

Committee(s)	Dated:
Finance Committee – For Information	20/02/2018
Subject: Chamberlain's Business Plan – Quarter three 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 is largely in line with expectations for the third quarter. Action is being taken to get the Internal Audit plan delivery back on track - it is anticipated that the target will be met by mid-April 2018.

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 three 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.

Delivery against Key Improvement Objectives

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

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

4. The Transformation Programme is delivering to budget and all projects are on track. So far £421k of infrastructure related savings have been identified through the Transformation Programme with the shift to Microsoft Cloud services and optimising components of the remaining infrastructure. The programme has completed the desktop transformation for over 2500 users and the team are on

track to complete across the Corporation by end of February 2018. Work has begun on replacing the Wide Area Network circuits. End user feedback on the desktop transformation roll out has been very good. Local Area Network design has been completed and the work to replace network hardware has begun. New operating models are being developed for the IT Division and Agilisys. New policies continue to be rolled out.

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

5. The focus on delivering Value for Money in all that we do continues. In addition to delivering the final savings from the Service Based Review, departments have committed to an across-the-board light-touch continuous improvement target of 2% annually for three years from 2018/19, forming part of the Corporate Efficiency Plan. These will be documented in the forthcoming budget reports and reflected in the Medium Term Financial Plan. A programme of rolling review to secure more radical changes in efficiency and effectiveness is also in development.
6. A Priority Investment Pot (PIP) has been established to redirect the 2% efficiency savings towards supporting front line service delivery. Chief Officers have been invited to submit bids for funding from the PIP for 2018/19. Bids will be submitted for approval to Summit Group and Resource Allocation Sub Committee during the forthcoming year, with the first round having been considered in February.
7. A Chief Officer Peer Review programme is supporting Chief Officers in developing ideas that will improve innovation, collaboration, and agility. The outputs from these sessions will inform the Business Plans of all departments going forward particularly in response to the Efficiency Plan.

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

8. City Procurement made a significant contribution to securing the option to buy green energy and help drive the renewables industry as part City of London's upcoming energy contract, helping support the Corporation's responsible business agenda.
9. Action to mitigate air pollution is now being integrated into the specification of all contracts that involve the use of vehicles in delivering services. Establishing a balance between robust requirements and flexibility, a menu of options has been created that successful bidders may choose from, including green driver training, trialling new vehicle technologies or software, or continuous improvement targets on reducing nitrogen dioxide and particulate matter.
10. A focus group on ethical sourcing has been created between the City Corporation, London Fire Brigade, Transport for London and Westminster, with the aim of establishing joint action to tackling modern slavery & human trafficking and other violations of human and labour rights within our supply chains. The ultimate aim is to create an effective and harmonised approach that can be rolled out amongst the 40+ public authorities that constitute the London Responsible Procurement Network (LRPN), which is co-Chaired by the City Corporation.

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

11. Work continues on the 2017/18 audit plan with 33% of audits issued to final or draft report stage as at 31 December, and a further 58% work in progress. Work on the web-hosted recommendations tracking process is about to enter pilot testing with a number of departments, with the aim of increasing management accountability and live updates. In addition, the audit planning process for 2018/19 is currently in progress.
12. The Zurich Municipal work on the risk appetite project has now been completed. The outcome has been reported to the Chief Officer Risk Management Group, Summit Group and the Audit and Risk Management Committee and was well received. Summit Group requested some additional information which was processed by Zurich Municipal and reported to them in January 2018. The next step is for Chief Officers to review their corporate and departmental level risks against the risk appetite matrix.
13. The City's Internal Audit team continues to promote a fraud awareness culture across the City Corporation. A mandatory fraud awareness e-learning training course has been deployed to all employees and forms part of the induction for new starters. Targeted face to face fraud awareness training courses are delivered to staff, particularly in higher fraud risk areas.

Delivery against Key Performance Indicators

14. The Chamberlain's Performance Scorecard is shown as Appendix 1 to this report. This shows good performance across many of the KPIs in place, the following are of note:
 - Accounts Payable invoice turnaround for Small and Medium Sized Enterprises (10 days) – performance for the quarter is 86% which is a 2% increase on the previous quarter. The cumulative figure is now 76%, due to backlog in the first quarter which has had a knock-on effect to the overall 10 day payment performance. The team will not meet the target of 88% overall for the year.
 - % of Invoices Received Electronically by the AP team – this is slightly behind target but the team continues to work with suppliers to improve this. They are now working with those suppliers who are having more trouble to change to electronic invoices.
 - Annual Procurement Savings to date have been exceeded at £5.56m.
 - To the end of Quarter 3, 33% of the Audit Plan has been delivered to draft report stage. A further 17% of audits are undergoing their final quality review before draft reports are issued, and a significant level of work is in progress. Steps are being taken to get the plan back on track, although the target might not be reached before mid/late-April.

Chamberlains Finance Dashboard

15. A Finance Management Information Dashboard is currently in development, attached for information as Appendix 2. The format and presentation will be developed and enhanced over time.

Conclusion

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

Appendices

- Appendix 1 – Chamberlains Department Scorecard
- Appendix 2 – Chamberlains Department Finance Dashboard

Background Papers

- Report to Finance Committee 21/11/2017: Chamberlain's Business Plan – Half Year Update
- Report to Finance Committee 25/07/2017: Chamberlain's Business Plan – First Quarter Update
- Report to Finance Committee 02/05/2017: Chamberlain's Business Plan 2017/18

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