

<b>Committee:</b>	<b>Date:</b>
Efficiency and Performance Sub Committee	22 January 2014
<b>Subject:</b> Transformation and Efficiency Boards - update	<b>Public</b>
<b>Report of:</b> Chamberlain and Deputy Town Clerk	<b>For Information</b>
<p><b>Summary</b></p> <p>Since the last sub-Committee report was finalised, the Transformation Board and the Efficiency Board have each met twice.</p> <p>The Transformation Board has discussed the outcomes of a flexible working pilot in the Town Clerk's Department, a proposal for a corporate re-use/recycling scheme, and a report on collaborative/shared services. The Board also received a presentation from the Chief Information Officer on the work of the IS Strategy Board, 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 the service-based review process, a number of reports published recently by the Audit Commission and by the Chartered Institute of Public Finance and Accountancy, and how it can continue to support the work of this sub-Committee.</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 three-month transition of operational services was completed on time at the end of November. The key focus has been on getting the basics right, with an early success being the transfer of Service Desk agents to an integrated and larger base in Barking. The Strategic Partnership is developing well, with IS staff working closely with Agilisys on a number of strategic projects, and a series of service and process improvement projects will continue to run throughout 2014.
  - b. **CLPS**: Service Delivery within CLPS has continued to improve against key corporate measures (e.g. 30 day payment term invoices; % calls answered). Departmental compliance continues to be monitored and escalated where necessary. Training and support is being offered to departments to help reach a common understanding of the end-to-end process and any challenges. Recruitment is in progress for 6 of the 9 roles currently held by Accenture resources. Key Accenture staff will be retained on a quarter by quarter basis until recruitment has been completed. Savings from the PP2P project are reported in Appendix 1 to this report.
  - c. **Strategic Finance Review**: Events to formally launch the money dashboard, business partnering handbooks, and training took place in October and December with a further event taking place on 17 January, at which time over 140 budget managers will have attended an event. Budget Manager eLearning modules are in development, incorporating business partnering initiatives. The first concerning financial management at the City will be launched by the end of January and a second on budget management will be available in the spring. Further modules on strategic finance, project finance and financial reporting will be developed in due course. Work is ongoing on the quality of financial information in CBIS alongside the Oracle R12 project.
  - d. **HR**: The final staffing structure is in place, but recent resignations have caused a further review which is underway at present. Further developments in the iTrent recruitment module are being piloted.
  - e. **Accommodation** All construction works and moves were completed within the overall £600k approved budget. Guildhall Yard East has been vacated, with the exception of the Contact Centre, which is due for relocation to a temporary home in early 2014.
4. **Flexible Working Pilots** The Board discussed a report on the outcomes from a flexible working pilot with two small teams in the Town Clerk's Department. The pilot demonstrated that it is possible for staff classified as 'Agile' (based within the office but attending meetings or away from their desk base for a significant amount of time during the working week) to work successfully in a flexible way, using a smaller office footprint, without having an adverse impact on performance. Both teams experienced benefits to their work/life balance

and are keen to continue with the current arrangements. It was also noted that the Internal Audit Section have recently introduced flexible working arrangement on a wider scale.

