



Finance Committee APPENDIX PACK

Date: WEDNESDAY, 8 NOVEMBER 2023
Time: 12.45 pm
Venue: COMMITTEE ROOMS, GUILDHALL

10. **PROJECT PROCEDURE REVISION**

Report of the Chief Operating Officer.

For Decision
(Pages 3 - 30)

12. **CHAMBERLAIN'S BUSINESS PLAN QUARTER 2 2023/24 UPDATE**

Report of the Chamberlain.

For Information
(Pages 31 - 34)

13. **CHAMBERLAIN'S RISK REGISTER**

Report of the Chamberlain.

For Information
(Pages 35 - 46)

15. **TARGET OPERATING MODEL (TOM) – FINAL REPORT**

Report of the Chief Operating Officer.

For Decision
(Pages 47 - 78)

23. **GUILDHALL COOLING PLANT REPLACEMENT**

Report of the City Surveyor.

For Decision
(Pages 79 - 94)

28. **MAJOR PROJECTS – HIGH LEVEL FORECASTS AND CASH FLOW**

Joint Report of the Chamberlain and the Chief Operating Officer.

For Information
(Pages 95 - 102)

Agenda Item 10

Appendix 1 – List of proposed changes to Project Procedure.

Current Project Procedure	Revised Projects Procedure	Reason for Change	Relevant Item number(s)
<ul style="list-style-type: none"> Project Procedure and changes/approval and programme of projects is owned by Policy & Resources Committee. 	<ul style="list-style-type: none"> Project Procedure and changes/approval and programme of projects is owned by Finance Committee. 	<ul style="list-style-type: none"> Court approval in July 2023 for Projects & Procurement to be a sub committee of Finance Committee. 	<ul style="list-style-type: none"> 2.
<ul style="list-style-type: none"> Gateway reports require committee approval if project cost is £50,000 Capital or £250,000 Routine Revenue or using ringfenced funds. 	<ul style="list-style-type: none"> Gateway reports are delegated to trained officers in posts within the three most senior tiers of the organisation if project cost is below £1,000,000 (excluding risk). 	<ul style="list-style-type: none"> P&R approval July 2023 to make this temporary delegation permanent. 	<ul style="list-style-type: none"> 7.1, 60, 61.
<ul style="list-style-type: none"> Routine procurement projects subject to the procedure if they meet the above costs. 	<ul style="list-style-type: none"> Routine procurement projects not subject to the procedure, but to the Procurement Code. 	<ul style="list-style-type: none"> P&R approval July 2023 to make this previously approved change permanent. 	<ul style="list-style-type: none"> 62.
<ul style="list-style-type: none"> Projects Sub Committee scrutinises and make decisions relating to individual projects. 	<ul style="list-style-type: none"> Service Committees scrutinise and make decisions relating to individual projects. 	<ul style="list-style-type: none"> Court approval in July 2023 for Projects & Procurement to review the overall portfolio, with Service Committees to make decisions on individual projects. 	<ul style="list-style-type: none"> 11, 12, 26, 27, 30, 33, 34, 36, 42, 46, 47, 49, 50, 54, 59. Glossary.
<ul style="list-style-type: none"> Projects Sub Terms of Reference. 	<ul style="list-style-type: none"> Projects & Procurement Sub Terms of Reference (in relation to projects only). 	<ul style="list-style-type: none"> Court approval in July 2023 for Projects & Procurement revised Terms of Reference. 	<ul style="list-style-type: none"> 11.
<ul style="list-style-type: none"> Projects Sub periodically receives 	<ul style="list-style-type: none"> Projects & Procurement Sub receives a 	<ul style="list-style-type: none"> As per the revised Terms of Reference. 	<ul style="list-style-type: none"> 11.

programme reports on all projects.	Portfolio Overview on all projects.		
<ul style="list-style-type: none"> All projects that meet relevant thresholds to follow the standard Gateway Approval process. 	<ul style="list-style-type: none"> Exceptions to the standard Gateway Approval Process. All projects within the exceptions logged on Project Vision and included in portfolio reporting. <ul style="list-style-type: none"> Investment Property Group Expedited Process. Climate Action Strategy delegated approvals. City Bridge Foundation revised process. 	<ul style="list-style-type: none"> Some departments follow a Member-approved variation of this procedure. The relevant committee report is noted. 	<ul style="list-style-type: none"> 8, 66, 66.1-66.3.
<ul style="list-style-type: none"> Standing Orders authorise the Town Clerk, in consultation with the Projects Sub-Committee, or the Chairman and Deputy Chairman thereof as appropriate, to vary the Gateway Approval Process in relation to individual projects in cases when it is deemed appropriate to do so (e.g. to take advantage of external funding sources). 	<ul style="list-style-type: none"> Standing Order 50(04) authorises the Town Clerk, in consultation with the Projects and Procurement Sub-Committee, or the Chairman and Deputy Chairman thereof as appropriate, to vary the Project Procedure in relation to individual projects in cases when it is deemed appropriate to do so (e.g. to take advantage of external funding sources). 	<ul style="list-style-type: none"> Specify which Standing Order. Align wording with the Standing Order. Note Standing Orders currently refer to the committee as Operational Property & Projects Sub Committee. 	<ul style="list-style-type: none"> 23.

<ul style="list-style-type: none"> • Specific procurement thresholds referenced. 	<ul style="list-style-type: none"> • Procurement guidance to be in line with the Procurement Code. 	<ul style="list-style-type: none"> • To allow for changes to the Procurement Code to not require reflecting in the Project Procedure. 	<ul style="list-style-type: none"> • 26, 55, 63. • Documents for each Gateway.
<ul style="list-style-type: none"> • Inclusion in Capital Programme (if unallocated City funding is required for the project) to take place at Gateway 4a in the process. 	<ul style="list-style-type: none"> • Noted that this stage may take place at any Gateway when central funding is required. 	<ul style="list-style-type: none"> • Funding process has changed. 	<ul style="list-style-type: none"> • 26.
<ul style="list-style-type: none"> • Reference to Projects Sub Committee in relation to Urgency procedures. 	<ul style="list-style-type: none"> • Reference to committees in general in relation to Urgency procedures. 	<ul style="list-style-type: none"> • Projects & Procurement Sub Committee will no longer receive Gateways reports for approval. • Projects & Procurement Sub Committee falls within the general committee guidance should they have requested to approve a specific project's reports. 	<ul style="list-style-type: none"> • 27.
<ul style="list-style-type: none"> • Urgent requests are submitted to the relevant Committee's clerk, who will make representations to the Town Clerk and Chairman and Deputy Chairman of the Committee. 	<ul style="list-style-type: none"> • Urgent requests are submitted to the relevant Committee's clerk, who will make representations to the Town Clerk and Chairman and Deputy Chairman of the Committee. A full committee report (as you would submit to the relevant committee(s) 	<ul style="list-style-type: none"> • Additional text for clarity on use of Urgency procedures. 	<ul style="list-style-type: none"> • 27.

	<p>must be provided. If the decision is urgent and delegated authority has not previously been requested, you must provide a justification for the urgent decision (I.e. why can it not wait until the next meeting, why were you unable to present it at the previous meeting?)</p>		
<ul style="list-style-type: none"> • Pre-Gateway 5 projects can be closed with a report to Chairman and Deputy Chairman of Projects Sub Committee (noted in the 'Report on action taken' update in the next committee sitting), Corporate Projects Board (and any relevant requirement to the Service Committee). 	<ul style="list-style-type: none"> • Pre-Gateway 5 projects can be closed with a report to the Town Clerk in consultation with the Chairman and Deputy Chairman of the Service Committee. Decisions will be noted in the 'Report on action taken' update in the next Service Committee and Procurement & Projects Sub Committee sitting), after approval from Corporate Projects Board. 	<ul style="list-style-type: none"> • Align with Delegated Authority requirements to the Town Clerk. • Clarification the report must go to Corporate Projects Board first. 	<ul style="list-style-type: none"> • 33.
<ul style="list-style-type: none"> • Projects Sub Committee holds a contingency fund. 	<ul style="list-style-type: none"> • No reference to a contingency fund. 	<ul style="list-style-type: none"> • Projects & Procurement Sub does not hold a contingency fund. 	<ul style="list-style-type: none"> • 46.
<ul style="list-style-type: none"> • Programme Office sits within Town Clerk's department. 	<ul style="list-style-type: none"> • Removal of reference to which department the Programme Office sits. 	<ul style="list-style-type: none"> • Programme Office is no longer in Town Clerk's department. 	<ul style="list-style-type: none"> • 9, 13, 16, 17, 64.

