

<b>Committee(s):</b>	<b>Date(s):</b>
Efficiency and Performance sub-Committee	08 May 2013
<b>Subject:</b> Transformation and Efficiency Boards - update	<b>Public</b>
<b>Report of:</b> Chamberlain and Deputy Town Clerk	<b>For Information</b>
<b>Summary</b>	
<p>Since the last sub-Committee meeting, both the Transformation Board and the Efficiency Board have met three times.</p> <p>The Transformation Board has discussed the development of new strategic projects; received reports on the City's Contact and IS Strategies; considered business cases for extending the use of Yammer and trialling the My Council Services app; along with the regular updates from the current programme of strategic reviews and other issues.</p> <p>The Efficiency Board continues to monitor the achievement of efficiency savings and budget reductions, and the latest position is reported in Appendix 2 to this report. The Board has also assumed responsibility for the City's compliance with the government's transparency agenda; received the latest performance dashboard information from London Councils; and discussed how it can continue to support this sub-Committee, including by monitoring "triggers" for departmental reporting, and receiving a series of updates on current projects.</p> <p><b>Recommendation</b></p> <p>Members are asked to 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. **Updates on Strategic Reviews** The Board received updates on the key strategic projects. Issues highlighted recently include:
- a. **IS phase 3 – alternative sourcing options**: On-site ‘due diligence’ sessions are being held with prospective suppliers to cover further details on systems and services. 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) is now fully live, with the launch of the second wave, including transactional buying, on 2<sup>nd</sup> April. A short period of stabilisation will be followed by an examination of further service improvements and efficiencies as part of the continuous improvement phase of the project. A mid-term review has been agreed by the Finance Committee, with a target date for completion of July. Savings from the PP2P project are reported in Appendix 2 to this report.
  - c. **Strategic Finance Review**: The overall foundations to implement the review have been completed. Appropriate scrutiny by Members has been made easier by budget estimate reports being presented in a more understandable format and feedback on the new format has been very positive. In addition, early strategic advice provided by Heads of Finance and other actions has improved the quality of committee reports. The tasks now are principally to:
    - enable Heads of Finance to move their teams from traditional transaction processing to being strategic business partners - actively involved in the decision making process;
    - deliver learning and development activities to equip staff with the skills and techniques they need to be effective business partners;
    - improve the financial management skills of budget holders, enabling them to be effective partners in the business partnering relationship; and
    - enable the team to operate as one finance function.
  - d. **HR**: Staffing the new structure has taken longer than expected because of turnover and secondments out to support the City Police; however resources have been reallocated to close the gaps. Occupational Health has moved to Walbrook Wharf and the Learning and Development rooms have moved to the ground floor of the Guildhall North Wing, both without any loss of service. A post implementation review is planned for July, once the new structure has been operational for three months.
  - e. **Property Facilities Management (FM)**: The establishment of new contractual arrangements for Property Facilities Services, including Buildings Repairs and Maintenance, has required a significant change in property facilities management across the organisation. As the responsibility for the buildings, and assets within those buildings, has moved to the City Surveyor, he has proposed structural change to

accommodate changing responsibilities and ultimately realise savings from the new arrangements. Professional staff consultation has commenced, enabling staff to be involved in refining the structure prior to consulting with the individuals significantly affected. Work is underway within the PP2P programme to continue the work on consolidating services and further contracts will be let in the coming months for areas such as utilities (electric, gas, water), pest control, and catering.

- f. Accommodation All works are currently on budget, although there have been some delays in furniture deliveries. The Department of Community and Children's Services has recently completed its move to the 5<sup>th</sup> floor of the Guildhall North Wing. General communication and feedback from departments has been positive.