5. The Board discussed some practical issues that were noted in the report as being appropriate to a larger roll-out of hot desking and remote working, including: a robust and reliable IT infrastructure; appropriate training for management and staff; the use of appropriate productivity measures; the need for HR policies to cover the key issues that will arise as a result of the adoption of these working practices; and the provision of a clear strategic direction that spells out the commitment to flexible working principles, and the benefits that they offer.
6. **Corporate Re-use System project** The Board considered a proposal for the implementation of a one year pilot of a corporate re-use system, initially at Guildhall and Walbrook Wharf. The system will be managed by the Department of the Built Environment, through a specialist contractor (WARPit) and will take unwanted office equipment which is no longer needed and offer it via an online portal to other members of staff or teams who may need them. The aim is to save money, reduce waste and be a more efficient way of managing our resources. The report noted significant savings made at other organisations, including the Metropolitan Police Service and two County Councils. The Board supported the proposal and requested a report back on the progress of the scheme at a future meeting.
7. **IS Strategy Board workshop** The Board received a presentation by the Chief Information Officer on the role of the IS Strategy Board, including: ensuring that the technology portfolio supports the City's objectives; supporting and advocating change within departments; and giving support to the strategic management of the IS Portfolio and to the delivery of the IS Strategy. Four key themes were discussed: customer access and services; better working practices; building an effective Corporation; and promoting the City. Key outcomes that have been identified for customers, staff and Members include:
  - providing a flexible set of channels to access services;
  - giving the customer and the Corporation one view of their interactions with each other;
  - supporting flexible technology and working practices;
  - providing a set of personalised tools through a single place (intranet / desktop), enabling timely and robust decision making, and
  - providing a consolidated and structured set of systems, to allow a "single view of the truth", providing an overview of performance and facilitating sound business decisions.
8. The Board noted that the next steps included communication with Chief Officers and departmental management teams, engagement with business areas across a range of specific projects; and providing regular progress reviews and sign-off reports for IS sub-Committee.
9. **London Collaborative Efficiency Network** Officers continue to attend meetings of the LCEN, and report back on issues discussed. The November meeting featured a presentation on "Re:Fit", a programme to retro-fit energy

conservation measures on council/public buildings, schools and businesses, resulting in cost savings and reductions in their carbon footprint. The Network also received feedback from the sub-regional partnerships representing North, West, East, South-East and South-West London, covering key service areas: adults, children, environment, property, procurement, public health and IT.

10. **Collaborative/Shared Services** The Board considered a report discussing collaborative, or shared, services; defined as activities involving the consolidation and sharing of services by different units within or beyond an organisation, with the objective of delivering efficiency savings and/or greater effectiveness. The report set down some of the strengths and weaknesses of such arrangements, and briefly described the current position at the City Corporation. This showed that there is significant activity going on within a number of departments. The Board requested further work on the outputs and financial benefits to be carried out and reported to at a future meeting.
11. **Review of terms of reference** The Board discussed its terms of reference, including its key responsibilities, membership and the frequency of meetings. The Board agreed to review its membership, in particular discussing whether a smaller core group should be formed to more closely monitor and track progress on a portfolio of key change projects, with a larger group meeting less frequently to disseminate the lessons learned, experiences of running change programmes elsewhere and other wider issues.

## **Efficiency Board**

12. The following key issues have been discussed at the Efficiency Board, chaired by Chris Bilisland, since the last sub-Committee meeting.
13. **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:
  - *Austerity and Beyond* – report by Chartered Institute of Public Finance and Accountancy
  - *Protecting the Public Purse* – annual update by the Audit Commission
  - *Income from Charging* – report by the Audit Commission
  - *Business Rates* - report by the Audit CommissionA separate report, from the Chamberlain, on triggers is presented on today's agenda.
14. **Service-Based Reviews** The Board discussed aspects of the service-based review process, including : the outcomes from the Resource Allocation sub-Committee meeting in October; the increased savings target; City of London Police funding; the key risks to the current financial forecasts; the need for deeper scrutiny of some services; generating headroom for new initiatives, and examining the future shape of services. The Board also discussed the report presented to the Resource Allocation sub-Committee meeting in

December, and proposals for engaging external assistance in data collection and the generating of benchmarking information.

15. **Review of terms of reference** The Board considered its terms of reference and agreed that these should be updated to clarify that the Board's role is to make recommendations to Chief Officers and Members. It was also noted that a 'mapping' exercise of all key officer groups was being undertaken.
16. **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.
17. Since the last report to this sub-Committee, the 2013/14 figure for PP2P savings (table 1) has been updated.

## **Appendices**

- Appendix 1 - Savings Schedule (as at 18<sup>th</sup> November 2013)

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