<ul style="list-style-type: none"> Committee name: Capital Buildings Committee. 	<ul style="list-style-type: none"> Committee name: Capital Buildings Board. 	<ul style="list-style-type: none"> Reflection of committee name change. 	<ul style="list-style-type: none"> 6.
<ul style="list-style-type: none"> Committee name: Projects Sub Committee. 	<ul style="list-style-type: none"> Committee name: Projects & Procurement Sub Committee. 	<ul style="list-style-type: none"> Reflection of committee name change. 	<ul style="list-style-type: none"> 6, 7, 11, 23, 65.
<ul style="list-style-type: none"> Corporate Projects Board may ask for papers to be redrafted or to be submitted to Summit Group for Corporate consideration. 	<ul style="list-style-type: none"> Corporate Projects Board may ask for papers to be redrafted. 	<ul style="list-style-type: none"> There is no longer Summit Group. 	<ul style="list-style-type: none"> 13.
<ul style="list-style-type: none"> Strategic Resources Group referred to in Glossary. 	<ul style="list-style-type: none"> Removal of reference. 	<ul style="list-style-type: none"> There is no longer Strategic Resources Group. 	<ul style="list-style-type: none"> Glossary.
<ul style="list-style-type: none"> Service Committee not referred to in Glossary. 	<ul style="list-style-type: none"> Explanation of Service Committee in Glossary. 	<ul style="list-style-type: none"> Provide clarity on the term. 	<ul style="list-style-type: none"> Glossary.
<ul style="list-style-type: none"> Amendments to numbering, etc. further to the above changes. 			Throughout.

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City of London Project Procedure

Nov 2023

Overview

1. Projects are one of the key ways that the City of London Corporation delivers its strategic aims and priorities. The City Corporation is committed to ensuring that projects are delivered efficiently and that the best use is made of the resources available to the organisation.
2. Following a decision taken by the Court of Common Council in July 2023, the Project Procedure is the responsibility of Finance Committee. Any changes to the Project Procedure therefore require the authorisation of Finance Committee.
3. The Project Procedure has been designed to encourage consistency of delivery across the organisation, while allowing flexibility to respond to circumstances with appropriate speed. It is designed to ensure that our work reflects our strategies, and that we have policies in place to discharge our statutory and non-statutory duties with proper oversight and control.
4. All projects over £50,000 that have tangible, physical deliverables (including IS projects) must be recorded on the Corporation's Project Portfolio Management tool.
5. The Project Procedure applies to the following categories of projects that have tangible, physical deliverables (including IS projects):
 - a. Capital and supplementary revenue projects over £50,000
 - b. Routine revenue projects over £250,000
 - c. Capital and supplementary revenue projects delivered with ringfenced funds over £250,000 (e.g. Section 278, Designated Sales Pools, Additional Works Programmes, Housing Revenue Account)
6. Some large Capital projects will be overseen by the Capital Buildings Board, indicatively where the project is £100m+ or where it has been referred there by the Court of Common Council. For these projects, Capital Buildings Board will be responsible for;
 - (i) overall direction
 - (ii) review of progress; and
 - (iii) decisions on significant option development and key policy choices.If oversight is transferred to the Capital Buildings Board those projects will not be required to be seen at Projects & Procurement Sub-Committee. Refer to the Capital Buildings Board Clerk for guidance on governance and reporting requirements.
7. The Projects Procedure does not apply for Capital and supplementary revenue projects under £50,000 or revenue projects under £250,000 or ringfenced projects under £250,000. Where a mixture of funding is used the lowest threshold will apply. It is recommended the Gateway process documentation is used for projects outside of the Projects Procedure. Projects of any value can be 'called in' to Projects & Procurement Sub-Committee and any that develop to be within the thresholds will then enter the gateway approval process.

7.1 Delegations exist within the projects procedure. Where delegations are made (to Chief Officer or trained officers in posts within the three most senior tiers of the organisation) it is expected that the gateway approval process documentation will be completed, even if it is not required to be presented to Member committees. This is to ensure that good governance and record keeping is maintained. Chamberlains Audit and Risk teams will conduct period audits of projects under the thresholds or under delegated approval limits to ensure that appropriately rigorous governance and documentation is maintained.

8. This document contains information about:

- Governance
- Resource Allocation Timetable
- Approval Process
- Ringfenced Funds
- Routine Revenue Projects
- Changes to Projects: Before Agreement at Authority to Start Work
- The Project Sum
- Risk and Costed Risk Provision
- Changes to Projects: After Agreement at Authority to Start Work
- Procurement and Contract Letting
- Project Toolkit
- Exceptions

9. If you have any queries or comments about the Project Procedure or about project management generally at the City Corporation, please contact the Corporate Programme Office

Corporate.ProgrammeOffice@cityoflondon.gov.uk

Governance

10. All building related projects that are likely to require over £50,000 of capital expenditure over the following five years must be identified in the Asset Management Plan (AMPs) for the site. AMPs are a key part of the departmental business planning process and a corporate requirement under Standing Order 53. For further information on AMPs, please contact the Head of Corporate Asset Management in the City Surveyor's Department.
11. Approval of the City of London Corporation's programme of projects is the responsibility of the Service Committees and the Resource Allocation Sub-Committee, which considers the overall programme of project activity and its funding. Decisions about projects are made by relevant Service Committees and, for high value projects, the Court of Common Council.

Projects & Procurement Sub-committee Terms of Reference

In relation to projects, to be responsible for:

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- a) Overseeing the total portfolio of projects overseen by the Chief Executive's Portfolio Management Board and receiving regular high level dashboard reports on their progress, identifying notable risks and proposed mitigations;
- b) Making proposals to the Resource Allocation Sub-Committee/the Policy and Resources Committee for projects to be included in the capital/supplementary revenue programme;
- c) Determining how political oversight of relevant Tier 1 and Tier 2 projects can best be achieved where several committees are stakeholders on the proposed project and when projects in excess of £100 million require Policy & Resources Committee oversight;
- d) Reviewing the City Corporation's project management processes, development of project management skills and expertise and the systematic embedding of commercial approaches that share investment and risk.

The Projects & Procurement Sub-Committee receives a Portfolio Overview on all capital and supplementary revenue projects and can 'call in' any project at any stage of the Gateway Approval Process when it is considered appropriate to do so. As noted in [7] this can include projects which are being delivered under delegation.

12. For each gateway paper, the Committees (i.e. Service and if applicable Projects & Procurement Sub) may receive the paper in any order, relative to the dates when those committees sit. A paper would not be considered as approved until all the relevant committees have seen and approved it. The exception being the Officer Corporate Projects Board, which must see the Project Proposal (with attached Project Briefing), Issue reports and Outcome reports before they are published to Member committees.
13. The Corporate Programme Office clerks the Corporate Projects Board, which is a senior Officer panel which reviews Project Proposals, Issue reports and Outcome reports before they are submitted to Committees. The role of the group is to ensure

consistent quality reporting and critical Officer challenge to projects.

Corporate Projects Board

Corporate Projects Board is a group of senior Officers, with cross departmental representation, which meets each month for a critical analysis of projects set to enter the Gateway Process. They provide an initial overview of projects at an early stage and report content, whilst offering guidance and support on progressing a project through Committees.

The Board will consider papers before they are seen by Members and can ask for papers to be redrafted before proceeding further.

14. Where the Town Clerk considers a scheme has policy implications, or where the Policy and Resources Committee has indicated it wishes to consider a particular project further, the report will also be submitted to that Committee.
15. The Finance Committee is responsible for obtaining value for money, improving efficiency and overseeing procurement generally across the City Corporation. The Finance Committee therefore receives periodic reports on the City Corporation's capital expenditure.
16. The Corporate Programme Office monitors the progress of projects from start to finish. Departmental project teams are required to maintain up to date information about each project on Project Vision including monthly narrative updates, key dates, risks and issues. Additionally, key documentation such as Gateway papers should be uploaded.
17. Officer-level Project Boards may be established for individual projects. The establishment of a Project Board is particularly important for projects which require Officers from a number of different departments to deliver them. Guidance is available from the Corporate Programme Office about the establishment, composition and running of Project Boards.
18. Project Steering groups can be created for a project. There are no formal terms of reference for their governance, however they could be used to engage with external stakeholders and provide recommendations to the Project Board.
19. For full details of the different roles and responsibilities relating to project management please refer to the Project Governance guidance available in the Project Toolkit.

