

Committee(s):	Date(s):
Efficiency and Performance sub-Committee	18 May 2012
Subject: Transformation and Efficiency Boards	Public
Report of: Deputy Town Clerk and Chamberlain	For Information
<p><u>Summary</u></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 on the HR Review, including an update on the second phase of the review and the potential challenges and overlaps with other strategic reviews. It also received a presentation from the new Comptroller and City Solicitor regarding his experiences of cross-borough working, and updates from all of the 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 considered the future work programme of this sub-Committee; the latest self-improvement and leadership initiatives offered by the Local Government Association and London Councils; the Audit Commission's recent publication "Local payment by results" and the latest performance benchmarking information from London Councils (LAPS) and the Local Government Association (LG Inform).</p> <p>Recommendation</p> <p>That Members receive this update.</p>	

Main Report

Background

1. At its 23rd May 2011 meeting, the 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 the 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. **HR** The Board received a presentation from the HR Consultant which included the findings from phase I, an update on phase II and an analysis of the potential challenges and overlaps with other strategic reviews and major issues.
4. Phase I included grouping services for 15 separate departments into Business Units and establishing Business Partners to support the organisation in meeting its aims. Savings of £150,000 per annum were achieved. The experience of implementing phase I was analysed using the EFQM (European Foundation for Quality Management) model and a variety of other techniques for engaging staff, in preparation for phase II.
5. Phase II is to introduce a single transaction unit, and generate savings of an additional £150,000 per annum. The Board noted that HR had accomplished much in the context of high recruitment levels, limited resources and extremely challenging deadlines.
6. Potential challenges and overlaps with other strategic reviews and events that were identified were discussed, including PP2P, the accommodation review, the expansion of iTrent for recruitment and self-service, and recruitment to senior posts.
7. The HR Consultant noted that successful implementation will result in an HR Service that can provide a more tailored response to customer and client needs, will increase resolution on first contact, and increase capacity for organisational projects.
8. **Cross-borough working** The Board received a presentation from the new Comptroller and City Solicitor on his experiences of cross-borough working from the Tri-Borough initiative (Hammersmith & Fulham, Kensington & Chelsea, and Westminster City Council). He outlined the alternative legal powers available to authorities wishing to share services and the approach selected by the three boroughs. In response to questions from the Board he also discussed the advantages and disadvantages of the different approaches, particularly in relation to employment law issues.
9. It was noted that some services (e.g. Adults Social Care, Libraries and Children's Services) are shared across all three authorities, with others (e.g. legal services, highways & technical services, and environment & residents'

services) shared just by Hammersmith & Fulham with Kensington & Chelsea. The reasons behind this and the differing extent to which different services were integrated were also outlined. The Comptroller noted that some services (e.g. electoral services and committee/member services) had been excluded from any sharing agreement.

10. In response to further questions from the Board, the Comptroller outlined some of the key change management issues that he had experienced. He advised that in considering shared services arrangements it was important to be clear on the purpose and objectives and to have a sound business case. The Board agreed that issues covered during the presentation and subsequent discussions would be very helpful for officers considering the expansion of the existing City Corporation shared services programme.
11. **Updates on Strategic Reviews** The Board receives updates on the key strategic projects at each meeting. Issues highlighted recently include:
 - i. **IS**: The new Chief Information Officer (Graham Bell) is now in post. A draft Service Level Agreement is being developed with Culture, Heritage and Libraries as a template for other departments – the target is to have these agreed by August 2012. Recruitment to vacant posts created as part of phase II (unification) will take place in June. Union consultation has begun on phase III (alternative sourcing options).
 - ii. **PP2P**: Work is underway on the sourcing projects agreed for Year 2. CLPS (City of London Procurement Service) working groups took place during March covering scoping, organisational design and phasing. A report to Chief Officers' Group in May covering the funding model, structure and functions of the CLPS will be followed by reports to Finance Committee, and Establishment Committee in June. The eMarketplace is continuing to make steady progress with more suppliers gradually moving to catalogues.
 - iii. **Strategic Finance Review**: A streamlined action plan has been developed to improve monitoring and ensure key activities are successfully undertaken. Service protocols are to be agreed with each department for the 2012/13 financial year. The main financial processes are to be mapped by the summer recess with the first session completed in April. Work is continuing on improving financial management information and system functionality in consultation with users.
 - iv. **Guildhall Accommodation**: A report on the Guildhall accommodation moves will be presented to the Chief Officers' Group in May, followed by detailed option appraisal to the Corporate Asset sub-Committee and the Projects sub-Committee in June. Consultation with the Unions and a detailed communications strategy will be developed. The project is

expected to be delivered within the £600k budget (excluding staff costs and fees).

- v. Property Facilities Management: The interim restructure for the City Surveyor's Department has been completed and the transition to the new Facilities Management operating model is in progress. The Court of Common Council approved on 19th April the new Building Repairs and Maintenance contracts to start on 2nd July 2012. Awareness training has been held for staff. The minor works and construction work supplier frameworks are currently being tendered.

