

<b>Committee(s):</b>	<b>Date(s):</b>
Efficiency and Performance sub-Committee	17 July 2013
<b>Subject:</b> Transformation and Efficiency Boards - update	<b>Public</b>
<b>Report of:</b> Joint Report of the Deputy Town Clerk and the Chamberlain	<b>For Information</b>
<b>Summary</b>	
<p>Since the last sub-Committee meeting, both the Transformation Board and the Efficiency Board have met twice.</p> <p>The Transformation Board has discussed the Ways of Working project; Customer Contact Strategy data; extending the use of Yammer and trialling the My Council Services App; and received the regular updates from the current programme of strategic reviews. The Board also received a presentation from the Director of Community and Children’s Services, who discussed his experience of implementing change and transformation at his previous authority.</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 received a presentation on measures being taken to address the projected growth in the City Corporation’s energy costs, discussed how it can continue to support this sub-Committee, including by monitoring “triggers” for departmental reporting, and received 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**: The report recommending awarding the contract to the highest scoring bidder has been presented to, and approved by, the Information Systems sub-Committee; the Finance Committee; the Establishment Committee, and the Policy and Resources Committee. IS staff in scope of TUPE have been informed of the outcome of the bid evaluation process. Final approval will be sought at the July meeting of the Court of Common Council. Once approved, wider communications to City staff will begin. The new service is due to commence in mid-August, subject to an approved transition plan.
  - b. **PP2P**: A mid-term review of PP2P is presented as a separate report on this agenda. The review of the year 3 savings target has been completed and a notice of variation signed off. Future activity includes recruitment to the Head of CLPS (City of London Procurement Service) post and three apprentices; a review of the City's Procurement Regulations; and benchmarking of the CLPS against comparable services. Savings from the PP2P project are reported in Appendix 1 to this report.
  - c. **Strategic Finance Review**: Training programmes are being developed for finance staff and for budget managers. A handbook on business partnering for finance staff has been launched and a handbook on business partnering for budget holders has been piloted with the user group.
  - d. **HR**: The final staffing structure is in place, and a post implementation review is being conducted by the Senior Management Team. Further developments in the iTrent recruitment module are being piloted.
  - e. **Accommodation** All works are projected to complete within the overall budget, subject to the approval to vire budgets between individual work tasks. The Chamberlain's Department is scheduled to move from Guildhall Yard East to Guildhall North Wing and Walbrook Wharf between late September and early November, to take account of operational requirements.
4. **Customer Contact Strategy** To update the information presented in the February 2011 Contact Strategy, the Contact Centre has gathered information from departments about the volumes of customer contact across current channels, as well as data on the social media channels used most heavily by the City Corporation (Facebook and Twitter). This analysis showed increasing use of automated telephone self-service (such as payment of parking charges and renewal of library books), the website and web transactions. Reduced use of post, telephony and email was recorded, although the latter may be due to stronger anti-spam controls. Both social media and mobile technology

have developed significantly since the previous research, with the City now having 42 Twitter and 22 Facebook corporate and departmental accounts to communicate with its customers. Updated information will be reported to the Board every six months.

5. **Ways of Working** The Board received a presentation from the Chief Information Officer on the Ways of Working programme. This covered the range of technologies currently available within the City Corporation – including ipads and mobile technology – and some of the limitations; new workstyles such as home working and mobile working; and next steps. A separate paper presented the results of a study within the Town Clerk's Department to determine the potential for mobile or flexible working. It was agreed that further trials would take place with staff in other departments.
6. Some members of the Board commented on their visit to RB Kensington & Chelsea, where a review of accommodation needs has led to the introduction of a range of flexible working capabilities. Issues raised during discussion included staff and manager attitudes to flexible working, links with the service-based review process, the opportunities offered by the various items of technology and the benefits of flexible working to the individual and the organisation. The appointment of the new IS sourcing partner was noted, and it was anticipated that this would assist with the change process.
7. **London Collaborative Efficiency Network** Officers continue to attend meetings of the LCEN, and report back to the Board on issues discussed. The meeting in July included discussion of contracting and procurement issues relating to Public Health services, and the impact of the London Living Wage and zero-hours contracts. The Network also received feedback from the London ICT Programme, the sub-regional partnerships representing North, West, East and South-West London, and the most recent meeting of the London Strategic Procurement Board.
8. **Internal Communications: Yammer** As reported at the last meeting, the City Corporation has been using a free version of the Yammer portal for internal communication, collaboration, online learning and development. In order to assess whether the City should adopt the full version, the Board considered a report which set out the experience of three organisations currently using the full version: Amey, the Commission of the European Union, and the Department of Work and Pensions. This showed that the principal areas where Yammer was of benefit were: self-reliance in terms of staff sourcing information, solving problems and sharing best practice; knowledge capture and sharing; and reduced data traffic and duplication (e.g. email), bringing reduced server costs. It was also noted that Yammer needs to be aligned to a people strategy to make it work most effectively. The Board therefore instructed officers from PRO to work with IS and HR to move the project forward.
9. **My Council Services** The Board received an update on the proposal for a one-year trial 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 pilot will explore use of the App for a small number of high volume and high profile Contact Centre services, to determine

whether it is suitable for use corporately across all departments, replacing single service Apps.

