

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE - Outstanding Actions (as at 3/7/2015)

| Item | Date         | Action   | Officer responsible | To be completed/<br>progressed to next stage  | Progress Update   |
|------|--------------|--|---------------------|---|---|
| 1    | January 2013 | <b>Staff Suggestion Scheme</b><br>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   | <b>July – September 2015:</b><br>Three month trial of refreshed scheme, using online platform | <b>July 2015:</b><br>The revised staff suggestion scheme, using the software platform “Hunchbuzz” is launching for a three month pilot in July. The evaluation of the pilot will be carried out jointly with the City Police and reported to the Customer Services Steering Group and the Summit Group in the autumn.               |
| 2    | July 2014    | <b>Professional, Management and Consultancy Fees</b><br>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 | Chamberlain         | <b>July 2015:</b><br>Update to Efficiency and Performance Sub Committee                       | <b>July 2015:</b><br>The review by Internal Audit and City Procurement identified a number of issues and potential risks, along with opportunities for improvements in control and reductions in expenditure, which have now been referred to Corporate HR for consideration as part of their work on strategic workforce planning. |

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|      |              | and Consultancy Fees.  |                                  |  |  |
| 3    | 4 March 2015 | <p><b>City Procurement</b><br/>Officers undertook to submit a follow-up report regarding the City Procurement Strategy, identifying areas of weakness and how they were being addressed, including timescales.</p> | Chamberlain: Head of Procurement | <b>July 2015</b>                             | <p><b>July 2015:</b><br/>The City Procurement Strategy was presented to Finance Committee in June.</p> <p>An additional report is submitted to this meeting of the Efficiency and Performance Sub Committee</p> <p><b>DISCHARGED</b></p> |
| 4    | 4 March 2015 | <p><b>Collaboration with City Police</b><br/>Officers undertook to provide a Roadmap for four key workstreams, against which progress could be monitored</p>   | Deputy Town Clerk                | <b>July 2015</b>                             | <p><b>July 2015:</b><br/>Report submitted to Efficiency and Performance Sub Committee</p> <p><b>DISCHARGED</b></p>   |

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| 5    | 26 March 2015 | <p><b>Service Based Review cross-cutting reviews</b><br/>Members requested that Opportunity Outline forms for these reviews be circulated to the Sub Committee once approved.</p>  | Deputy Town Clerk   | <b>July 2015</b>  | <p><b>July 2015:</b><br/>All Opportunity Outlines which have been approved to date for Service Based Review cross-cutting reviews are appended to the report on the Service Based Review Roadmap.</p> <p>Future Opportunity Outlines will be presented to the Sub Committee following approval by the Chief Officer Summit Group.</p> <p><b>DISCHARGED</b></p> |
| 6    | 26 March 2015 | <p><b>Soft market testing of the finance function</b><br/>Members requested that the soft market testing for aspects of the finance function be reported at a future meeting, along with recommendations for adding update reports and reviews</p> | Chamberlain         | <b>September 2015</b><br>(report to Efficiency and Performance Sub Committee) | <p><b>July 2015:</b><br/>The soft market testing / benchmarking exercise for the finance function was carried out in June to look at ways of driving out inefficiencies and identifying areas for internal improvement or potential outsourcing.<br/>Meetings have been scheduled in</p>   |

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|      |               | of other departments to the Work Programme.  |                                    |  | July with the respondents to discuss the submissions and gather more information. In addition to this, the Financial Services Director has also engaged with other Local Authorities to understand how their finance divisions are structured. |
| 7    | 26 March 2015 | <p><b>Service Based Review – departmental presentations</b><br/>Members requested that the managing Director of the Barbican Centre be asked to present at the July meeting.</p> | Managing Director, Barbican Centre | <b>September 2015</b>                        | <b>July 2015:</b><br>The Managing Director was unable to attend the July meeting, so has been scheduled to attend in September.  |
| 8    | 26 March 2015 | <p><b>Sickness Absence</b><br/>When considering the City Corporation’s sickness absence data, Members asked whether private sector comparison figures were available.</p>        | HR Director                        | <b>July 2015</b>                             | <b>July 2015:</b><br>See note below for update   |

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| 9    | 26 March 2015 | <p><b>Value for Money indicators</b><br/>When considering the City Corporation's service performance data, Members asked officers to research whether any value for money indicators were available.</p>           | Deputy Town Clerk/Financial Services Director | <p><b>July 2015:</b><br/>(Update to Efficiency and Performance Sub Committee)</p> | <p><b>July 2015:</b><br/>See note below for update</p>   |
| 10   | 26 March 2015 | <p><b>Department of Culture, Heritage and Libraries</b><br/>Members asked for a report summarising progress against agreed targets on the remodelling Libraries Project and on departmental budget reductions.</p> | Director of Culture, Heritage and Libraries   | <p><b>July 2015</b></p>   | <p><b>July 2015:</b><br/>Report submitted to Efficiency and Performance Sub Committee</p> <p><b>DISCHARGED</b></p> |

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| 11   | 26 March 2015 | <p><b>Extension of Citigen Contract (Combined Heat and Power)</b><br/>Members requested that a detailed negotiation strategy regarding the renewal of the contract with Citigen be provided at the next meeting.</p> | City Surveyor       | July 2015                                    | <p><b>July 2015:</b><br/>Report submitted to Efficiency and Performance Sub Committee</p> <p><b>DISCHARGED</b></p> |

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**Item 8: Sickness Absence Data**

Reference from Efficiency and Performance Sub Committee (26 May 2015): When considering the City Corporation's sickness absence data, Members asked whether private sector comparison figures were available.