- 4. **New Strategic Opportunities** As reported previously, the Board is developing projects under four new themes:
  - a. Management Development – 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.
  - 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. The Board has discussed the expected strategic outcomes from each workstream, and the need to develop a clear message explaining exactly what work is being undertaken, with a succinct paragraph to clarify the transformation projects and their objectives. This will enable more coherent communication of the programme, and mapping of the outcomes to the Corporate Plan. The Board also agreed that the future monitoring and reporting against the new new themes would be managed through the corporate project management system: Project Vision.
- 6. The Board also discussed whether sufficient attention was given to customers within the current workstreams, and agreed that a separate area of work should be considered, including the mapping of existing information about customers, particularly residents, workers and visitors.
- 7. **Contact Strategy** At its following meeting, the Board therefore considered a report on the City's Contact Strategy, as agreed by Chief Officers in 2011. The Board agreed that the three key principles should remain unchanged:

- Digital channels are considered first for all services
  - Self-service is encouraged for faster and easier customer access, including automated services for both telephone and web
  - High quality customer service is maintained across all channels
8. The Board also noted that the first step towards a refreshed strategy would be the collection of customer contact data from across the organisation. The revised strategy will incorporate the existing service statement and service response standards; examine opportunities for further service improvement projects; and seek to generate efficiency savings by generating economies of scale, whilst providing more unified customer services.
  9. **IS Strategy consultation** The Board received a presentation from the Chief Information Officer on the draft of a revised IS Strategy for the City Corporation, prior to its consideration by the IS sub-Committee. The Board raised a number of issues including: cyber security; social media; links to the outsourcing phase of the IS review; and the extent of consultation with departments. It was noted that the strategy will be reviewed annually to incorporate new developments.
  10. **Visit to Northamptonshire County Council** Following the visit by a small group of officers in January, the Board considered a report on the key issues identified and how these could be used to enhance work currently being carried out at the City, for example on Management Information Dashboards. Key issues included the use of data to drive the analysis of services, particularly focusing on the areas of greatest spend; “dashboard” approaches for reporting performance; and the use of information to challenge the performance of Chief Officers. The Board particularly noted the ability to pro-actively analyse future demand to help shape performance, and to combine cost and performance information for services. Presented clearly with comparative information, this enables service-based reviews and will allow councillors to consider prioritisation and rationalisation decisions if faced with a requirement for a future savings programme
  11. **London Collaborative Efficiency Network** Officers attended the most recent meeting of the LCEN, and reported back to the Board on issues discussed, including: contracting and procurement issues relating to the London Living Wage; opportunities for savings from Public Health commissioning contracts; and mapping of existing and planned shared services arrangements across London authorities.
  12. **Yammer** For the last two years, the City Corporation has been using a free version of the Yammer portal for internal communication, collaboration, online learning and development. The Board considered a business case for adopting the full version, giving a greater range of functionality. The Board recommended that further research be carried out into the benefits realised by existing users, and to determine how Yammer could be used as part of the range of communication tools already available to City Corporation departments.
  13. **My Council Services** The Board received a presentation of the My Council Service app, an online and mobile IT platform that enables residents,

businesses and visitors to contact authorities to submit incident reports or requests, including photographs, via a range of mobile Smartphones or the Web. The app is currently in use by a number of authorities, including the Royal Borough of Kensington and Chelsea, and can operate across a range of local authority services including fault reporting, jobs, parking permit applications and events bookings. Every customer interaction or issue can be displayed on maps – for example drilling down to the level of City Ward boundaries - and additional topical links to useful service information, such as library opening times, and the Lord Mayor's show can be displayed. A business case for a one-year trial was agreed by the Board, subject to IS clearance.

14. **Dragons' Den** The Board received initial feedback from an initiative arising from the October 2012 Social Media Conference for staff, where attendees could have the opportunity to present ideas to the Town Clerk and senior colleagues for possible funding consideration. Eight pitches were made, outlining how the particular idea would reinforce collaboration or agile working in the City Corporation. In particular the pitchers were asked to outline what resource their ideas would require, the support needed, how they would benefit the City and what success would look like.
15. A separate report on today's agenda highlights the link between this initiative and a proposed review of the staff suggestion scheme, also following on from comments made by Members at the last meeting of this sub-Committee.
16. **Organisational Change** The Board received two presentations on recent organisational changes at the City Corporation; from the City Surveyor on the structural changes within his Department following the letting of the Property Services Facilities Management contracts; and from the Business Support Director on the implementation of the CLPS. Issues from both of these presentations are included in the updates at paragraph 3 above.