Resource Allocation Timetable

20. The Resource Allocation Sub-Committee will determine the budget to be set aside for capital and supplementary revenue projects for the forthcoming financial year. That sum will be included in the City's annual budget agreed by the Finance Committee and Court of Common Council in February/March each year.
21. New projects may enter the Gateway Approval Process at any time during the year but should be already planned in a department's business plan. The stages at which a project will be included in the capital programme are described in further detail below.

Gateway Approval Process

22. All projects covered by this Project Procedure enter the Gateway Approval Process at Gateway 1 and the general expectation is that projects will normally proceed through Gateways 1 to 6 in sequence.

- i. Note that in Summer 2018 the naming and numbering of the Gateways was changed, the content was revised significantly in the case of Gateways 0-2 and 6-7, and that 'Project Briefings' & 'Project Cover sheets' were introduced.

23. To allow projects to proceed at the appropriate speed and to ensure that the City Corporation is able to take advantage of circumstances as they arise, Standing Order 50(04) authorises the Town Clerk, in consultation with the Projects and Procurement Sub-Committee, or the Chairman and Deputy Chairman thereof as appropriate, to vary the Project Procedure in relation to individual projects in cases when it is deemed appropriate to do so (e.g. to take advantage of external funding sources).

24. There should be no assumption that the Gateway Approval Process is a linear process and it is possible that more complex schemes may include the preparation of more than one report at each stage, particularly in the options appraisal stages. Project Managers may need to combine Gateway reports, which can be done by exception. Where this is the case seek advice and confirm your planned approach with the Corporate Programme Office before submitting combined reports to Committee.

25. The City has adopted a Gateway Approval Process with three tracks: complex, regular and light. The decision about which track a project should follow depends on the estimated cost and the level of risk, complexity and uniqueness. The matrix below provides guidance on the track that should be followed. There is flexibility to move projects between tracks at any stage if it becomes evident that a project is more or less complex than originally anticipated (though this should be done as a recommendation within a Gateway or issue report).

		Risk, Complexity & Uniqueness		
		Low	Medium	High
Cost	Under £250k	<i>Light</i>	<i>Light</i>	<i>Regular</i>
	£250k to £5m	<i>Regular</i>	<i>Regular</i>	<i>Complex</i>
	Over £5m	<i>Regular</i>	<i>Complex</i>	<i>Complex</i>

Unless otherwise stated, 'cost' is the total estimated cost of the project and includes, but is not limited to, items such as works, fees and staff costs etc.

25.1 The total estimated cost of the project at the offset does not include future anticipated costed risk provision requests; however, Members can use the value of this and the total liability exposure from the risk register as part of their decision when confirming the track route. This reflects that a costed risk provision and costed risk register is a quantified financial measure of the risk of a project.

25.2 Projects can change in their complexity and cost over their lifetime. The trackways are therefore not fixed, and projects can move across (i.e. from

Regular to Complex, or Regular to Light), if the situation changes. However, such a change must be approved by Members (as the Gateway track was also approved by them initially), and that change must be approved before any decisions which would be delegated on approval are made.

26. The stages in the Gateway Approval Process are:

Gateway 1. Project Briefing

A short document which describes the core elements of the project concept. This is signed off by the Chief Officer and should be related to an idea within the departmental business plan, (it is recognized that some projects might not be in the business plan as they may be responding to emergent events, however these should be reflected in the next business plan review). Once approved a Project Briefing can then be developed into a full project proposal and will be attached to the Project Proposal seen by Members (Gateway 2).

Gateway 2. Project Proposal

Initially viewed by Corporate Projects Board, a short business case seeking Members' authority to proceed with the project through to the next relevant Gateway stage and to expend any internal or external resource. The proposal should establish clear, measurable objectives and targeted benefits for the City Corporation. At this stage, the relevant approval track (Complex, Regular or Light) will be determined. An indication of the intended procurement strategy should be set out at this stage in conjunction with City Procurement.

The Project Briefing should be an appendix to this report.

A costed risk register using the corporate template should accompany this report if a 'costed risk provision' (see [49]), is requested.

After the Project Proposal is approved all subsequent Gateway reports require a Project Cover Sheet.

Gateway 3. Outline Options Appraisal

The report should set out a range of viable options for proceeding with the project and make recommendations to Members on the option(s) to progress. Unless there is a statutory/safeguarding requirement a 'do nothing' option will be expected as a default.

Where there is only 'one' option, it is expected that there will be more than one variable in the quality/longevity of the implementation options (e.g. where something must be replaced, the options could be a 'like-for-like' replacement or 'an opportunity for a material upgrade and remodel').

The Project Coversheet should be an appendix to this report.

A costed risk register using the corporate template should accompany this report if a 'costed risk provision' (see [49]), is requested.

A PT4 Procurement Form should be an appendix to this report in line with the Procurement Code, or below where Committees/Category Boards request it.

Gateway 4. Detailed Options Appraisal

Report setting out detailed appraisal of options, or variations of an option, taking account of further information available and advice by Members on previous report. The level at which the scheme design will be approved is to be determined at this stage (options would include Service Committee, Chief Officer, Project Board, CPO). Approval of the procurement methodology will be sought at this stage (subject to approval of Gateway 4a if City funding is being sought, Gateway 4b if the project is estimated to cost over £5m and Gateway 4c the detailed design at the appropriate level) if required.

The Project Coversheet should be an appendix to this report.

A costed risk register using the corporate template should accompany this report if a 'costed risk provision' (see [49]), is requested.

Gateway 4a. Inclusion in Capital Programme (if unallocated City funding is required for the project)

Corporate Priorities Board will help Members prioritise the City resources that are allocated to projects by making recommendations to Resource Allocation Sub Committee.

The Project Coversheet should be an appendix to this report.

A costed risk register using the corporate template should accompany this report if a 'costed risk provision' (see [49]), is requested.

The Resource Allocation Sub-Committee will recommend to the Policy and Resources Committee whether to add a project to the capital programme, hold it in reserve, commission further work or stop it. If a project is added to the programme the Chamberlain's Finance team will prepare a report to the Resource Allocation Sub-Committee who will advise the Policy and Resources Committee as to how the expenditure should be phased.

This stage may take place at any Gateway when central funding is required.

Gateway 4b. Court of Common Council Approval (projects over £5m)

Approval of the Court of Common Council will be sought at this stage.

Court reports will be prepared by the Town Clerk's Office and use a non-Gateway template format. Consult with the Court Clerk on the content.

Gateway 4c. Detailed Design

Approval of the detailed design for the option selected at Detailed Options Appraisal, at the level agreed at that stage.

The Project Coversheet should be an appendix to this report.

A costed risk register using the corporate template should accompany this report if a 'costed risk provision' (see [49]), is requested.

Gateway 5. Authority to Start Work

Authority to begin delivering the project. The results of any tender exercise must be included in this report. The level of progress reporting is determined at this stage and can range from specific project reports to coverage by exception in routine updates, regular delegated officer reporting would be expected.

The Project Coversheet should be an appendix to this report.

A PT8 Procurement Form should be an appendix to this report in line with the Procurement Code, or below where Committees/Category Boards request it.

A costed risk register using the corporate template should accompany this report if a 'costed risk provision' (see [49]), is requested.

Gateway 6. Outcome Report

Critical assessment of the project and the achievement of its objectives. This will include an update of spend, milestones and key deliverables. Lessons learnt and best practice identified during the delivery of the project will also be asked for, along with how that knowledge will be shared.

The Project Coversheet should be an appendix to this report.

All Outcome reports are to be submitted within 6 months of the end of the project (nominally described as handover to BAU). Where the project has outstanding legal issues, the accounts have not been signed off, or business benefits require evaluation over a longer period, this still applies, with a supplementary report delivered later, on the resolution of the outstanding issues.

Project Cover Sheet

A short summary of the project, to provide cumulative reporting and a record of key changes and developments over its lifetime, required to accompany all Gateway reports (including Issues and Progress Reports) after Gateway 2 (Project Proposal) has been agreed. This allows Members and Officers to review the total progress of a project through its lifecycle.

