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| <b>Committee:</b>  | <b>Dated:</b>          |
| Efficiency and Performance Sub Committee – For Information | 17 July 2015           |
| <b>Subject:</b><br>Service Based Review Roadmap            | <b>Public</b>          |
| <b>Report of:</b><br>Deputy Town Clerk                     | <b>For Information</b> |

### Summary

Under its terms of reference, the Efficiency and Performance Sub Committee is responsible for overseeing and monitoring the agreed programme of work arising from the Service Based Review.

This report presents the Sub Committee with the latest update in respect of the agreed Service Based Review projects and cross-cutting reviews in the format of the Service Based Review Roadmap (Appendix 1). Changes since the last meeting are reported against each of the projects in the main body of the report.

Of the 11 projects currently being tracked by this Roadmap, ten are rated as 'green', none as 'amber' or 'red', and one as 'n/a'. Since the last meeting, two projects (Highways Maintenance and Public Conveniences) have been removed from the roadmap as they will be tracked via the appropriate departmental roadmap. One review has changed rating, as follows:

| <b>Project</b>    | <b>from ...</b> | <b>to ...</b> |
|-------------------|-----------------|---------------|
| Income Generation | Amber           | Green         |

This review has changed status as the Opportunity Outline has been agreed by the Service Based Review Steering Group and the Chief Officer Summit Group, and work on the review has commenced.

At the last meeting, Members also asked to see the approved Opportunity Outlines for these reviews. These are attached as Appendices 3 to 12.

### Recommendation

Members are asked to note the report.

## **Main Report**

### **Background**

1. Members agreed to receive an update report at every meeting showing progress on the delivery of Service Based Review projects and programmes, including any actions to address problems identified.
2. Progress is reported on a “Roadmap”, attached as Appendix 1. This is in a common format, developed by the Corporate Programme Delivery Unit, who also work with Chief Officers to ensure that projects and programmes are delivered.
3. At officer level, progress is reported monthly to the Service Based Review Steering Group, chaired by the Chamberlain, and the Chief Officer Summit Group, chaired by the Town Clerk.
4. From the last meeting of the Sub Committee, a separate quarterly Service Based Review financial monitoring report is being presented, highlighting any significant variations from the approved budget reductions, along with summary information on the progress made by every Chief Officer. The next Service Based Review financial monitoring report will be presented to the Sub Committee in September.

### **Service Based Review Roadmap**

5. The Service Based Review Roadmap at Appendix 1 to this report lists all of the cross-cutting reviews agreed by the Policy and Resources Committee in September 2014, together with other work arising from the Service Based Review Challenge Meetings, or requested by the Policy and Resources Committee. It records the key activities for each of the projects. Appendix 2 contains an outline of each of the reviews reported on the Roadmap.
6. Opportunity Outlines are required for each review, to include key details of the project such as: the case for change; outcomes to be achieved; recommended approach to delivery; resources and support required; how benefits will be measured, and the risks of proceeding or not proceeding. Opportunity Outlines for the cross-cutting reviews are presented to the Service Based Review Steering Group and Chief Officer Summit Group for approval. Following a request from Members at the last meeting, Appendices 3 – 10 contain the Opportunity Outlines approved to date.
7. The process of producing the Opportunity Outlines is an important first step in the negotiation and agreement of key milestones, support and resources required for each of the reviews. These can then be monitored by the Steering Group as the review progresses, alongside the monthly update reports. Members will note that some of the indicative milestones contained within the Opportunity Outlines do not match with the updated information shown on the Roadmap, as dates will inevitably alter as activities are sequenced and reviews progress.
8. Within the Roadmap, completed actions are shaded green. The definitions for status and direction of travel are as follows:



Project is in a critical state, guaranteed to go, or has gone, beyond agreed tolerances



Project is slipping, has slipped, or is about to slip within agreed tolerances



Project is on track



Milestone



Project is in a controlled state



Positive direction of travel (e.g. from Amber to Green)



Negative direction of travel (e.g. from Amber to Red)



Project Closed (in RAG column)

## Detailed Commentary – Changes since the last report

### Cross-cutting Reviews

9. Strategic Asset Management. This is the overarching proposal for the following three reviews to ensure that the strategic aims are aligned across all the asset-related opportunity outlines. The first meeting of the Strategic Asset Management Board will take place in September, with the aim of ensuring that there is integration across the three reviews below.
10. Strategic Review of Operational Properties. As discussed at the Resource Allocation Sub Committee's informal meeting in June, the first phase of departmental workshops has been completed. They have reviewed at a strategic level the operational properties owned and operated by departments and identified potential opportunities in the short, medium and longer term to enable rationalisation and/or more effective utilisation of existing property assets. The following key themes have emerged:
  - Housing – commercial units and in-fill opportunities
  - Car parking- review of overall provision
  - Rationalising Central London office accommodation (e.g. Guildhall, Lauderdale Place, Irish Chambers)
  - Rationalising offices, workshops and storage facilities outside of the square mile (e.g. Open Spaces, Port Health)
  - Rationalisation of similar facilities, e.g. ports
  - Land (reviewing whether opportunities exist for alternative use or disposal)
  - Staff residential accommodation (particularly in Open Spaces)
11. The next step for the review is to confirm potential opportunities with departments and undertake a detailed evaluation to prioritise the opportunities that are likely to deliver the greatest value for money benefit. An update on progress will be

provided to the Resource Allocation Sub-Committee in October, including a prioritised list of opportunities for progression into implementation projects. Following this, agreement will be sought from relevant Service Committees to initiate implementation projects.