10. **Organisational Change** The Board received a presentation from the Director of Community and Children's Services, who discussed his experience of implementing change and transformation at his previous authority, highlighting the key drivers, the approach taken, the main outcomes, and the lessons that could be transferred to the City Corporation.

## 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. External triggers considered by the Board include:
  - Police Value for Money Profiles issued by HMIC – the Board noted that the Police Performance and Resource Management sub-Committee had requested that the City Police work with the Chamberlain's Department to develop an approach to benchmarking Police services.
  - Fostering Inspection by Ofsted – the Board noted that the outcome of this inspection had been reported to the Community and Children's Services and Audit and Risk Management Committees, and that there were no issues of concern relating to value for money or efficiency.
  - PwC 'The local state we're in' (2013 update) – the Board noted that the key messages were similar to the 2012 report: *"Once again, councils have demonstrated their ability to deliver significant financial savings and balanced budgets. They have done so primarily by continuing to focus on 'how they work' – by securing savings in internal processes, support services, the management of their assets and their third party expenditure. But below the surface, there are signs that cracks are appearing as councils adjust to the reality of continued and significant financial pressures, and anxiety that these will become even more pronounced after the June 2013 Spending Review"*. It was agreed that the report could be useful background to the service-based reviews and would be circulated with a covering note of useful points.
  - Department of Communities and Local Government – The Board noted that DCLG had commissioned an independent study to explore and showcase good practice examples in delivering local government savings. This is due to complete in late summer 2013, and will focus "on measures which have enabled local authorities to deliver savings and efficiencies while protecting service quality and outcomes for local people".
  - CIPFA Benchmarking – For 2011/12, the City provided data to the CIPFA Public Sector Corporate Services VfM Indicators benchmarking clubs for financial, legal and HR services. The City's data was compared against 23

London Boroughs and large Metropolitan Councils/Unitary Authorities which also submitted data. The results of this benchmarking will be presented in a separate report to the next meeting of this sub-Committee, following discussion at the Chief Officers' Group.

13. **Energy** The Board received a presentation from the Energy Manager and the Head of Sustainable Development outlining measures being taken to address the projected growth in the City Corporation's energy costs. The trend indicates a growth in energy costs from £15M in 2009/10 to £20M by 2018, which will have a substantial impact on finances. The City's Carbon Descent Plan 2009 set a target of a 15% reduction in energy consumption by 2015. Consumption for 2012/13 is approximately 9% below the base year of 2008/09.
14. The Board discussed possible initiatives to reduce both consumption and costs, ranging from simple housekeeping changes (e.g. lighting and air conditioning) to the Strategic Energy Review that has been commissioned to look specifically at longer term possibilities for energy reduction. Other issues noted in the discussion included:
  - the need for a change in staff behaviour and attitudes towards energy use (e.g. turning computers off at the end of the working day);
  - the potential impact of increased homeworking and planned accommodation changes;
  - improving corporate knowledge and information on energy usage in individual buildings; and
  - the need to share best practice and access to technical expertise.
15. The Board agreed that an action plan should be prepared for inclusion within a written report to be presented to the Chief Officers' Group and then this sub-Committee.
16. **Corporate efficiency/savings programme** The Board has received a series of updates on elements of the efficiency/savings programme, as follows:
  - a. **Service-based reviews**: The Board noted the proposals for service-based reviews, subsequently endorsed by the Resource Allocation sub-Committee, in response to the projected deficit on the City Fund. A separate paper was prepared, summarising previous savings and review programmes at the City, including the Best Value reviews, budget reviews, and departmental reporting to this sub-Committee. The paper has been circulated as background information to the Chief Officers leading the five service-based review workstreams.
  - b. **Supplies and Services**: The Board agreed the terms of reference for three reviews to be carried out by Internal Audit into elements of 'Supplies and Services' spend, identified from an initial line-by-line analysis. There are: subscriptions; research/advice/information, and hospitality. Each review will include reviewing policies, seeking comparative data, examining the benefits obtained and checking a sample of payments.
  - c. **Grants**: A listing of all grants from City Fund and City's Cash, excluding the Museum of London and London Symphony Orchestra has been compiled and analysed for alignment with the City Corporation's

strategic aims. Further work is taking place to: determine key governance arrangements, such as when and how the grants were last reviewed and what performance measures are attached to the grants; group grants by activity to analyse against key priorities; and clarify the purpose for which the grants are given.

17. **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 generated savings during 2012/13 along with the anticipated 2013/14 savings. Table 2 shows the impact of the departmental budget reductions implemented in 2011/12, and table 3 shows the target reductions from the 2013/14 and 2014/15 budget reductions.
18. Since the last report to this sub-Committee, the figures for PP2P savings (table 1) have been updated.

## **Appendices**

- Appendix 1 - Savings Schedule (as at 17<sup>th</sup> June)

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