Issues Reports

A flexible format report to inform Members of an issue that requires a decision. Usually in response to the need to change the budget, milestones, deliverables/scope etc. To be accompanied by a Project Coversheet. Issues reports can be issued at any stage in the Gateway process. This report is usually written 'between Gateways'.

The Project Coversheet should be an appendix to this report.

Progress Reports

Short updates, usually by exception, on progress made on project with particular focus on risk, cost and time. Frequency to be determined at 'authority to start work' stage, or earlier if delegated to Chief Officer before that stage. This is likely to be required for projects delivered over an extended period of time.

The Project Coversheet should be an appendix to this report.

27. Urgency and Delegation

Officers planning to submit papers to Committees should understand the committee timetables and plan around them accordingly.

27.1 Where a decision is required rapidly and must be done outside of the regular Committee timetable, this can be done via the 'Urgency' system (see Standing Orders of the Court of Common Council: 41. Decisions between Meetings). In these instances, the power to make a decision will be delegated to the Town Clerk to make a decision, and before exercising this power, comments from the Chairman and Deputy Chairman of the Committee will be sought.

27.2 Urgent requests are submitted to the relevant Committee's clerk, who will make representations to the Town Clerk and Chairman and Deputy Chairman of the Committee. A full committee report (as you would submit to the relevant committee(s)) must be provided. If the decision is urgent and delegated authority has not previously been requested, you must provide a justification for the urgent decision (i.e. why can it not wait until the next meeting, why were you unable to present it at the previous meeting?) Once a decision has been taken it is reported to the next meeting of a committee and is reflected in the minutes of that meeting. The urgency procedures should only be used for matters that are genuinely urgent and unforeseen. Consult the Committee Clerk if you are unsure.

27.3 At meetings, Committees may decide they do not have enough information on the sitting date to make an informed decision and they may request additional information to be provided. Under such circumstances they may decide to delegate that decision outside of committee on receipt of the requested information. The approval process is the same as for urgent approvals.

28. [Advice on the equivalent RIBA stages is available from the City Surveyor's Property Projects Division, See Appendix 1 for a summary.](#)

29. Guidance on the reporting format and requirements for each stage is available in the Project Toolkit on the Corporate Programme Office intranet pages.

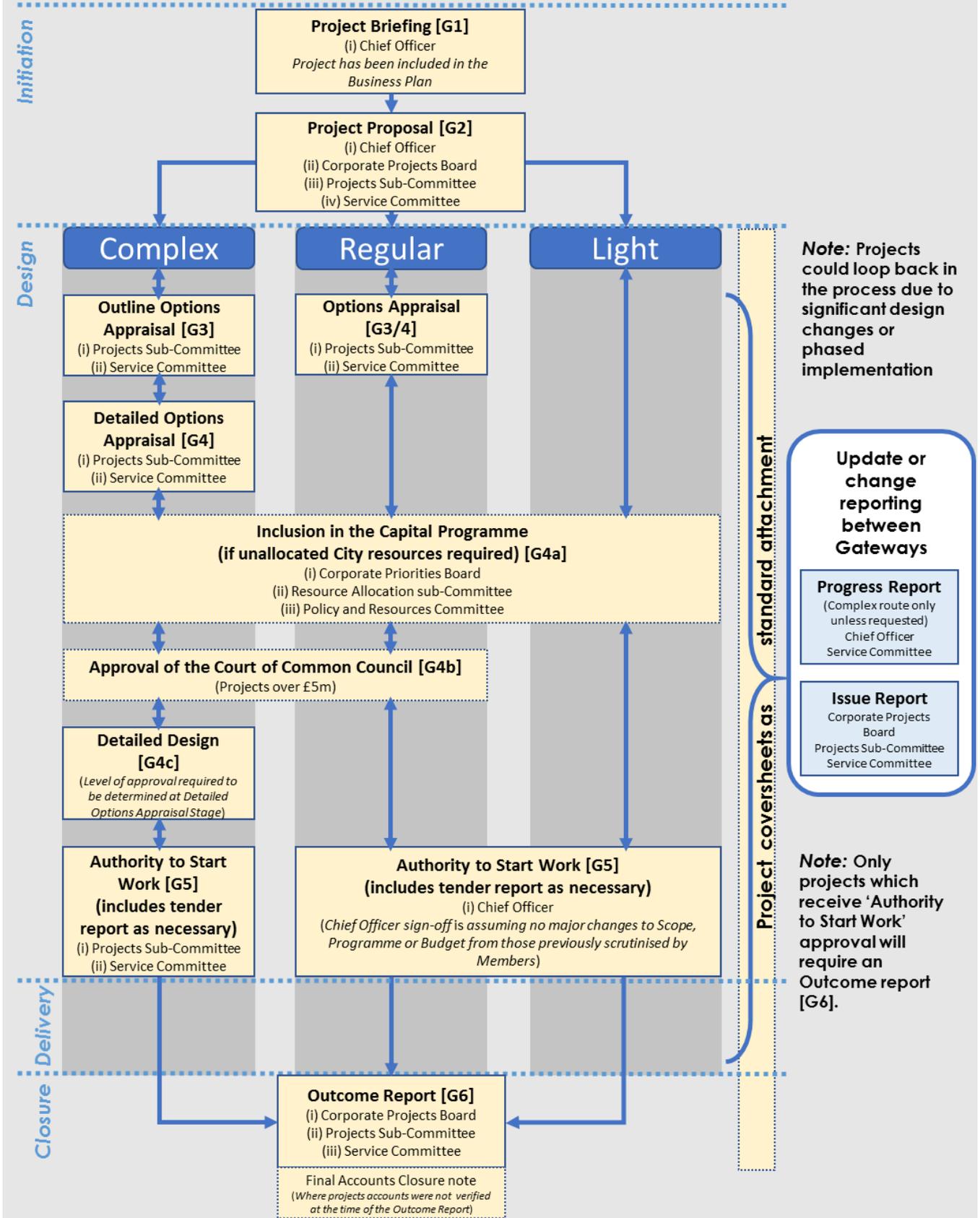
29.1 Risk Management must be an integral part of managing a project from start to finish. A separate guidance note in the Project Toolkit is available to assist Officers in how risk should be managed throughout the life of a project.

29.2 Note that all reports are submitted in the name of a Chief Officer (or equivalent), and that Chief Officers are accountable for the content to Members.

30. The diagram below sets out the Gateway Approval Process and the Committees with authority to consider and approve projects at each of the Gateways. It sets out the three tracks which will generally be followed. Note that as of July 2023 references to Projects Sub Committee should read: Projects & Procurement Sub Committee for information only. Gateway reports requiring Member approval are for decision by the Service Committee.

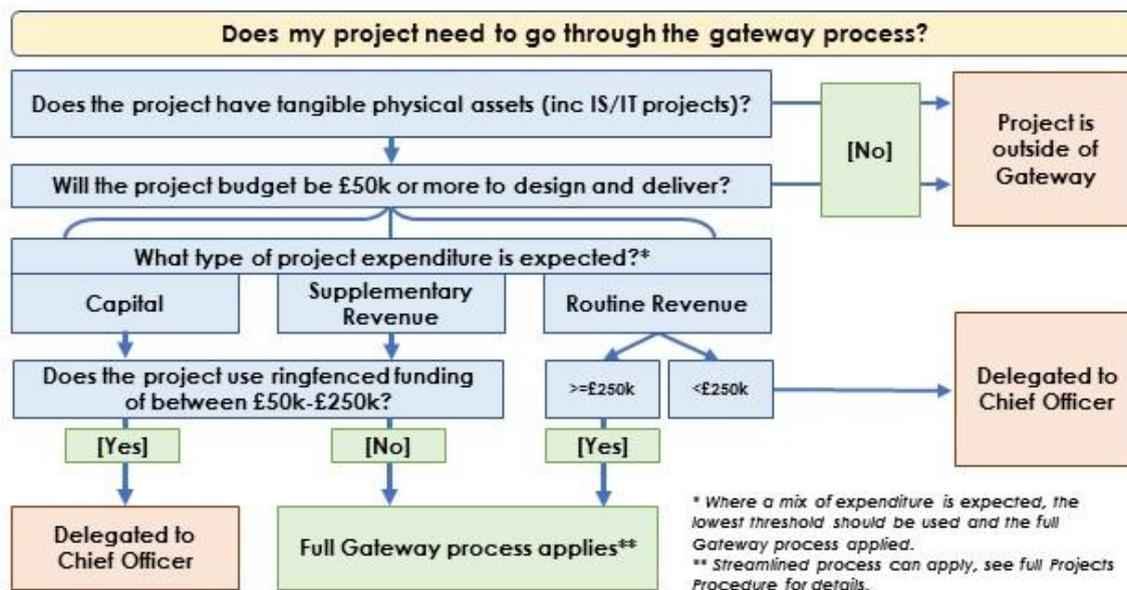
Gateway Approval Process

The procedure applies to projects that result in tangible, physical deliverables (including IS projects).