## **Efficiency Board**

17. The following key issues have been discussed at the Efficiency Board, chaired by Chris Bilisland, since the last sub-Committee meeting.
18. **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 reviewed drafts of the reports contained on today's agenda. External triggers considered by the Board include:
  - Police Value for Money Profiles issued by HMIC – an initial analysis has been reported to the Police Performance and Resource Management sub-Committee, and a further report is to be presented at their next meeting.
  - National Audit Office report: "Financial sustainability of local authorities" – The Board noted that this report has no new material to consider as criticisms are focused on central government departments.

A separate report on triggers is presented on today's agenda.

19. **Performance Dashboard 2012-13 Q3** The Board noted the latest City of London performance dashboard, compiled quarterly by London Councils. This is attached at Appendix 1. It shows above average performance for 20 of the 21 indicators for which the City's performance is reported, an improvement on the previous quarter. Performance on 13 indicators is in the top quartile. The only indicator where the City is still below average is LIS 25b – time taken to process “other” planning applications. However, performance has improved significantly since the indicator was the subject of an Internal Audit review in 2011/12 – from 60% to above 70%. The Board also noted that performance against this indicator is impacted by the amount of negotiation that planning officers conduct as part of the application process, which ensures that at least 95% of planning applications are approved, compared with an average of roughly 75% across England and Wales.
20. **Publication of Performance Information** The Board also noted that London Council Leaders have agreed not to publish the performance indicator dashboard on its website, but will continue to support its use as a benchmarking tool for London boroughs, as originally intended. Members may recall that the Local Government Association is developing a similar dashboard – LG Inform - on a national basis. It has recently been announced that a prototype is due to be released to authorities by the end of April, with full public access in the summer.
21. **Transparency** The Board has assumed responsibility for the transparency agenda and received a report comparing City Corporation practice with guidance from the Department of Communities and Local Government. The report noted that the City Corporation met the key requirements of the guidance, including the publication of spending data and information on pay policies. The Board noted that a page would be created on the City's website, to provide a clearer link to the data that is published.
22. **Corporate efficiency/savings programme** The Board has received a series of updates on elements of the efficiency/savings programme, as follows:
- a. **Third Party Payments**: The results of a line-by-line review of Third Party Payments have been considered by the Board and are presented as a separate report on today's agenda. The report notes that more detailed examination will be carried out into certain areas of spend, and these will be reviewed by the Efficiency Board before being presented to this sub-Committee.
  - b. **Supplies and Services**: The results of an initial review of supplies and services were also considered by the Board and areas for further work by either Internal Audit or the PP2P sourcing team, in preparation for inclusion within the PP2P programme, were identified. The results will be reported to this sub-Committee in due course.
  - 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 is being 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.

- d. Property/accommodation: This sub-Committee has previously noted the need to consider rationalisation of operational accommodation within and outside the City as part of the corporate efficiency programme. As part of this work, the Efficiency Board has considered reports from the City Surveyor regarding asset realisation and the Corporate Property Strategy, and agreed that further work needs to be conducted to link this work to the efficiency programme.
23. **Savings from strategic reviews and other initiatives** Appendix 2 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 generated savings during 2012/13 along with the anticipated 2013/14 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 this target has been achieved. This table will therefore be excluded from future reports. Table 3 shows the impact of the departmental budget reductions implemented in 2011/12, and table 4 shows the target reductions from the 2013/14 and 2014/15 budget reductions. These are reported separately as they are additional to the £5 million target in table 2.
24. Since the last report to this sub-Committee, the figures for PP2P savings have been updated.

## **Appendices**

- Appendix 1 – City of London: London Performance Dashboard 2012-13 Q3
- Appendix 2 - Savings Schedule (as at 24<sup>th</sup> April)

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