

Committee(s):	Date(s):
Efficiency and Performance sub-Committee	30 Jan 2013
Subject: Transformation and Efficiency Boards - Update	Public
Report of: Deputy Town Clerk and Chamberlain	For Information
<p>Since the last sub-Committee meeting, the Transformation Board has met three times and the Efficiency Board has met twice.</p> <p>The Transformation Board has discussed the development of new strategic projects arising from the Strategic Opportunities workshop, received detailed presentations regarding Ways of Working and Digital by Default, 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 monitoring the agreed “triggers” for departmental reporting, and receiving a series of updates on current projects.</p> <p>Recommendation</p> <p>Members are asked to receive this update</p>	

Main Report

Background

1. At its 23rd 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. **Updates on Strategic Reviews** The Board received updates on the key strategic projects. Issues highlighted recently include:
- a. **IS phase 3 – alternative sourcing options**: Soft market testing has been completed, with a positive result from suppliers, and the procurement approach has been approved by the IS sub-Committee. The timetable is for tender bids to be returned in late April; Committee and Court of Common Council approval to be obtained by the end of July, and the new service to commence from mid-August, subject to an approved Transition Plan.
 - b. **PP2P**: The CLPS (City of London Procurement Service) project remains on schedule, with Accounts Payable and Reconciliations staff assimilated on 2nd January. When the first part of the service, relating to the payment of invoices, goes live on 21st January 2013, the focus will be on maintaining business as usual as well as training in new processes. The CLPS team are actively engaging with departments via their Change Partners to assess how ready the departments are to use the CLPS services. A checklist and overall dashboard have been created to report progress by each department. The year 3 sourcing plan will be ratified in the Category Boards and Joint Review Board in January, and reported to the Finance Committee in February. Year 3 – 5 sourcing opportunities have been identified and reviewed with Category Boards.
 - c. **Strategic Finance Review**: An action plan has been formulated to achieve a ‘one finance team’ feel within the decentralised Financial Services structure. The Management Information Dashboard project, led jointly by the Town Clerk’s and Chamberlain’s Departments, has been integrated with the Financial Management Information System developments. Work on eLearning for budget managers commenced in January, incorporating business partnering initiatives.
 - d. **HR**: The new HR structure went live on-time on 1st November 2012 as a soft launch. Information on the changes has been cascaded via Chief Officers, and staff resources have been allocated to complete projects that are underway.
 - e. **Property Facilities Management (FM)**: The interim restructure for the City Surveyor’s Department was completed in April 2012 and the department has transitioned to the City’s new FM operating model. Departments were consulted on the new model, and corporate property FM impact required to support the new corporate contracts and deliver the planned savings. Departments are currently being consulted on the end-state structure, roles and responsibilities and departmental contacts. All staff consultations and the end-state structure are aimed to be completed by summer 2013. Achievement of the Building Repairs and Maintenance savings under PP2P is dependent on the satisfactory resourcing of the facilities management team in the City Surveyor’s Department involving consultation and transfer of some staff resources from service and corporate departments.

- f. Accommodation (vacation of Guildhall Yard East) Contractors have been procured through the City Surveyor's Minor Works Framework, and works to Walbrook Wharf and the first floor of Guildhall North Wing completed. Final layouts have been agreed and signed off by Chief Officers. All works are on programme.
4. **New Strategic Opportunities** As reported to the last meeting of this sub-Committee, the Board is developing projects under four new themes:
 - a. "Top 100" Managers – promoting leadership and managerial behaviour and skills, engaging senior managers more proactively, and developing a collegiate approach.
 - b. Demand Management – controlling service requests from colleagues to ensure work is allocated appropriately and completed effectively, to a high standard, and in support of the City Corporation's key policy priorities.
 - c. Digital by Default – internally, to make information more accessible and enable better team collaboration, and facilitate communication and engagement across the organisation; externally, to develop online services with innovative use of online tools, gather and use customer insight to design and deliver services.
 - d. Ways of Working – developing a strategy, delivery framework and tools for ways of working that assist the organisation in making the best use of its assets, resources, technology and people; developing improved working practices, including flexible working, and making best use of enabling technology to support the strategy.
5. A chief or senior officer has been agreed as the project sponsor for each theme. For each theme, the Board has approved a project proposal, the format of which is aligned with the standard template from Project Vision, which is to be used for monitoring these new work streams. Each project sponsor has also produced a "journey map", showing the current position, the desired future position and the anticipated key stages.
6. The Board has received a detailed presentation about the Ways of Working theme and how that programme of work will be developed. The Board considered the vision and scope, and agreed project governance and management arrangements. The presentation also highlighted links to other work, the perceived benefits and how they would be measured, outputs, and an indicative timeline. The presentation concluded with case studies from Intel, BT, EDF Energy and the Environment Agency.
7. The Board also reviewed the range of internally and externally facing projects within the Digital by Default theme, including: the new website; EDRMS (Electronic Document Records Management System) pilots; use of Social Media; and enhancements to the CRM, contact centre and website. Indicative timelines for possible future developments were also highlighted, including: single system sign on; integration of processes and data across systems and functions; better use of collaborative tools; and continuation of free WiFi access.
8. Reports have been presented on two pilot studies aligned to the Ways of Working theme: one involving the collection of information on staff in the Town Clerk's Department to support the development of core "workstyles" (i.e. fixed

office worker , agile worker, mobile worker, home worker); and the other involving changing working practices to accommodate IS Division staff who will be relocating from Guildhall Yard East into the Guildhall Justice Rooms.