Entering the Gateway Process

The Projects Procedure and Gateway Process applies to projects that result in tangible, physical deliverables or assets, including Information Systems / Technology projects where the assets are 'digital' in nature.



The difference between Capital, Supplementary Revenue and Routine Revenue is an accounting distinction and can be guided by Chamberlain's.

Capital: Major schemes (>£50,000) relating to the acquisition, creation or enhancement of an asset which yields benefits to the authority and the services it provides for a period of more than one year. Basic definition taken from the CIPFA Code of Practice on Local Authority Accounting, which has the force of law. Further conditions e.g. in relation to enhancements. Excludes regular or cyclical repairs, but includes cyclical replacement of major components, e.g. new windows etc.

Supplementary Revenue: (>£50,000) Project expenditure of a substantial or major nature which was previously classified as capital but is now revenue so as to conform to current accounting regulations, such as a major repair.

Routine Revenue: Traditional revenue project expenditure which is met from local risk budgets. e.g. cyclical painting and repairs.

Ringfenced funds: Designated Sales Pools, Cyclical Works Programme, Housing Revenue Account, Section 278, Section 106, and Area Strategies. Ringfenced funds also includes activities where the external funder (i.e. TFL) is providing funding for a restricted purpose.

Gateway Routes

Risk, Complexity and Uniqueness

	Low	Medium	High
Estimated Cost			
(£50k<£250k)	Light	Light	Regular
(£250k~£5m)	Regular	Regular	Complex
(£5m+)	Regular	Complex	Complex

31. A project's total estimated cost is considered to be the total of all the anticipated expenditure on it from all sources (excluding costed risk provision, this will however be included in spend reporting and budget totals if drawn down). Internal officer costs (staffing) to develop a project are expected to be noted, even if new funding is not required, so that the City can better assess the true total cost of project development and delivery.

32. The Gateway process is not a strict linear progression. Projects may repeat a Gateway, deliver multiple similar Gateway reports (in the case of programmes or phased projects) or go back to an earlier point to rescope or redesign the project formally. Where this is the case it should be explicitly noted in the report. Any changes after Authority to Start Work has been approved should be submitted as Issues reports [See 45]. In some instances, it may be necessary to advance some element(s) of the works to fit with timelines out of our control (e.g. TFL, UKPN) before a full Gateway paper is ready. Where this is the case multiple Gateway papers of the same type could be produced (phasing the works), or an Issues Report be written seeking to advance an element of the project before the full proposal is approved.

33. Once a project has entered the Gateway process it may need to be closed earlier than the Gateway Approval routeways indicate, i.e. a project may close before any delivery has begun. Projects which need to be closed before their Authority to Start Work can be closed with a report to the Town Clerk in consultation with the Chairman and Deputy Chairman of the Service Committee. Decisions will be noted in the 'Report on action taken' update in the next Service Committee and Procurement & Projects Sub Committee sitting), after approval from Corporate Projects Board. This report should detail the reasons for the closure, issues that arose, a budget update and any lessons for the future and how these will be shared. Projects which need to close after agreement at Authority to Start Work, should produce an Outcome report in full. As projects are approved to proceed with Member oversight, Members must also approve their closure.

34. Outcome reports are required to be submitted to relevant service committees within 6 months of the closure of the project (closure meaning handover to BAU).

34.1 It may be the case that the final accounts for the project are not complete within this timeframe, business benefits require evaluation over a longer period or there are outstanding legal claims/ disputes which need to be resolved. If this is so, an Outcome report is still required within the 6-month window, however a supplementary outcome report can be produced later once final accounts are settled and disputes resolved.

34.2 Where an outcome report is received by the committee, further monthly updates to the corporate project portfolio too are not required. The project will be put into a holding state on the tool until the final report is received, the Corporate Programme Office would expect progress updates to prevent a permanent holding state. Once approved by the relevant committees the project will be archived.

35. Different projects may, over the course of their development merge into one or split into two or more. This should be explicitly noted in the next report, including what the merged or split projects will be called and what they will or won't inherit from their parent projects. The Corporate Programme Office should be consulted in such cases.

Ringfenced Funds

36. Ringfenced funds are those where the source and type of funding restricts the type of activities it can be spent on, this limits the City's options when it comes to project planning and design and therefore a higher financial limit is applied before these projects are called to Service Committees. Ringfenced funds are defined by their funding source, they include; Cyclical Works Programme, Designated Sales Pools, Housing Revenue Account, Section 278, Section 106. This can include activities where an external funder is (for example TFL, Heritage Lottery) is providing funding for a restrictive purpose.

37. All projects delivered from ringfenced funds over £250,000 will follow the Approval Process from Gateway 1.

38. Any project delivered with ringfenced funds costing up to £250,000 may be authorised by the relevant Chief Officer at all stages of the Gateway Approval Process, including the authorisation of changes to projects.

Routine Revenue Projects

Capital and Revenue

Capital expenditure generally results in tangible asset(s) with a life of more than one year, for example building a new office, buying new software etc. Capital expenditure relates only to costs which are incurred in bringing a physical asset into use (excludes feasibility/option appraisal/training/launch party).

Revenue expenditure generally does not result in tangible assets, for example training, fees, repairs and maintenance.

If we have a large revenue project (nominally above £250k) that is subject to the Project Procedure here at the City, it is called a '**Supplementary Revenue**' projects are usually for bigger repairs and 'one-off' maintenance projects of existing infrastructure (which do not fulfil the capital criteria e.g. feasibility and option appraisal costs, major cyclical repairs and maintenance), and reflects that some of the costs can't be 'Capitalised'.

The distinction between capital and supplementary revenue projects is an accounting decision and project managers should consult with their Finance Business Partner to assist in this determination.

39. Routine revenue projects costing over £250,000 follow the Gateway Approval Process from Gateway 1.

40. Any routine revenue project costing up to £250,000 may be authorised by the relevant Chief Officer at all stages of the Gateway Approval Process including the authorisation of changes to projects.

Changes to Projects: Before agreement at Authority to Start Work

41. During the development of a project, the confidence ranges relating to overall cost, quality and time will be determined at each Gateway on a case by case basis. Factors which will influence the establishment of the confidence range include costs that cannot be quantified with certainty and the likelihood of unexpected works, however those can be quantified and costed in a costed risk register with a costed risk provision requested [See 49].

42. The budget sought to develop the project during the early stages will be fixed amounts

agreed at each Gateway. If further resources are required, approval needs to be sought from the Service Committee, who will scrutinize the request within the remit of project assurance, to ensure value for money and the project is on course to deliver its objectives. If further funding and resources are required, approval from the relevant committee to access the requested additional funding will be required, which may vary according to the funding source. The budget will only change after Committee approval has been granted. Where an approved costed risk provision for specific risk items agreed by the Service Committee (see 'the Project Sum [46]') is used to address an issue realised, this is not considered a 'budget increase' which would warrant a return to committee. If the value of individual line items needs to be adjusted, but the overall balance remains the same (and the scope has not changed) then this can be achieved via a budget adjustment using the delegated authority levels noted in [54].

43. As the project evolves, the expectation is that the confidence range should become smaller as Officers obtain greater certainty about the project and the associated risks and issues. The confidence range for each project will need to reflect the risks particular to that project and will need to be considered on a case by case basis. This should be updated and reviewed at every Gateway report to Committee.

44. Provided that a project remains, and is forecast to remain, within the agreed confidence ranges, Officers should continue to work towards the next Gateway. Guidance is available in the Project Toolkit on the process for movement between budget lines.

