

Committee:	Date:
Efficiency and Performance Sub Committee	10 September 2014
Subject:	Public
Oversight of Corporate Programmes	
Report of:	For Decision
Chamberlain and Deputy Town Clerk	

Summary

The Efficiency and Performance Sub Committee is responsible for overseeing and monitoring the agreed programme of work arising from the Service Based Review, and other corporate savings and efficiency projects. The Service Based Review recommendations to Policy and Resources Committee on 4th September encompass proposals for departmental budget reductions and for cross-departmental efficiency and income generation reviews.

The departmental budget reductions will be monitored through the normal budgetary monitoring reports to Service Committees, although it is proposed that a quarterly report be produced for this Sub Committee.

A formal project management 'gateway' process will be used to monitor both cross-departmental reviews arising from the Service Based Review, and other corporate projects affecting the wider organisation. As part of this process, reports requiring Member approval will be presented to the Sub Committee

To support and co-ordinate the management, monitoring and reporting of these corporate programmes and projects, a Corporate Programme Delivery Unit is being established, reporting to the Deputy Town Clerk. This will be separate from, but co-ordinated with, the Corporate Programme Governance Unit (for capital and supplementary revenue projects).

This new Unit will be reporting monthly to the Summit Group of Chief Officers, which will subsume the former responsibilities of the Transformation and Efficiency Boards. It is proposed that the Sub Committee also receives reports at every meeting showing progress on all of the reviews and clearly highlighting any issues requiring specific Member decision.

This report also notes that the Sub Committee will continue to receive quarterly performance reports; six-monthly reports on energy consumption; and annual reports on CIPFA benchmarking and Combined Heat and Power.

Recommendation(s)

Members are asked to:

- Note the creation of a Corporate Programme Delivery Unit;
- Approve proposals for the reporting of the agreed programme of work arising from the Service Based Review, and other corporate savings and efficiency projects; and
- Agree the frequency of Sub Committee meetings for 2015.

Main Report

Background

1. The revised terms of reference of the Sub Committee, agreed in March 2014, include: *“To be responsible for overseeing and monitoring the agreed programme of work arising from the Service Based Review programme and other saving and efficiency programmes ensuring the achievement of savings, and suggesting further areas for examination as appropriate.”*
2. Following a discussion at the meeting in July, Members requested that a report be presented to this meeting, including proposals for a process and mechanism for reporting on the Service Based Review programme, and a forward plan of work.

Service Based Review proposals

3. At its meeting on 4th September, the Policy and Resources Committee considered a detailed report on the outcomes of the Chief Officer challenge meetings, held between February and early June 2014. At these challenge meetings, a panel led by the Chamberlain and the Deputy Town Clerk discussed with the individual Chief Officers options for budget reductions from a combination of efficiency savings, income generation and doing things differently. Members of the Resource Allocation Sub Committee then gave detailed consideration to the full set of options at their informal meeting in June.
4. The Policy and Resources Committee was asked to:
 - i agree a total of expenditure reductions/income increases for each Chief Officer, which will be included within the Chief Officer’s local risk budgets for 2015/16 (and subsequent years);
 - ii approve proposals for cross-departmental efficiency reviews, of: grant giving; the effectiveness of hospitality; operational assets; contract management; and asset, facilities and project management;
 - iii approve proposals for cross-departmental income generation reviews of: car parking in the City; filming; conference and business events; advertising; and the marketing of visitor attractions, and
 - iv approve further research on three areas identified for possible funding through Bridge House Estates.
5. If approved, the reviews under (i), (ii), and (iii) will form a programme of work for the next phase of the Service Based Review. An update on the decisions of the Policy and Resources Committee can be reported orally at this meeting, and a report detailing the impact of the decisions on departmental budgets, and all of the other items agreed will be presented to the next meeting of the Sub Committee.

