

EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Wednesday, 2 July 2014

Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee
held at Guildhall, EC2 on Wednesday, 2 July 2014 at 1.45 pm

Present

Members:

Jeremy Mayhew (Deputy Chairman)
Randall Anderson
Nigel Challis
Deputy Anthony Eskenzi
John Fletcher
Jamie Ingham Clark
Ian Seaton
Deputy John Tomlinson
Philip Woodhouse

Officers:

Susan Attard	Deputy Town Clerk
Neil Davies	Town Clerk's Department
Christopher Braithwaite	Town Clerk's Department
Philippa Sewell	Town Clerk's Department
Paul Double	City Remembrancer
Caroline Al-Beyerty	Chamberlain's Department
Paul Nagle	Chamberlain's Department
Paul Kennedy	City Surveyor's Department

1. APOLOGIES

Apologies were received from Roger Chadwick.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED - That the public minutes and non-public summary of the meeting held on 5 March 2014 be agreed as an accurate record.

4. OUTSTANDING ACTIONS

The Sub Committee received an updated schedule of outstanding actions. Members noted that some would be taken off after this meeting and others would be discussed under items later in the agenda.

In response to a Member's query concerning the City of London Procurement Services (CLPS), officers reported that recruitment was ongoing for the Head of

CLPS vacancy and that, so far, savings of £1.62 million had been achieved which was on track for the year's target of £7 million.

Members discussed the Staff Suggestion Scheme mentioned under point 7.3, and the Deputy Town Clerk reported that around 140 suggestions had been received in response to an invitation to contribute to the Service Based Review process. These were currently being explored. Some of these mirrored existing proposals and some were new ideas to be considered.

RESOLVED – That:

- (a) The report be noted; and
- (b) Future Finance Committee reports on the City of London Procurement Service also be presented to Efficiency & Performance Sub Committee meetings.

5. REVISED TERMS OF REFERENCE

Members received a report of the Town Clerk setting out the ways in which the Sub Committee would be supported in delivering against the revised terms of reference. Members agreed that the current report focused on high level arrangements, and discussed the need, in September, for a detailed forward plan of work and that this would dictate the frequency of meetings.

Members discussed the role of the Efficiency and Performance Sub Committee in monitoring progress of the Service Based Review programme, provide strategic oversight, and consider the overview between funds. They also considered the need for Service Committees, in the first instance, to retain ownership of the delivery and implementation of any changes arising from the Service Based Reviews. The Deputy Town Clerk reported that arrangements were being made to develop a programme office at officer level to oversee and coordinate the delivery and implementation of the various work-streams together with a reporting mechanism to the Sub Committee.

RESOLVED – That a detailed paper be presented at the next Sub Committee meeting in September, including a recommendation for the cycle of meetings, and proposals for the process and mechanism for reporting on the Service based Review programme.

6. SUPPLIES AND SERVICES AND THIRD PARTY PAYMENTS

The Sub Committee received a report of the Chamberlain following a report considered in November 2013 concerning the findings of a corporate-wide review of Supplies and Services and Third Party Payments categories of expenditure. The Chairman asked Members to focus on the value for money aspects of the report. Members noted the focus of the report and that a large element of spend had been reviewed and that detailed analysis had been carried out to determine whether potential efficiency saving areas could be identified in other areas.

Members discussed the report, clarifying points regarding the aggregation of work to make contracts attractive for organisations, and highlighted some areas of duplication and a need for rationalisation of work. Members noted that internal audit identified several areas where spending had been incorrectly

coded; which was indirectly linked to value for money, and new training and reviewed code descriptions were being developed to address this.

RESOLVED – That:

- (a) A further report is provided to the Sub Committee following the completion of the internal audit VFM review of consultancy fees and the joint working planned between internal audit and City Procurement on Professional, Management and Consultancy Fees.
- (b) That a detailed review of the Police Forensic Services Framework and Open Spaces Winter works by City Procurement with the relevant Department be reported back to the Sub Committee via the outstanding actions report.

7. CORPORATE EVENTS MANAGEMENT GROUP

The Sub Committee received a report of the Remembrancer providing an update on the work of the Corporate Events Management Group, which was attended by officers from the Public Relations Office, the Economic Development Office, Mansion House, the Department of Culture, Heritage and Libraries, the Barbican, and the Museum of London.

Members noted that the electronic diary was available to all above departments, guests were being proposed jointly for events, and that the Barbican and Guildhall were aiming to promote both venues jointly as a destination for major events, in particular large conferences. A marketing strategy was being developed which, once launched, could be extended to allow all the City Corporation's venues to work more closely together to generate increased business opportunities.

Members discussed the report, highlighting a need to include links to City Schools and to publicise events more prominently on the website, particularly commemorative events for the First World War Centenary. Members also voiced their approval for priority to be given to develop the use of an electronic pro-forma for a greater range of events.

RESOLVED – That the report be noted.

8. TRANSFORMATION AND EFFICIENCY BOARDS UPDATE

The Sub Committee received an update on the above boards, noting that they had each met once since the last meeting. Members discussed the format and content of these updates, including the possibility that they were insufficiently focused on strategic issues, but noted that the Corporation was performing well as compared with London Local Authorities but that there was a need to make this performance more efficient.

RESOLVED – That:

- (a) The report be noted; and
- (b) Key issues for Members to discuss be highlighted in future updates.

9. **CARBON DESCENT PLAN 2009 - YEAR 5: END YEAR ENERGY TARGET REVIEW 2013/2014**

The Sub Committee received a report of the City Surveyor which summarised progress against the energy reduction targets set out in the Carbon Descent Plan 2009. Members noted that the City's total energy expenditure for 2013/14 was £15.1m, compared with £14.4m for 2012/13.

To forestall anticipated price rises, in June 2009 Chief Officers agreed to adopt an energy reduction target of 15% by 2015; rising energy costs remained a significant financial risk identified on the Medium Term Financial Plan, with a recent independent report indicating that the City could expect energy cost rises between 30 and 40% by 2017/18.

In response to Members' questions, officers reported that a 10% reduction over 4 years was achievable, but to do it in 1 year would be demanding in terms of staffing resource and capital investment. This option would be discussed by the Summit Group in Autumn 2014.

RESOLVED – That the following be recommended to Finance Committee:

- (a) A new overall revised energy reduction target of 10% be adopted for the period 2014/15 – 2017/18;
- (b) For future reporting, energy usage should be adjusted each year for weather;
- (c) Energy usage for the wholesale Markets should be reported for landlord controlled areas only and should exclude energy usage that is solely tenant controlled; and
- (d) The Energy Manager should be tasked with revising targets (annually) for individual Chief Officers based on their savings potential and, if appropriate, presenting options for "invest to save" schemes.

10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

A Member asked for all acronyms to be clarified in future reports.

11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no other business.

12. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

13. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

RESOLVED: That the non-public minutes of the meeting held on 5 March 2014 be agreed as an accurate record.

14. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was no other business.

The meeting ended at 3.26 pm

Chairman

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