Changes to Projects: General

45. In cases where:

- the financial implications will be higher or lower than the agreed confidence range (capital or revenue expenditure or income/returns/savings);
- the overall programme needs to be accelerated or delayed +/- 10% of time against the last numbered Gateway report;
- the specification will be significantly different to that agreed, i.e. there will be a shortfall against one of more of the key objectives/ SMART targets, or the inclusion or reduction in the parameters of the project, which may include changing operational performance criteria and business benefits;

Officers will report to the Committee(s) or Chief Officer who approved the last Gateway report on the circumstances, the options available and a recommended course of action. For example, if circumstances change on the Light and Regular routes where Authority to start work is delegated to Chief Officer, they would need to return to Committee to progress to the next gateway.

If additional unallocated City Corporation resources are required (i.e. from Central resources, not local risk budgets), the approval of the Policy and Resources Committee must also be obtained as Service Committees cannot approve Central resources.

In such cases the Policy and Resources Committee must be advised of the impact of the proposed increase in the City's overall Programme and any agreed increase must be reported to the next meeting of the Resource Allocation Sub-Committee for appropriate adjustments to be made to the City Corporation's Programme.

Note that Chamberlains have prepared guidance on the preparation of Whole Life Costing (available on the corporate intranet).

These will not apply to the costed risk provision drawdown increases to budgets as they have already been considered and delegated [See 49]:

The Project Sum

46. The project sum (total estimated cost of the project) is agreed at Authority to Start Work stage (Gateway 5) where it is no longer an estimate. Officers may request a costed risk provision here if there is still some uncertainty about elements of the programme, Officers need to relate such cost uncertainties to specifically identified risks. The case for allocating a specific risk-based provision will be considered on a project by project basis by the relevant Service Committee.

47. The majority of risks are expected to be identified through costed risk register. Should unexpected issues occur an Issues Report is required to the Service Committee. Guidance is provided in the Project Toolkit.

48. In the case of externally funded projects, Officers are expected to phase expenditure between essential and optional elements to ensure that the project sum is not exceeded. Where project works on essential elements have been completed Officers can then progress agreed optional elements.

49. Members may approve a costed risk provision budget, against Officer request, to be used against risk identified in project risk registers presented to Committee. The costed risk provision can only be used to respond to those risks that become issues and cannot be used for other purposes;

- I. The value of the costed risk provision approved will vary with each Gateway, as risks are identified, mitigated, clarified and closed. A flatline value will not be accepted, see II;
- II. Officers can request a costed risk provision at each Gateway stage on the basis of seeking a provision to deal with contingent items (should they arise) prior to the next Gateway;
- III. Costed risk provision funding awarded for risks which are no longer relevant (closed) will be returned to the center at the next Gateway opportunity and will not be held by the project until project closure;
- IV. With each Gateway the total value to get to the next Gateway must be asked for in full again. Projects will not 'roll forward' provisions from previous Gateways. Where an issue is in progress or still relevant, the next request should be inclusive of that.
- V. Costed risk provision budgets will be set aside from the project budget and cannot be accessed without a budget adjustment being completed. Project Managers are expected to contact the Corporate Programme Office who will provide the relevant template and advise on the appropriate course of action;
- VI. Officers are expected to report on the use of the funding via the Project Coversheet which will accompany any Gateway reports, and through issue logs. Each report to Committee should outline the amount of previous risk provision used, the new total requested and a cumulative total of spend throughout the project lifecycle;
- VII. If the cumulative total of costed risk drawn down by a project exceeds or is equal to £500,000 then this will trigger an automatic Progress report to Committee detailing the reasons for the draw down.

Changes to Project Sum: Before agreement at Authority to Start Work

50. The budget sought to develop the project during the early stages will be in fixed amounts. If circumstances have changed and additional budget is requested, an Issues report is required to the relevant Service Committee, outlining the issues which have arisen, options available, the new project budget requested and a recommended course of action;

51. If additional unallocated City Corporation resources are required (i.e. from Central resources, not local risk budgets), the approval of the Policy and Resources Committee must also be obtained as Service Committees cannot approve Central resources.

52. In such cases the Policy and Resources Committee must be advised of the impact of the proposed increase in the City's overall Programme and any agree increase must be reported to the next meeting of the Resource Allocation Sub-Committee for appropriate adjustments to be made to the City Corporation's Programme.

53. These will not apply to the costed risk provision drawdown as they have already been considered and allocated against the project budget [See 49].

Changes to Projects Sum: After agreement at Authority to Start Work

54. If the cost of the project is projected to escalate over the project sum agreed at Authority to Start Work stage (or any subsequent revision to that project sum agreed by the relevant Committees) the following approvals are required.

Note these will not apply to the costed risk provision drawdown as they have already been considered and allocated against the project budget [See 49]:

<i>Increase in Project Sum</i>	<i>Approval Required</i>
£0 to £50,000 or up to 10% (whichever is lower)	Chamberlain Chief Officer (The Town Clerk's approval will be required in projects where the Chamberlain is the named Chief Officer)
Over £50,000 or more than 10% (whichever is lower)	Service Committee
For projects costing over £5m: Over £500,000	Service Committee Court of Common Council

These revisions will be considered as cumulative, i.e. multiple changes will be added together and compared to see the total change since the last Committee paper approval.

If additional unallocated City Corporation resources are required (i.e. from Central resources, not local risk budgets), the procedure described in the table above must be followed and the approval of the Policy and Resources Committee must also be obtained as Service Committees cannot approve Central resources.

In such cases the Policy and Resources Committee must be advised of the impact of the proposed increase in the City's overall Programme and any agree increase must be reported to the next meeting of the Resource Allocation Sub-Committee for appropriate adjustments to be made to the City Corporation's Programme.

55. For projects that follow the Gateway Approval Process those limits on increases described above will supersede the limits as described in the Procurement Code Where doubt exists use the lower threshold value and tolerance. The exception being where

specific risk provision in the form of a contingency has been approved by Committee for the project and this is used to increase the contract value, then the Procurement Code thresholds would apply.

56. Where an increase has been agreed under the arrangements set out in paragraph [54] above, the procedure starts again for any further increases.

57. After the total project sum has been approved at Gateway 5, on completion of the project, any remaining financial provision will be released back to the centre, which is consistent with the normal treatment of other project savings.

58. If the value of individual budget line items needs to be adjusted, but the overall balance remains the same (and the scope has not changed) then this can be achieved via a budget adjustment using the delegated authority levels noted in [54].

59. Any significant changes to the project that are not related to cost (e.g. programme, risk and specification) must be agreed by the Service Committee.

Thresholds for Committee approvals

60. Gateway reports at all stages of the Gateway Approval Process, including the authorisation of Costed Risk Provision and changes to projects, for projects with an estimated cost of below £1m (excluding risk) are delegated to suitably trained Officers in posts within the three most senior tiers in the organisation. A current list of Officers with this authority can be obtained from the Corporate Programme Office.

61. Projects that fall within this delegation remain subject to the Projects Procedure and require use of Gateway templates and recording on Project Vision.

Procurement and Contract Letting

62. Procurement exercises that are considered to be routine are not subject to the Projects Procedure and will follow the City of London Procurement Code. This includes any activity where the sole purpose of the activity is the purchase of goods and services without the need for internal project management or coordination other than to manage the tender process. In these instances, the successful delivery of the required goods and services would be managed using the commercial contract management toolkit. The Director Commercial, Change and Portfolio Delivery should be consulted when further clarification or advice is required.

63. All projects involve procurement activity and contract letting which must be carried out in accordance with the City's agreed Procurement Regulations. City Procurement should be consulted before a Project Proposal is submitted to Corporate Projects Board.

63.1 A PT4 Procurement Form (Gateway 3) and a PT8 Procurement Form (Gateway 5) will be required in line with the Procurement Code, or where Committees/Category Boards request it.

Project Toolkit

64. Guidance for Officers on how to progress between the Gateways together with the necessary documentation and processes to follow is provided in the Project Toolkit maintained by the Corporate Programme Office and published on the Corporate intranet.

64.1 Project Managers are expected to record and report on their project status during the project's lifetime. The 'project status' is expressed in its simplest form as a RAG status (aka Red, Amber, Green). The Project Toolkit gives further guidance on what conditions necessitate a change in RAG status.

65. The Corporate project management templates including the Gateway templates fall within the remit of Projects & Procurement Sub-Committee and will be periodically updated by the Corporate Programme Office to respond to events or changing needs to the governance of the City's Projects, to ensure that projects are well run.

Exceptions

66. [Some departments follow a](#) Member-approved variation of this [procedure](#). All projects within the exceptions should be logged on the Corporate Project Management Software and included in portfolio reporting.

