

Committee(s)	Dated:
Finance Committee	25/07/2017
Subject: Chamberlain's Business Plan – First Quarter Update	Public
Report of: Chamberlain	For Information
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Summary

This report provides Members with a brief update of assurance that the Chamberlain's department is making good progress in the delivery of the 2017/18 Departmental Business Plan.

Performance broadly is in line with expectations for the first quarter. The Accounts Payable team performance against the 10 days payment target for SMEs dipped but the team has taken active steps to get performance back on track which should be reflected in the second quarter numbers.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The Chamberlain's Department Business Plan for 2017-2018 was approved by Finance Committee on 2nd May 2017. This report has been produced to provide Members with a summary of progress against key deliverables and performance in quarter one of the current financial year.

Current Position

2. It is a requirement of the Corporate Business Planning Framework that business plan delivery update reports be provided to Committee on a quarterly basis. The Committee cycle has resulted in this first update falling very close to the period end and, as such it has not been possible to obtain performance statistics against all of our departmental key performance indicators (KPIs), shown in our departmental Performance Scorecard at Appendix 1 to this report. The outstanding KPIs will be updated and provided in the next quarterly report.

Delivery against Key Improvement Objectives

3. Progress in the delivery of our key improvement objectives is good. Please see updates below:

4. Improve underlying IT performance issues and delivering major IT projects (Network Transformation and Desktop Refresh)

The IT team are working towards an improved IT provision. The procurement process is underway for a new Local Area Network. The contract will be awarded in July. The team are currently on track with this objective.

5. Maintain focus on value for money over the current funding period and beyond

The Team continues to focus on Value for Money. Building on the Service Based Review, a detailed review process is currently being implemented, including a framework that will incorporate continuous improvement savings as part of an Efficiency Plan and a rolling review programme to secure more radical changes in efficiency and effectiveness. A Chief Officer Peer Review will explore how Chief Officers can improve innovation, collaboration, and agility. The sessions will inform the Business Plans of all departments going forward.

6. Pursue the responsible procurement agenda and further adoption of smarter, more efficient procurement processes.

Delivery of the responsible procurement programme is good, key achievements include implementing measures to tackle modern slavery within the supply chain, incorporating requirements within evaluation criteria to ensure that suppliers provide work-related opportunities to socially excluded groups within tenders as well as implementing changes to vehicle specifications that will contribute towards reduced road danger and improved air quality.

The team are also on track for the further adoption of smarter, more efficient procurement processes, the subject of a separate, more detailed, City Procurement quarterly report, also on this agenda.

7. Provide assurance to the City and its Partners on their control environments, supporting the risk management framework and promoting an anti-fraud culture

Work is currently underway, supported by Zurich Municipal, to develop consistency and understanding around risk appetite for the City Corporation.

There has also been increased engagement through risk management training for senior managers. Some 76% of officers have either already attended or are due to attend the first cycle of courses. The aim of these sessions is to develop a more consistent approach to the corporate risk management process.

The City's Internal Audit team continues to promote a fraud awareness culture across the City Corporation, particularly in higher fraud risk areas. Regular mandate fraud alerts are circulated amongst the accounts payable team, whilst National Anti-Fraud Network and National Fraud Intelligence Bureau alerts are circulated, periodically, to officers in relevant departments. Following an increase in fraudulent phishing emails, a cyber-security alert was sent to officers via email and followed up with a news article on the City's intranet.

8. The Chamberlain's Performance Scorecard is shown as Appendix 1 to this report. This shows good performance across the range of KPIs in place, the following are of note:

- Accounts Payable invoice turnaround for Small and Medium Sized Enterprises (10 days) – Currently the performance for the quarter is 58%. Performance against the 10 days payment target has dipped due to the Accounts Payable Team dealing with a backlog of invoices that built up as a result of year-end system down time, prioritising payment of annual rates and council tax bills for City Corporation properties and some resource capacity issues. The team have been focusing resources on trying to catch up as quickly as possible and are continuing to monitor payment performance regularly to ensure that performance against this target improves. The Team expect to see improvement in quarter 2.
- % of Invoices Received Electronically by the AP team – current performance is 92% for this quarter just 2 % short of the 94% target.
- Procurement savings target has been exceeded slightly at £1.98m.
- Commercial rent collection rates are in line with target. Business Rate collection at 31.2% for the first quarter.
- Internal Audit Performance 9% estimate behind their target of 14% however there are currently no concerns raised.
- IT Service Performance - There were just four P1 incidents across both COL and COLP in the last three months. This is a significant improvement on the same period in 2016 when there fifteen P1 incidents between April and June. Only one incident failed the Service Level Agreement in the first quarter, this was within COL, for the Office 365 migration which resulted in failures when sending emails to external addresses. This was due to a licence issue that Microsoft accepted was their responsibility. All other incidents for Agilisys were resolved within SLA. All availability targets were met.

Chamberlains Finance Dashboard

9. A Finance Management Information Dashboard is currently in development, a first version is attached for information as Appendix 2. At this early stage in the year there are no significant points to draw attention to, the format and presentation will be developed and enhanced over time.

Conclusion

10. Members are asked to note that good progress is being made in the delivery of the Chamberlain's business plan. Performance for the first quarter of the year is in line with expectations.

Appendices

- Appendix 1 – Chamberlain's Department Scorecard
- Appendix 2 – Chamberlains Department Finance Dashboard

Background Papers

- Report to Finance Committee 02/05/2017: Chamberlain's Business Plan 2017/18

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