12. Facilities Management. By the end of July, meetings will have been held with all individual Chief Officers and senior managers involved in facilities management (FM) activities to discuss issues with the current arrangements and how these could be overcome in future. A series of workshops will also be held by the end of July to help establish a clear set of principles for future FM contracts, with the aim of producing the most effective model of FM service provision in the future.
13. Project Management. This review has been marked as 'n/a' on the Roadmap as it has been deferred until later in the programme, to give more scope for other projects to be prioritised and actioned more effectively. As Members have noted previously, the work of the Corporate Programme Delivery Unit is supporting project management across the organisation through the application of a more formal process for change programmes.
14. Contract Management (Procuring and Managing Services). An initial workshop has been held to discuss issues with current contract management arrangements in the City. A further workshop is scheduled for 24 July to focus on skills gaps and suppliers. The expected outcomes of this review include: improved contract management across the organisation, leading to improvements in, or maintenance of, quality delivery at a lower cost; the identification of any skills gap and the development of training programmes to address them, and recommendations for the appropriate governance and a new contract management regime.
15. Income Generation. The Opportunity Outline for Income Generation was approved by the Chief Officer Summit Group in June, and is attached at Appendix 7. Benchmarking information on local authority services has been commissioned from CIPFA and is currently being analysed to determine what opportunities may exist for increasing fees and charges income. Work has also been commissioned to determine the extent to which the City receives external public funding, particularly in comparison with similar organisations. Reviews of commercial income generating/sponsorship initiatives and the extent to which the City might become more commercial are being scoped. A draft report will be prepared and recommendations will be tested during August and September, with reporting to Committees in the autumn.
16. Grants. The final review report has been approved by the Policy and Resources, Open Spaces, Finance and Establishment Committees, and the Resource Allocation Sub Committee. During July, the report is being presented to a number of other Service Committees whose roles and remits are impacted by the review proposals. Assuming implementation starts once all relevant Committees have agreed the recommended changes, it should be possible for the new arrangements to commence from 1 April 2016. A draft implementation and resourcing plan is currently being developed, in consultation with the Chief Grants Officer.

17. Effectiveness of Hospitality. Discussions with individual Chief Officers and some Members are taking place, and data has been gathered from all of the main providers of hospitality. The key benefits from this review will be: the identification of best practice in relation to prioritisation and assessment of proposed events and their delivery; increased use of common processes and procedures; and more efficiency use of staff resources through greater flexibility. The report framework will be considered by the Corporate Events Management Group in July, with the aim of discussing recommendations with the Hospitality Working Party in October.
18. Independent Schools. The Board of the City of London School has received three reports, covering activity in support of the Education Strategy, fees compared to competitor schools, and future plans for scholarship support, which recommended reducing the amount of support for non-means tested scholarships from 50% to 25% over time. The Board of the City of London School for Girls has also received a report on activity in support of the Education Strategy, which was viewed as a helpful gathering together of existing activity in one place. The equivalent report for the City of London Freeman's School will be submitted to the Board in October (their next meeting), with a composite report to the Education Board in October/November. The key benefits from this review will be increased clarity and visibility of: the Schools' activities and how these align to the Education Strategy; and the City's support funding.

### **Departmental Reviews**

19. Remodelling Libraries. Since the last meeting, funding has been agreed by the Resource Allocation Sub Committee towards to cost of feasibility and planning for the transformation of the Barbican and Shoe Lane Libraries. As requested by Members, a separate report has been also prepared on the Department of Culture, Heritage and Libraries Service Based Review proposals.
20. Barbican Centre. A further meeting of the Steering Group for this review is scheduled for 23 July to discuss progress on the departmental savings and income generation proposals agreed by the Barbican Centre Board, and the recommendations arising from the effectiveness review conducted by AEA. Business cases for investment to support increased income generation in retail, catering and business events are due to be presented to Members in July.

### **Conclusion**

21. Of the 11 projects currently being tracked by this Roadmap, ten are rated as 'green', none as 'amber' or 'red', and one as 'n/a'.

### **Appendices**

- Appendix 1 – Service Based Review Roadmap
- Appendix 2 – Outline of reviews
- Appendix 3 – Opportunity Outline: Strategic Asset Management

- Appendix 4 – Opportunity Outline: Strategic Review of Operational Properties
- Appendix 5 – Opportunity Outline: Facilities Management
- Appendix 6 – Opportunity Outline: Contract Management (Procuring and Managing Services)
- Appendix 7 – Opportunity Outline: Income Generation
- Appendix 8 – Opportunity Outline: Grants
- Appendix 9 – Opportunity Outline: Effectiveness of Hospitality
- Appendix 10 – Opportunity Outline: Independent Schools
- Appendix 11 – Opportunity Outline: Remodelling Barbican Library
- Appendix 12 – Opportunity Outline: Remodelling Shoe Lane Library

### **Background Papers**

- Oversight of Corporate Programmes – report to Efficiency and Performance Sub Committee, 10 September 2014
- Service Based Review – report to Policy and Resources Committee, 26 March 2015

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