66.1 Investment Property Group (IPG): City Surveyor's IPG projects follow an expedited Gateway Approval Process. Refer to Property Investment Board Committee Report July 2021.

66.2 Climate Action Strategy (CAS): The CAS programme of projects follow the Gateway Approval Process but review and approval of Gateway reports and issues logs related to capital expenditure up to £1m is delegated to the SRO of the Programme. Refer to Policy & Resources Committee Report July 2021.

66.3 City Bridge Foundation: City Bridge Foundation projects follow the Gateway Approval Process but all reports are for approval only by City Bridge Foundation Board (and Court of Common Council where necessary). Officers from City Bridge Foundation can recommend reports be submitted to Corporate Projects Board by exception, either for approval or for information.

Glossary of Terms

Term	Definition
Budget	The (predicted) cost of the total package of activity on a project, itemised into different line items such as Staff, Works, Fees etc. This may change according to each Gateway. This is the allowable limit of funding which could be allocated against a project following senior approval, however it is not the actual allocation of the money itself.
COCO	Court of Common Council
Costed Risk Provision	Funding allocated to project budgets to deal with contingent items should they arise. This can be under delegation (subject to Member approval of a costed risk register).
Funding	The money available for a project to spend within the agreed budget.
Gateway 1 – Project Briefing	First stage in the process where a Project Briefing document is completed to outline the premise of the project.
Gateway 2 - Project Proposal	Proposal to establish a project via Member approval of a Gateway 2 report. A small budget for feasibility studies/surveys is usually requested at this stage to develop an options appraisal.
Gateway 3/4 – Options Appraisal	Outline of alternative approaches for delivering the project objectives. Complex projects require an additional detailed options appraisal.
Gateway 5 – Authority to Start Work	Stage at which approval is granted to commence project delivery. This is usually following tender and is where a contractor is appointed. It is also the final review stage before the start of works. Authority to start work is delegated to Chief Officers for Light and Regular projects.
Gateway 6 – Outcome Report	Project closure stage where an outcome report analysing lessons learned and project evaluation is submitted to Committee.
Gateway Process	Current governance procedures for projects within the City Corporation. Projects proceed incrementally through stages subject to committee approval.
(an) Issue	Issues are risks that have happened. It is quite common to hear people use the terms ‘risk’ and ‘issue’ interchangeably, but they are distinct.
Issues Report	Reports outlining issues which could impact on project delivery and require attention. Issues reports can be submitted at any stage.

P & R	Policy and Resources Committee
Total Project Sum	The total actual cost to design and deliver the project from start to finish, including fees, works, staffing etc. This will be fixed at Authority to Start Work and can only vary through Issues Reports requesting a budget adjustment. Costed risk provision for items agreed by the Service Committee can be utilised under delegation but these will not be deemed budget adjustments
Progress Report	Updates on latest developments (usually during project delivery but these can be submitted at any point in time).
Project Briefing Document (applied at Gateway 1)	Document to ensure everybody understands the premise of the project and key information has been captured (such as the purpose and objectives).
Project Cover Sheet	Fixed sheet to remain with projects throughout their lifecycle (once funding has been allocated). This will cumulatively track changes throughout the process and provide an overview of progress.
Projects Procedure	Framework for application of projects (agreed by Policy and Resources Committee/Court of Common Council) to ensure consistency in how projects are delivered across the organisation.
Project Vision/ Cora PPM	Corporate project management software. Used to collect and report on the City's project portfolio.
(a) Risk	A risk can be defined as "the effect of uncertainty on our objectives". It can also be expressed as the chance of something affecting our business objectives. Once realised it becomes an Issue.
Risk Register	A Risk Register provides a means of recording the identified risks, the analysis of their severity and an outline of the response to be taken should they occur. The Risk Register should clearly identify which action steps will need to be taken, by whom, and by when. This is the basis on which information will be presented to Service Committees for decisions on allocations of a costed risk provision.
Service Committee	Committee that specialises in a certain area and holds the budget/is seeking the works. Sometimes called Spending Committee.
Total Estimated cost	The total estimated cost to design and deliver the project from start to finish, including fees, works, staffing etc. As you proceed through the gateway process, you will vary this total incrementally and any costed risk provision drawn down should be included in the next update to the total estimated cost.

Documents needed for Each Gateway

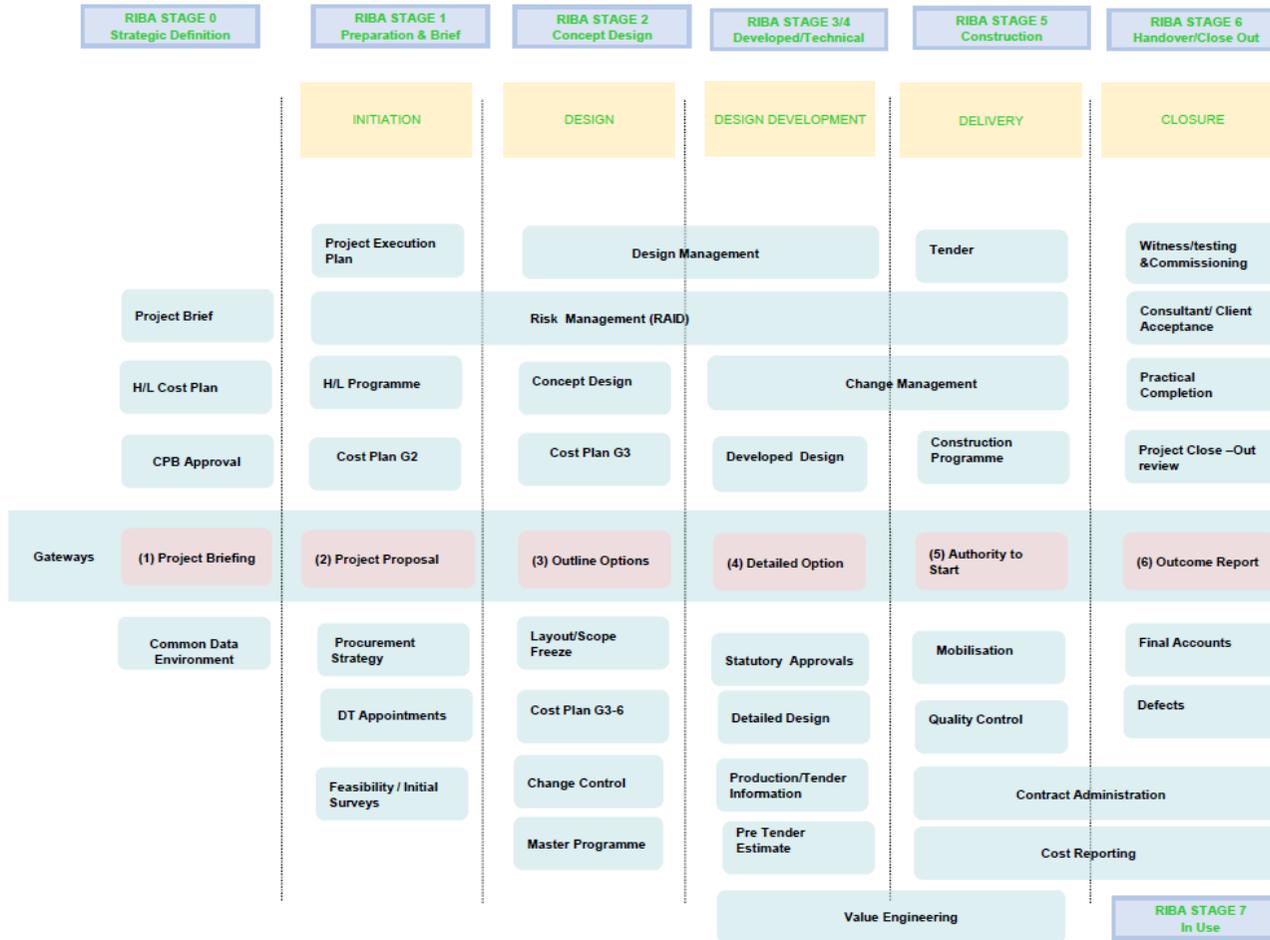
Note different departments may require documentation in addition to these listed.

