

## EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Wednesday, 6 July 2016

**Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee held at the Guildhall EC2 at 1.45 pm**

### **Present**

#### **Members:**

Jeremy Mayhew (Chairman)	Deputy Jamie Ingham Clark
Deputy Roger Chadwick (Deputy Chairman)	Deputy Alastair King
Randall Anderson	Ian Seaton
Nigel Challis	Deputy John Tomlinson
Deputy Anthony Eskenzi	Philip Woodhouse
Alderman Peter Estlin	

#### **Officers:**

Susan Attard	- Deputy Town Clerk
Christopher Braithwaite	- Town Clerk's Department
Neil Davies	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
Paul Nagle	- Chamberlain's Department
Geoff Parnell	- Chamberlain's Department
David Smith	- Director of Markets & Consumer Protection
Peter Bennett	- City Surveyor

#### **1. APOLOGIES**

No apologies were received.

#### **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 18 May 2016 be agreed as an accurate record.

#### **4. OUTSTANDING ACTIONS**

The Sub-Committee considered a report of the Town Clerk which set out the outstanding actions from previous meetings of the Sub-Committee.

**RESOLVED** – That the Committee notes the report.

5. **EFFICIENCY PLAN**

The Sub-Committee considered a report of the Chamberlain which provided Members with information regarding proposals to publish an Efficiency and Sustainability Plan to ensure that there was certainty regarding the Local Government Funding Settlement for 2016/17 to 2019/20.

The Chairman commented that the proposals for efficiency savings (as set out within the report) were appropriate, but the challenge would be to ensure that these were achieved.

Members discussed whether Brexit would have any implications on the efficiency proposals. The Chairman commented that the requirement to achieve efficiency savings would be present regardless of the impact of Brexit. Members noted that there may be an impact on rental income and property values in the medium term, but it was difficult to quantify the extent of this impact at this stage. The City Surveyor advised Members that the majority of the Corporation's rental property was rented on the basis on relatively long leases. Therefore, short term rental income was fairly secure.

A Member asked for clarification regarding whether the removal of the assumed 1% budget increase for pay and prices indicated an intention to reduce or remove pay rises in future. The Member commented that he would wish for the Corporation to ensure that it remained an attractive employer. The Chamberlain explained that this measure would focus upon achieving reductions in prices. He explained that the Establishment Committee was conducting a review of pay and grading within the organisation.

**RESOLVED** – That the Sub-Committee notes the milestones for the review and approval of the published Efficiency and Sustainability Plan

6. **UPDATE ON VALUE FOR MONEY**

The Sub-Committee considered a report of the Chamberlain which updated Members on progress in improving the value for money monitoring regime.

The Chairman commented that ensuring value for money across the Corporation was one of the key priorities for the Sub-Committee. A Member commented that, similar to the previous report, the intentions set out within the report were appropriate, but the challenge would be ensuring that these were implemented.

**RESOLVED** – That the Sub-Committee notes the report.

7. **FUTURE WORK PROGRAMME**

The Sub-Committee considered a report of the Town Clerk which set out the work programme for future meetings. The Work Programme sought to provide a strategic overview of the work of the Sub-Committee and a clear indication of how that work fulfilled the duties set out within the Sub-Committee's Terms of Reference.

**RESOLVED** – That the Sub-Committee notes the report.

**8. CITY PROCUREMENT - ACCOUNTS PAYABLE REVIEW – FINANCIAL YEAR 2015/16**

The Sub-Committee considered a presentation from the Chamberlain which provided information regarding the work of the Accounts Payable Team within City Procurement. The presentation highlighted the key achievements from the Accounts Payable Team in the previous year and the main challenges and objectives for the subsequent year.

In response to questions from Members, the Chamberlain advised that:

- City Procurement had identified specific areas where savings could be realised through the Oracle system. It was particularly noted that savings should be realised in staff time through automation features offered through Oracle;
- The organisation-wide communications in the No PO No Pay campaign had been complimented by Investors in People assessors as an excellent campaign. Members were also advised that City Procurement actively worked with departments to support them in their specific needs. This support had been particularly targeted towards lower performing departments;
- Members could be provided with information regarding the data storage implications of e-invoicing following the meeting;
- Further reports on performance of the Accounts Payable Team could be provided to the Sub-Committee on a six-monthly basis.

**RESOLVED –** That the Sub-Committee notes the presentation.

**9. ENERGY TARGETS UPDATE - ANNUAL REVIEW 2015/16**

The Sub-Committee considered a report of the City Surveyor which provided an annual performance update on the energy reduction targets set out in the Carbon Descent Plan 2015 (CDP-15) and energy spend. The performance update covered the 12-month period from April 2015 to March 2016 and included changes in the reporting methodology (weather correction) and introduction to performance benchmarking.

The Chairman advised the Sub-Committee that consideration was being given to moving responsibility for energy matters to the Corporate Asset Sub-Committee as this sat more comfortably within that Sub-Committee's asset management remit. He explained that if this was agreed by the Finance Committee, this report should be submitted to a future meeting of the Corporate Asset Sub-Committee for consideration.

Members commented that the report provided more appropriate information than had been provided in previous iterations of this report, but it now required more detailed information regarding the actions which would be taken to improve performance against the energy targets. Members also commented that any future extension of the existing LASER contract would need to have a more thorough value for money assessment.

**RESOLVED –** That the Sub-Committee:

- Notes the contents of this report.
- Supports various departments in taking positive actions related to energy reductions.
- Supports the progress towards an Energy Strategy and a more cohesive approach to its implementation.

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

There were no questions.

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

There were no items of urgent 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 Schedule 12A of the Local Government Act.

**Item(s)**

13-17

**Paragraph(s)**

3

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

The non-public minutes of the meeting held on 18 May 2016 were agreed as an accurate record.

**14. MARKETS & CONSUMER PROTECTION DEPARTMENT - SERVICE BASED REVIEW PROGRESS REPORT**

The Sub-Committee noted a report of the Director of Markets and Consumer Protection which provided information regarding progress in achieving the Service Based Review savings targets in the Department of Markets and Consumer Protection.

**15. SERVICE BASED REVIEW - ROADMAP AND FINANCIAL MONITORING**

The Sub-Committee considered and approved a joint report of the Chamberlain and the Deputy Town Clerk which presented Members with an update on the Service Based Review cross-cutting reviews, key departmental projects, and the financial savings from the Service Based Review.

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

There were no questions.

**17. 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 closed at 3.00 pm**

-----  
Chairman

**Contact Officer: Chris Braithwaite**  
**tel.no.: 020 7332 1427**  
**[christopher.braithwaite@cityoflondon.gov.uk](mailto:christopher.braithwaite@cityoflondon.gov.uk)**

DRAFT