

Committee(s): Finance Committee	Date: 07 May 2024
Subject: Chamberlain's Business Plan End of Year 2023/24 update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	3, 5, 8 & 10
Does this proposal require extra revenue and/or capital spending?	N
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: The Chamberlain	For information
Report author: Leah Woodlock –Chamberlain's Project Manager	

Summary

Highlights from quarter four of 2023/24 include:

- Publishing of the audited accounts for City Fund and City's Estate.
- Completion of annual billing process for 2024/25.
- Finalisation of the Treasury Management Strategy Statement for 2024/25.
- Signing of the ERP Software Contract.
- Piloting the self-service Pension Administration System.
- Successful insourcing of managed services partner; Agilysys.
- Refining of the Chamberlain's Transformation programme.

It is noted that there was a decrease of 2.16% in the annual business rates collection compared to 2022/23. This will be closely monitored over the next quarter, and appropriate interventions will be deployed. A key factor to the collection rate was the later notification (in March) of new properties (with a billing value of circa £30m) from the Valuation Office Agency.

The details of the key updates, challenges and future priorities are detailed in Appendix 1.

Recommendation

Members are asked to note the report.

Main Report

Background

1. The Chamberlain's Department provides quarterly updates to Finance Committee on the activities and achievements against the approved business plan. This report provides an update on the department's performance during quarter four of 2023/24.

Performance Indicators

1. Financial Services Division continues to fill key positions which will improve the resilience of the service. At the end of Quarter 3 the new permanent Chief Accountant has begun in post, and the final few remaining vacant posts have gone out to advert, with a number of appointments being made in quarter 4.
2. In year collection rates for Council Tax and Business Rates during 2023/24 have decreased slightly when compared to previous year's collection. Q4 Council Tax collection has decreased from 96.80% in 22/23 to 96.60% in 24/25. This is a minor decrease which can be attributed to a late Court date of 27th March, which left very little time to pursue recovery of these debts.
3. Business Rates collection has also decreased from 98.23% in 22/23 to 96.07% in 2023/24. This is a slight concern and will be monitored closely in the coming months. However, it should be noted that the Valuation Office Agency notified the City of new properties with a billing value of around £30m during March. This represents about 2.3% of the collectable debit and this has impacted the collection rate as it was not possible to collect these amounts prior to year-end.
4. Investment Property Income collection at the end of March 2024 is at 94.47% which compares to 94.35% at the same point last year. The total outstanding arrears are currently around £8.3m.
5. In March 2024, the Chamberlain's Court implementing the annual Freedom Admission Fee increase in line with RPI, taking effect from April 2024.

Payment of invoices

6. In Q4 the City's performance for the payment of invoices within 30 days was 91% representing a 6% shortfall of the target. As detailed in the table below, the Accounts Payable team processed 2,575 more invoices in Q4 compared to Q3. The team continue to focus on clearing the invoice processing backlog.
7. The payment performance of 91% is consistent with Q4 of 2022/23. Following an Internal Audit Review, the Departmental risk "CHB 003 - Inconsistent application of the internal control environment" was developed. This risk details various mitigations in place to prevent and combat a number of the Corporation-wide attributing factors to the payment performance; including departments and institution's purchase order compliance, procurement code and financial regulations compliance. Chief Officers are aware of the issues arising and
8. The Chamberlain will undertake a deep dive into the issues and report back to this committee.

Month	All transactions Qty	Paid after 30 days Qty	30 days on time %
Apr-23	4,927	243	95%
May-23	5,214	438	92%
Jun-23	5,296	389	93%
Q1	15,437	1070	93%
Jul-23	5,326	446	92%
Aug-23	5,904	550	91%
Sep-23	5,277	483	91%
Q2	16,507	1479	91%
Oct-23	5,749	405	93%
Nov-23	5,906	486	92%
Dec-23	5,205	322	94%
Q3	16,860	1,213	93%
Jan-24	6,240	693	89%
Feb-24	5,795	475	92%
Mar-24	7,400	567	92%
Q4	19,435	1,735	91%
FY2023/24 Total	55,044	4,455	92%

9. Regular self-service reports for Open Orders and AP Holds are circulated to responsible users to enable them to take action to resolve any outstanding issues. This approach will empower all users to take responsibility for their supplier invoices and active purchase orders. These efforts will contribute to improving the payment performance statistics.
10. The Oracle Team continue to offer and deliver training to all departments to ensure awareness of the actions they need to take for both PO and AP open items and how to use these new reports.