The following data was published by CIPD (Chartered Institute of Personnel and Development) for 2014:

Table A: Average level of employee absence, by sector for all employees

|                              | Average number of days lost per employee per year | Sample size     |
|------------------------------|---|-----------------|
| Manufacturing and production | 6.2   | 73 respondents  |
| Private sector services      | 5.5   | 115 respondents |
| Public sector services       | 7.9   | 88 respondents  |
| Non-profit sector            | 7.4   | 66 respondents  |
| All employees                | 6.6   | 342 respondents |

Table B: Average level of employee absence in public services for all employees

|                       | Average number of days lost per employee per year | Sample size    |
|-----------------------|---|----------------|
| Central government    | 7.4   | 15 respondents |
| Education             | 6.1   | 16 respondents |
| Health                | 9.7   | 31 respondents |
| Local government      | 8.2   | 11 respondents |
| Other public services | 7.4   | 15 respondents |
| All public services   | 7.9   | 88 respondents |

Table C: Average level of absence by region

|        | Average number of days lost per employee per year | Sample size    |
|--------|---|----------------|
| London | 6.1   | 30 respondents |

Note: This figure is not broken down by sector

The City Corporation's comparative figure for 2014 was 5.57.

## EFFICIENCY AND PERFORMANCE SUB-COMMITTEE - Outstanding Actions (as at 3/7/2015)

### Item 9: Value for Money indicators

Reference from Efficiency and Performance Sub Committee (26 May 2015): When considering the City Corporation's service performance data, Members asked officers to research whether any value for money indicators were available

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#### Background

For many years, the key source of value for money data for local authorities has been the VFM Profile report produced by the Audit Commission. On the abolition of the Commission, maintenance of this on-line tool transferred to Public Sector Audit Appointments Limited. This report clearly demonstrates the difficulty of comparing the City Corporation's costs with local authorities, as has been accepted by the Audit Commission, our external auditors and other inspectorates.

There are a variety of factors that lie behind this difficulty, including:

- the unique range of services provided, arising from the City Corporation's support of the business city and the provision of services for London and the nation (i.e. our role beyond providing local authority services in the City);
- the different standard of services provided, in response to consultations and as a result of policy decisions;
- the small residential population, leading to a small user base for services such as Education and Social Services, with a resulting difficulty in achieving economies of scale, and
- the large daytime population, who are provided with services such as Libraries, which are generally evaluated by head of resident population.

The effects of these factors are shown in relatively high unit costs, but can also result in a high degree of volatility in the performance indicators (PIs) that seek to report costs.

In areas where comparisons can be made with local authorities, a limited amount of benchmarking has been carried out, although even here the results need to be treated with considerable caution. For example, there are a number of additional factors that combine to produce a relatively high level of overheads at the City Corporation, including:

- the historical legacy of the Guildhall and associated buildings as the head offices for the central departments,
- the decision to retain the City Corporation's main offices within the City (a high cost area),
- the need to provide corporate systems (e.g. financial, HR, property management and governance) that have to cope with the diversity and complexity of the City Corporation's three funds and service provision, and
- in some services, spreading overheads over a small user base.



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The City Corporation also has a different cost profile to all other authorities, as its costs are affected by a unique range of external factors, including:

- Demographics
- Central London location. In addition to the generally higher costs, the City, as an international financial centre, is a high profile terrorist target. This affects the delivery of many services with consequent cost implications. Examples include the need for more frequent refuse collection and street sweeping and the inability to place recycling bins in the City.
- The Business City. Many standard local authority services have a different profile within the Corporation because they serve a business rather than residential area. An example is the Planning service, where the predominance of the workload relates to high profile schemes, listed buildings and conservation area properties and there are very few householder applications.

There has historically been very limited availability of comparative information for the City Corporation's non-local authority services.

### **Current position**

Limited benchmarking is carried out, generally on an annual basis. This includes some corporate services (Legal, Financial, HR and Democratic Services reports from CIPFA's benchmarking service are reported annually to the Efficiency and Performance Sub Committee), and for some service functions, including housing and social care. These typically show the City Corporation to have high performing, but high cost services.

During the Chief Officer Challenge Meeting phase of Service Based Review, an external consultant was appointed to support the process. This enabled some more detailed benchmarking and comparative information to be collected from a range of external sources that had not previously been used. This included City's Cash services such as Open Spaces and the Independent Schools as well as local authority services such as Libraries.

### **Next Steps**

The next action will be a proposal to the Chief Officers Group, outlining the need to develop a more comprehensive set of value of money indicators and benchmarks, covering all parts of the City Corporation. The exact form of these will vary from department to department, but the existing benchmarks and the additional data collected for the Service Based Review Challenge Meetings provide a foundation on which this work can be based. Key elements in this will include internal trend data (e.g. unit cost and performance), any comparative data from similar organisations, and customer services data (e.g. user satisfaction). Support will be offered from the Town Clerk's and Chamberlain's Departments in the development of the indicators, and to ensure a degree of challenge within the process.