Delivery of Corporate Programmes

6. The proposed addition of the new cross-departmental reviews listed above to existing projects which affect more than one part of the organisation, particularly those being led by Corporate HR and the IS Division, has provided an opportunity to review the management, monitoring and reporting of corporate work programmes.
7. The aim is to have a single clear and co-ordinated view of programme delivery, to:
 - make sure that resources are prioritised, managed and delivered effectively;
 - capitalise on opportunities to collaborate within and outside of the organisation;
 - encourage innovation and give proper support to teams who are undertaking programmes, and
 - develop “Business Intelligence” to support better decision making.
8. To provide this single view, a Corporate Programme Delivery Unit will be established, reporting to the Deputy Town Clerk. This will provide a clearer understanding of how we will work together in Departments, across the City Corporation, and with partners, to manage dependencies, risk, strategic alignment and resources, and to make sure that agreed project objectives are delivered.
9. The unit will be resourced with internal staff with appropriate skills working virtually or being seconded in. It will balance the need for overall co-ordination with Departmental freedom to act and take decisions. The processes adopted will be separate from, but coordinated with, the Corporate Programme Governance Unit (for capital and supplementary revenue projects) which reports to the Projects Sub Committee, and will also use the Project Vision system to track programmes through an appropriate ‘gateway’ process.
10. This new unit will report monthly to the Summit Group of Chief Officers, which will subsume the majority of the responsibilities of the Transformation Board and the Efficiency Board. The Efficiency Board will continue to meet periodically to support the work of this Sub Committee.
11. The Summit Group will ensure that resources are prioritised and managed effectively and will assess and approve which programmes will stop, start or continue. Task-and-finish sub groups of the Summit Group, which will include the relevant Chief Officers across the Corporation, will be created for specific programmes. Examples would be the Oracle Steering Group which is already in existence for the Oracle Programme chaired by the Chamberlain; a new Police IS Group to oversee the IS Services being delivered on behalf of the City Police, and review groups for the new cross-departmental reviews.

Reporting to the Efficiency and Performance Sub Committee

12. The approved departmental expenditure reductions and increased income will be included within the relevant Chief Officers' local risk budgets from 2015/16 onwards. These will, therefore, be monitored through the usual local risk monitoring reports – at Chief Officer level to every meeting of the Finance Committee, and more detailed reports quarterly to every Service Committee. It is proposed that the Sub Committee receives quarterly budget monitoring reports, with assurances from Chief Officers regarding the delivery of Service Based Review budget reductions.
13. As noted at the last meeting, Members may wish to consider an appropriate escalation process if the Sub Committee, in monitoring the Service Based Review budget reductions, established that they were not being fully delivered or there were significant risks around delivery. This could include, for example, reporting to the Finance and Service Committees, and/or inviting the responsible Chief Officer to set out what steps were being taken to get the savings and overall budget back on track.
14. As noted in the Service Based Review report to the Policy and Resources Committee, the proposals for additional income generation carry an inherently higher risk to successful delivery than those relating to straightforward cost reduction. Additionally, the quantum of savings to be made will be greater, in both absolute and percentage terms, for some departments than others. In determining whether to review progress with individual Chief Officers, Members may, therefore, wish to consider factors such as: the scale and timing of savings; the risk to the organisation; an individual Chief Officer's track record in implementing budget reductions; and Members' previous concerns over the delivery of savings.
15. The agreed cross-departmental reviews will be managed through a formal project management 'gateway' process. A Chief Officer lead will be nominated for each review, and will be responsible for producing reports at the appropriate stages. These reports will be presented to the Summit Group, and thereafter to this Sub Committee for decision. In this way, this Sub Committee will complement the role of the Projects Sub Committee in respect of capital and supplementary revenue projects.
16. A monthly delivery update report, covering all projects and programmes reporting to the Summit Group, will be produced by the Delivery Unit for the Summit Group, and can also be circulated to all Members of the Sub Committee who wish to receive it.
17. It is proposed that a delivery update report be produced for each meeting of the Sub Committee, showing the work plan for each separate project or review, progress against the agreed programme, actions to address any problems identified, and key milestones. Any risks to the successful delivery of the projects, and any issues requiring specific Member decision will be clearly highlighted.

Frequency of Meetings

18. In addition to the reports noted above, the Sub Committee will continue to receive the following periodic reports:
 - Quarterly: Performance reports, including the London Councils performance dashboard (LAPS) and relevant performance “triggers”.
 - Six-monthly: energy consumption performance reports
 - Annually: Combined Heat and Power end of year report; CIPFA Benchmarking results
19. The Sub Committee will also be receiving regular reports on the City Procurement Service (as agreed at the last meeting), and periodically on other specific aspects of the performance of the Chamberlain’s Department. This is to allow the Sub Committee to fulfil another of its terms of reference: *“To review and to monitor performance against the Chamberlain’s Departmental Business Plan and related corporate initiatives in order to promote efficiency and value for money”*.
20. At the last meeting, Members expressed a preference for meetings to be scheduled every two months during 2015. Under this arrangement, the periodic reports would be scheduled at the earliest opportunity after the end of the relevant period. A detailed forward plan will be presented to the next meeting, once dates for 2015 have been set.

Appendices: None

Background Papers:

Report to Efficiency and Performance Sub Committee on 2nd July 2014: Revised Terms of Reference

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