9. For its January meeting, the Board held a facilitated workshop, discussing and comparing the expected strategic outcomes from each workstream, with the aim of developing a common vision of transformation for the organisation from each of the current work streams. The outputs from the workshop are currently being reviewed to estimate the likely timescales for delivery and map the key interdependencies.
10. **Visit to Northamptonshire County Council** On 14th January 2013, a small group of officers visited Northamptonshire County Council, to examine how they have used the production of performance information and prediction of future demand to drive efficiency and effectiveness across their key services. The visit allowed officers to discuss issues such as the challenges faced, how/whether these have been overcome, and what resources have been required to reach their current position. A report on the visit will be prepared for consideration by both Boards, with the intention of incorporating the learning points into work currently being carried out at the City, for example on Demand Management and the Management Information Dashboard.

Efficiency Board

11. The following key issues have been discussed at the Efficiency Board, chaired by Chris Bilisland, since the last sub-Committee meeting.
12. **Efficiency and Performance sub-Committee** At each meeting, the Efficiency Board discusses the support that it provides to this sub-Committee, including reviewing the sub-Committee's list of outstanding items and the potential departmental triggers. The Board has also considered a draft of an update report on the Department of Community and Children's Services Commissioning Strategy. These three issues are the subjects of separate reports on today's agenda.
13. **London Authorities Performance Management Network** The Board noted that London Councils has currently withdrawn proposals to publish the LAPS performance indicator dashboard on its website, subject to further consideration. The City has submitted data for quarter two of 2012/13 and received interim data for checking. The final output will be reviewed by the Board and reported to the next meeting of this sub-Committee. The Board also noted that London Councils intends to set up meetings with groups of borough performance officers regarding future benchmarking and sharing of best practice.
14. **Corporate efficiency/savings programme** The Board has received a series of updates on elements of the efficiency/savings programme, as follows:
 - a. **Income Generation Initiatives**: The Board discussed progress on the review of income maximisation, previously reported to this sub-Committee. Further work has now been undertaken, including an

analysis of income streams by Committee and department, and considering the priority areas for further work. Discussions will be held with key Chief Officers, including the Town Clerk, and the Comptroller & City Solicitor, the latter to consider the feasibility and desirability of introducing more commercially orientated trading structures for the City Corporation. A number of departments have been identified for direct engagement to discuss income generation and commercialisation potential, including Community and Children's Services; Culture, Heritage and Libraries, Markets and Consumer Protection and Built Environment. The income generation toolkit produced to assist with the analysis of income opportunities will be considered for application in specific areas as part of this engagement. An income generation and commercialisation project board will be established by the beginning of March, and where specific income generation projects are identified, resources and expertise to assist departments will be sought from the project board, staff who have completed the Ashridge leadership development training, and Chamberlain's staff.

- b. Third Party Payments and Supplies and Services: An interim report on the detailed analysis of all payments coded as "third party payments" and "supplies and services" has been considered by the Board. This includes details of where spend is subject to any other current or recent reviews (e.g. Department of Community and Children's Services Commissioning Strategy; City First; IS review), or within the scope of PP2P. The Board concluded that it wished to conduct a systematic review of this analysis at its meeting on January 31st.
- c. Grants: An analysis of all grants from City Fund and City's Cash, excluding the Museum of London and London Symphony Orchestra has been compiled and will be further analysed for alignment with the City Corporation's Key Policy Priorities to determine whether there are opportunities for savings that can be proposed to Members.

- 15. 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 shows that £4.93 million has been achieved. 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.
- 16. There have been two changes to the tables since the last report to this sub-Committee. The New Homes Bonus (table 3) for 2013/14 has been increased by £104,000 to £372,000, and the provision for one-off costs of change (also table 3) for 2012/13 has been reduced from £1,500,000 to £300,000.

17. In addition to the savings referred to above, a VAT refund of £9.8m (net of fees) has been secured and will be added to reserves in 2012/13. It has been agreed by the Resource Allocation sub-Committee that this is ring fenced, at least in part, as a reserve against any future VAT liability for breaching the de minimus threshold, rather than carrying a provision year on year. The provision of £2 million in 2012/13 and £1.5million p.a. from 2013/14 onwards (across City Fund and City's Cash) has therefore been removed.

Appendices

- Appendix 1 – Savings Schedule (as at 15th November)

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