Closing Accounts Update

11. Quarter 4 saw the 2022/23 City's Estate accounts signed off by auditors Crowe UK in advance of the extended deadline of the 31st March 2024. This means that the City Corporation is now fully up to date with all City Fund and City's estate accounts in advance of the 2023/24 year-end. This is a significant achievement given the number of statutory accounts required for preparation and sign off and a reflection of the significant amount of work put in across the Chamberlain's department and also the wider City Corporation in resolving queries from the auditors.
12. As well as completing the main City's Estate accounts, the accounts for a number of other charity trusts and both Barking and Thames Power Ltd were completed and submitted to the relevant bodies. This leaves only the schools bursary accounts outstanding for 2022/23, for which final queries recently received from auditors are being worked through in order to complete.

13. Following the completion of the 2022/23 accounts, focus has turned to the 2023/24 year-end. In particular using the lessons learned to inform training and guidance materials circulated to the organisation. The core corporate team supporting year end have now been in place for a number of months giving continuity and time for preparation in advance of 2023/24 which was not the case for 2022/23.

Budget setting process 2024/25 and 2025/26

14. The 2024/25 budgets were approved by the Court of Common Council on the 7th March as part of the City Fund and City's Estate Medium Term Financial Plans (MTFPs).
15. These set out the pressures currently experienced and the medium-term impact of recent high inflation, uncertainty around local authority funding and the scale of the capital programme which are the main risks to the City Corporation over the MTFP.
16. Once approval was received for 2024/25, work has already begun on reviewing budgets for the 2025/26 process. This includes a detailed review of all projects within the Capital and supplementary revenue project (SRP) programme to ensure their alignment with strategic outcomes. Further work is also being established to consider the broader cross cutting transformation programme and how this will impact across the City Corporation in future years.

Chamberlain's Transformation

17. The Chamberlain's Transformation Board was relaunched in quarter 4, shifting the focus to provide a comprehensive oversight and support for a diverse range of projects (departmental and cross-cutting), ensuring financial, technological and commercial alignment, efficiency, and strategic impact across the Corporation.
18. The new Chamberlain's Project Portfolio is included as Appendix 2 of this report. Projects are classified as Cross- Departmental Projects/Transformation, Departmental Transformation/Improvement Projects.
19. Project Managers/Leads will be required to present to the Chamberlain's Transformation Board as requested by the Senior Leadership Team who review the dashboard and project performance on a monthly basis.
20. The ERP Programme continued to make progress in quarter 4, after a period contract negotiations, the Software as a Service (SaaS) contract was signed with the preferred supplier; SAP. The System Integrator (SI) Procurement Process was commenced and the Selection Questionnaire (SQ) phase was completed, responses were of a high standard and provided confidence in taking the top 6 through to the ITT phase. The recommendations for SI partner are expected by the end of Q1 2024/25.
21. The Digital Information Technology Service (DITS) successfully completed the insourcing of all of our services from our Managed Services Partner; Agilisys. This allows us greater control over the IT experience, and ensuring that we can concentrate on fully resolving issues.

Conclusion

22. The Chamberlain's Department will continue to build on the progress made in 2024/25 and work to deliver the 2024/25 departmental business plan and support the wider Corporate Plan and People Strategy.

Corporate & Strategic Implications

Strategic implications – Strategic priorities and commitments are expressed in Appendix 1.

Financial implications – The 2023/24 Business Plan reflected a 12% reduction in the departmental budget agreed and implemented in previous years.

Resource implications – Any changes to resources have been identified and will be delivered through the implementation of the Target Operating Model.

Legal implications – None.

Risk implications – Key risks managed by the department are included in the Risk Update Report also received by this committee.

Equalities implications – The department has a separate Equalities and Inclusion Plan which aims to improve the department's Equalities position for employees. Where appropriate the department will complete Equality Impact Assessment for upcoming changes.

Climate Implications – Under the Climate action strategy the departments Corporate Treasury function is responsible for delivering Scope 3 emission actions related to our financial investments.

Security implications – None.

Background Papers

Draft Chamberlain's Business Plan for 2023/24 - December 2022

Chamberlain's Business Plan Quarter 1 2023/24 update - September 2023

Chamberlain's Business Plan Quarter 2 2023/24 update - November 2023

Chamberlain's Business Plan Quarter 3 2023/24 update - February 2024

Appendices

Appendix 1 – Chamberlain's Business Plan update

Appendix 2 – Chamberlain's Transformation Dashboard

Leah Woodlock

Chamberlain's Project Manager

T: 0203 834 7158

Leah.Woodlock@cityoflondon.gov.uk