
- Arrow shows direction for better performance

All 2010-11 - Q1 values do not have traffic lights due to data quality issues



Borough value  
 — London average  
 Relative performance quite below average  
 Relative performance significantly below average  
 Relative performance quite above average  
 Relative performance significantly above average  
 Arrow shows direction for better performance

All 2010-11 - Q1 values do not have traffic lights due to data quality issues  
 Definition of LIS 12 has changed from 16-to-18-year-olds to school years 12-14 as of 2012-13 Q1. Previous data relates to 16-to-18-year-olds. As such, the data before and after 2012-13 Q1 is not comparable.



- Borough value
- London average
- Relative performance quite below average
- Relative performance significantly below average
- Relative performance quite above average
- Relative performance significantly above average
- Arrow shows direction for better performance

2010-11 - Q4 and onwards - data excludes school staff

All 2010-11 - Q1 values do not have traffic lights due to data quality issues



# Agenda Item 9

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

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