Efficiency Board

12. The following key issues have been discussed at the Efficiency Board, chaired by Chris Bilsland, since the last sub-Committee meeting.
13. **Local payment by results** The Board considered a briefing published by the Audit Commission, which considers the potential benefits for local authorities of using payment by results, the risks involved and how to mitigate them. Payment by results is identified as a way for the commissioners of services to use financial incentives to stimulate greater effort to improve services and outcomes. As most schemes are at an early stage, the Commission has examined the issues that local commissioners should consider if they are to use payment by results successfully, drawing on some national and international examples.
14. The briefing suggests that there are five principles that any payment by results scheme needs to meet if it is likely to succeed. These are:
- a clear purpose;
 - a full understanding of the risks;
 - a well-designed payment and reward structure;
 - sound financing; and
 - effective management and evaluation.
15. However, the Commission also warns that that there is no definitive list of services that would be suitable, with effective schemes likely to vary from place to place, depending on local circumstances. The Board requested a summary of the paper to be prepared for a detailed discussion by Chief Officers.
16. **Efficiency and Performance sub-Committee** Following the report agreed at the last meeting, the Board has considered possible issues for review/scrutiny by this sub-Committee, to replace the programme of departmental reviews. This is the subject of a separate report on today's agenda.

17. **London Authorities Performance Management Network (LAPMN)** The Board received an update from the April meeting of the LAPMN, hosted by London Councils. This network provides a useful exchange of information between London authorities, and an update on technical issues. The meeting featured updates on a number of current initiatives from both London Councils and the Local Government Association (LGA) which provide self-improvement and leadership support for local authorities. These include LAPS (London Councils) and LG Inform (LGA) – discussed below.
18. **Local Area Performance Solution (LAPS)** London Councils has recently released the quarter three dashboard for LAPS, a benchmarking tool comparing service performance data from London Boroughs. This is attached at Appendix 2. Thirty indicators are reported, split into five themed groups. The City Corporation's performance data is in the column headed 'value' and shown by the ♦ in the diagram of relative performance, which is divided into quartiles, with the best performance to the right. Green squares represent performance which is quite or significantly above average; red circles represent performance which is quite or significantly below average.
19. Data was provided by the City and 30 London Boroughs – the exceptions being LBs Bromley and Waltham Forest. Of the 27 indicators applicable to the City Corporation, performance in 19 was in the top quartile and above average for a further three, when compared with the other authorities who submitted data.
20. For all areas where the City's performance fell below the London average the relevant department was required to provide an explanation and further comment to the Efficiency Board. There are four indicators where the City's performance is in the lowest quartile, as follows:

LIS 6: % of children having a child protection plan for the 2nd or subsequent time
21. This indicator is subject to volatility due to the City's small numbers and the reported figure represents just one client.

LIS 9b: average length in days of processing HB/CT benefit change in circumstance
22. The loss of the Benefits Support Officer from April 2011 had a significant effect on the Benefit Section's performance indicators, with a substantial portion of the Benefits Officers' time being taken with basic admin duties that had previously been dealt with by admin support. However, since November 2011, the Benefits Team have received administrative support from an apprentice through the City of London Apprentice Scheme. The effect of this

additional support has been very positive and will be reflected in the statistics for quarter 4.

LIS 25a: Determination of minor planning applications, and
LIS 25b: Determination of other planning applications

23. As noted in the last update, performance on these indicators has been reviewed by Internal Audit and the Director of the Built Environment has responded that recent changes would result in an improvement in these indicators, and that these indicators are now part of the department’s routine business plan monitoring. Performance has now improved, as follows:

	Third quarter	Fourth quarter
LIS 25a – minor applications	52%	73%
LIS 25b – other applications	56%	72%

24. **LG Inform** The Board has also considered the latest LG Inform prototype headline report, the benchmarking tool produced by the Local Government Association. This is attached as Appendix 3. Thirty-four indicators are reported, split into six themed groups. The City Corporation’s performance data is in the column headed ‘local value’ and shown by the inverted triangle in the ‘England range’, which is divided into quartiles, with the best performance to the right.

25. As noted previously, the Board has agreed that this tool is less useful for tracking performance than LAPS, but as data is sourced from publicly available datasets rather than being provided by the City Corporation, continuous monitoring is necessary to ensure that the City’s performance is not misrepresented.

3: Violence with injury

26. The figure in LG Inform uses the City’s residential population and is therefore misleading. LG Inform have been asked to recalculate this indicator using the same (daytime) figure used by HMIC – 316,500, which would place the City high in the best quartile. Discussions are continuing, but if not satisfactorily resolved, LG Inform will be requested to mark this indicator as “NA” for the City.

7: Employment Rate

27. This is now marked “NA” as the previous figures were based on a sample of only seven City residents, which is considered too small a sample to produce a reliable result.

26. Timeliness of social care package (unchanged since last report)

28. The City's figure is distorted by the low number of clients. During the period in question, only four clients had their service start more than four weeks after the assessment. Of these 4 clients, one went to stay with their daughter, two were waiting for a placement to become available, and the other wanted to wait for a specific time before receiving services.

30: Time taken to process benefits

29. The figure in LG Inform (36) cannot be reconciled to the City's data, which is showing 17. This would place the City as slightly below average. LG Inform have forwarded their source data which is being reviewed by the Department of Community and Children's Services.
30. **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 23rd May 2011: Transformation and Efficiency Boards*

Appendices:

1. Savings Schedule
2. Local Area Performance Solution (LAPS) Q3 dashboard
3. LG Inform headline report as at 20th April 2012

Contact:

Neil Davies, Head of Corporate Performance and Development
020 7332 3327
neil.davies@cityoflondon.gov.uk