

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE - Outstanding Actions (as at 11/2/2015)

| Item | Date | Action | Officer responsible | To be completed/ progressed to next stage | Progress Update |
|------|-----------------|---|---------------------|---|---|
| 1 | 30 January 2013 | Staff Suggestion Scheme Members requested that officers review and report back on the incentives offered to staff who suggest good ideas through the City Corporation's Staff Suggestion Scheme and also the level of uptake. | Deputy Town Clerk | March 2015 (report to Chief Officers Summit Group) | February 2015: Meeting held with City of London Police to review the recently introduced City Police Staff Suggestions Scheme ("Your Ideas"). Follow-up report to Summit Group to cover key principles (including 'crowdsourcing'), recommended software systems and resources required. |
| 2 | July 2014 | Supplies & Services/Third Party Payments Members requested a further report to the Sub Committee following completion of the Internal Audit VFM review of consultancy fees and the joint work planned between internal audit and City Procurement on Professional, Management and Consultancy Fees. | Chamberlain | May 2015 (report to Efficiency and Performance Sub Committee) | February 2015: The preliminary findings of the consultancy spend review by City Procurement are expected to be available by the end of February. This will be followed by a liaison and review meeting with internal audit. Arrangements for the wider reporting and dissemination of the findings will be finalised at this time. |

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| 3 | 10 September 2014 | Collaborative Services (City of London Corporation and City of London Police) Members requested that the follow-up report tracking progress and savings make reference to consideration of sharing HR services, and cashable savings. | Deputy Town Clerk | March 2015 (report to Efficiency and Performance Sub Committee) | February 2015: Report prepared for Efficiency and Performance Sub Committee (4 March) and Performance and Resource Management Sub (Police) Committee (18 March). COMPLETED |
| 4 | 10 September 2014 | Central Support Service Costs and the Allocation or Apportionment to the City's Activities Members agreed to receive a further report, within six months, on the review and updating of the methodologies for the recovery of costs, with the aim of improving the appropriateness of distributions. | Chamberlain | May 2015 (report to Efficiency and Performance Sub Committee) | February: Despite priority having to be given to the upgrade of Oracle and to the budget cycle, good progress has been made in updating the distribution methodologies for two of the three services under review and the third is currently being analysed. However, the proposed changes are likely to result in a wider question being asked regarding the quantum of the central costs being allocated. Further thought is being given to appropriate |

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| | | | | | benchmarks for central department costs and a report will be considered by Summit Group before being submitted to the Efficiency and Performance Sub Committee in May. |
| 5 | 10 September 2014 | City of London Energy Fund Members highlighted the need for a business case to be added to the report. | City Surveyor (with Chamberlain and Deputy Town Clerk) | March 2015 (report to Resource Allocation Sub Committee) | February 2015: A bid detailing the EEF proposal and how the funding will be resourced will be made to Resource Allocation Sub Committee on 26 th March. |
| 6 | 27 January 2015 | Performance Monitoring Members asked for more detail on the City Corporation's sickness absence data, and actions being taken to improve performance. | Deputy Town Clerk/Director of HR | May 2015 (report to Efficiency and Performance Sub Committee) | February 2015: Report to be presented to Efficiency and Performance Sub Committee in May, following report to Summit Group on Sickness Absence figures for Sept-Dec 2014. |
| 7 | 27 January 2015 | Service Based Review Members agreed to receive a Service Based Review Budget Monitoring report. | Chamberlain/Deputy Town Clerk | May 2015 (report to Efficiency and | February 2015: Budget reduction monitoring process agreed for implementation by Heads of Finance. |

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| | | | | Performance Sub Committee) | |
| 8 | 27 January 2015 | CHP – Annual Report Three issues were raised by Members, which are reproduced in the table below. | City Surveyor | March 2015 (update to Efficiency and Performance Sub Committee) | February 2015: Responses to the points made by Members have been provided by the City Surveyor's Department – see table below. COMPLETED. |

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Update in respect of Action 8: Combined Heat and Power – Annual Report

| Members' Resolution | Response from the City Surveyor's Department |
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| <p>a) Officers investigate the volume and impact of standby generators used by buildings in the City</p> | <p>The City is not aware of any statistics on the number of standby generators installed in the City. It is likely that all major developments would have at least one, and the City Corporation itself has standby generators at several of its larger sites. There would be a wide range of generator sizes from very large, typically 2 Megawatts, capable of supplying the full building electrical load, to comparatively small where only essential services were to be maintained, perhaps 100 kilowatts. A rough estimate of the total number in the City is around 200-250.</p> <p>Although a diesel generator's engine exhaust is a source of pollution, it may be noted the hours actually run, either during a power cut or on test, would be relatively low, maybe no more than 10-30 hours out of 8,760 a year.</p> <p>It is felt that it would not be commercially attractive for Citigen to provide back-up power supplies to customers as an alternative to on-site generators. It also seems doubtful such an arrangement would appeal to customers. There would have to be high voltage private wire network in place, likely to require an investment of millions of pounds, which would only have infrequent use. Citigen may not be able to guarantee the availability demanded by a customer, and are expected to be committed to a long term power purchase agreement for all their electricity produced.</p> |
| <p>b) Officers confirm that the Asset Transfer Agreement is still in force in the light of the investment being made by E.on in the new plant, and the extent of its coverage</p> | <p>The Asset Transfer Agreement was drawn up with the commercial agreements in 2012 and will take effect should E.on wish to dispose of Citigen and be unable to find a buyer. The City would then have the right to acquire the assets specified in the agreement at a cost of £50,000 inclusive of VAT. The assets include the boilers, chillers, pumps, etc. at Charterhouse Street, the pipe network and customer</p> |

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| | <p>connections, but not the original CHP engines. The City would not have been able to operate these, nor would it have wished to. At the time there was no indication that E.on planned to install new CHP plant. The intention was for us to be able to maintain heating and cooling to all our properties for as long as necessary, albeit without the benefit of CHP.</p> <p>Given E.on's investment in new plant, with anticipated lifespan of 15-20 years, and the planned connection of new customers, it seems at this time very unlikely there would be a need for the Agreement to be activated. If this were the case, there would have be a negotiation about the new plant. Ideally the City would seek to include it.</p> |
| c) The potential inability to reach an agreement on an extension of the Citigen contracts be added to the risk register. | <p>This has been added to the Risk Register. The Register already includes the risks of technical and commercial failure of Citigen.</p> |