Gateway Paper	Expected Documentation
Gateway 1: Project Briefing	<ul style="list-style-type: none"> • Project Briefing template
Gateway 2: Project Proposal	<ul style="list-style-type: none"> • Project Proposal template • Project Briefing (Appendix) • Project Risk register (Appendix) <i>where costed risk provision requested.</i> • City Procurement Reference number (allocated)
Gateway 3-4: Options Appraisal	<ul style="list-style-type: none"> • Options Appraisal Template • Project Coversheet (Appendix) • PT4 Procurement Form (Appendix) <i>in line with the Procurement Code or where Committees/Category Boards request it.</i> • Project Risk register (Appendix) <i>where costed risk provision requested.</i>
Gateway 3: Options Appraisal	<ul style="list-style-type: none"> • Options Appraisal Template • Project Coversheet (Appendix) • PT4 Procurement Form (Appendix) <i>in line with the Procurement Code or where Committees/Category Boards request it.</i> • Project Risk register (Appendix) <i>where costed risk provision requested.</i>
Gateway 4: Detailed Options Appraisal	<ul style="list-style-type: none"> • Options Appraisal Template • Project Coversheet (Appendix) • Project Risk register (Appendix) <i>where costed risk provision requested.</i>
Gateway 4a: Inclusion in the Capital Programme	<ul style="list-style-type: none"> • The previous Gateway paper, unless the next one (i.e. Gateway 5) is complete. • Project Coversheet (Appendix) • Project Risk register (Appendix) <i>where costed risk provision requested.</i>
Gateway 4b: Approval of the Court of Common Council	<ul style="list-style-type: none"> • Court Report Template, drafted by Court Clerks with Project Manager assistance.
Gateway 4c: Detailed Design	<ul style="list-style-type: none"> • Detailed Design Template • Project Coversheet (Appendix) • Project Risk register (Appendix) <i>where costed risk provision requested.</i>
Gateway 5: Authority to Start Work	<ul style="list-style-type: none"> • Project Coversheet (Appendix) • PT8 Procurement Form (Appendix) <i>in line with the Procurement Code or where Committees/Category Boards request it.</i> • Project Risk register (Appendix) <i>where costed risk provision requested.</i>
Gateway 6: Outcome Report	<ul style="list-style-type: none"> • Outcome report template • Project Coversheet (Appendix) • Issues log (Appendix) <i>where specific risk provision used.</i>
Issues / Progress Report	<ul style="list-style-type: none"> • Standard Issues or Progress Report Template • Project Coversheet • PT8 Procurement Form (Appendix) <i>Where a recommendation for approval is being made</i> • Any supporting project specific attachments

Appendix 1: Mapping RIBA stages to the Gateway approval process

Developed by City Surveyors, Property Projects Group.

PROJECT DELIVERY METHODOLOGY



Key updates from this quarter

- Closedown for 2022/23 City's Cash is complete.
- Recruitment into key roles has continued, focusing on bringing in new talent as well as providing internal opportunities through lateral development and progression.
- Interims recruited and bought up to speed helping to progress the backlog of closedown and audit work in particular.
- 2024/25 MTFP resource base templates sent out to services for completion to begin the budget build for next year.
- Capital bids process underway – to be reviewed by Priorities Board in the Autumn.
- Continued work from Chamberlain's and City Surveyor's on major projects funding strategy, with an update coming to Finance Committee in the Autumn.
- Quarterly monitoring of the entire capital programme has been introduced and monthly cashflow forecasting for the Major Projects continues.
- City Fund audit 2020/21, 2021/22 and 2022/23 continues. Both 20/21 and 21/22 are close to sign off, once BDO complete their internal processes on 20/21 we expect 21/22 to follow within a matter of weeks.
- First draft of quarterly revenue monitoring complete with Q2 under production.
- ERP procurement process completed, governance approval underway via urgency.
- 2 new graduates began in the team working towards their CIPFA qualification.

Challenges faced over this quarter

- Continued delay to signing off City Fund accounts, 2020/21 and 2021/22, due to infrastructure issue within BDO has led to additional workload arising from outstanding audit, over and above closing 2022/23 accounts.
- Potential implications of RAAC within City Corporation properties has been raised by all three audit firms. The potential for this to require further amendments to prior year accounts is being monitored.

Recruitment challenges across finance sector - employees market where the interim market is more lucrative (shift from permanent to interim market).

Inflationary pressures need careful monitoring and risk management accounting continues.

Plans for the next quarter (Q3)

Financial Services Director continues to focus on 3 key priorities - 1) Well being of staff; 2) Recruitment; 3) Getting the basics done.

- Complete audit work for City Fund 2020/21, 2021/22 and City's Cash 2023.
- Continue to progress the audit for City Fund 2022/23.
- Budget setting for 2024/25 continues.
- Continuation of recruitment campaign.
- Continued work on Operational Property Review and income generation.
- Chamberlain's and City Surveyor's work on major projects funding strategy continues to be developed and refined in line with the overall MTFP – update to Investment Working Party taken in October 2023 with a view to report to another RASC away and then Finance Committee.
- Appointment of ERP supplier, deeps dives on budget, data cleansing strategy.
- Forward plan, including transformation programme to be reviewed and reprioritised.
- Continue work with Corporate Treasury and new CIO function (Stanhope) in developing a longer term robust cashflow.
- FSD Townhall introducing new ways of working and taking steps to go live with the new structure.

Changes to our Business Plan priorities

- No changes to business plan priorities.

Key updates from this quarter

- Collection rates have increased for Council Tax and Business Rates.
- A credit audit is underway to review historic credit notes.
- All power and gas invoices have now been fully automated reducing manual processing.
- Energy Bill Support Scheme and Alternative Funding scheme delivered.
- Housing Benefit System conversion is on track to be delivered in December 2023
- Payroll have delivered pay award in time for October payroll.

Challenges faced over this quarter

- Difficulty in extracting system information to enable the digitalisation of Housing Benefit paper files.
- New Property Management System, Horizon is being tested.
- Payroll rollout of pay award and spinal award increase administered
- Delay in third party solution to automate invoices due to internal system restrictions.

Plans for the next quarter (Q3)

- Launch of third-party solution to automate more invoices.
- Implementation of a new Housing Benefit System rolling into the Capita Cloud and aligning with Revenues Systems.
- Launch of new online Charitable Relief application form.
- Replacement Income Manager system go live (December/January 2023/24).
- Council Tax and Business Rates E-billing and DD automation (AUDDIS) projects underway.

Changes to our Business Plan priorities

No changes to business plan priorities

Key updates from this quarter

- Continued testing in preparation of Member Self Service for the Pensions Administration system.
- Testing of the new Income Management system (CivicaPay)
- Liaison with MRI Consultants on the configuration of interfaces between Horizon and CivicaPay.
- Preparation of draft Pension Fund Annual Report and accounts; sundry trust accounts and relevant entries and disclosures for Bridge House Estates and City's Cash for the year ended 31 March 2023, and liaison with the external auditors (Grant Thornton and Crowe).
- 2023 Annual benefit statements distributed by 31 August (statutory deadline).
- Submission of response to DLUCH Consultation on "Local Government Pension Scheme (England and Wales): Next Steps on investments"
- Work completed on the Partial Exemption calculation for 2022/23.
- Attendance at the London CIV annual conference (Pensions) - September 2023.
- Submission of the City of London Corporation's "Principles of Responsible Investment" (PRI) report - September 2023.

Challenges faced over this quarter

- Maintaining appropriate liquidity in light of the pace of potential spend on the major projects.
- Dealing with last minute additional audit queries around the 2021/22 accounts (City Fund).
- Placing specialist motor and haulage insurance for Market Logistics project

Plans for the next quarter (Q3)

- Production and distribution of the 2023 Pension Scheme Savings Statements in respect of the Annual Allowance.
- Implementation of the 'McCloud Remedy' for both the Government and Police Pension Schemes.
- Final user acceptance testing followed by the implementation and roll out of Member Self Service for the Pension Administration system.
- Commence exposure data collation for the December 2023 Insurance renewals.
- GL Testing to begin on the new Property Management system (Horizon).
- Continue user acceptance testing followed by implementation of the new Income Manager system (CivicaPay).
- Further collaboration with MRI Consultants on the configuration of interfaces between Horizon and CivicaPay.
- Continuing collaboration with Corporate Accountancy, Stanhope (CIO function) and 31Ten consultancy in developing a longer term robust cashflow in light of the spend on Major Projects.
- Continued liaison with the external auditors in relation to the 2022/23 accounts
- Work on the Corporation's 'Task Force on Climate Related Financial Disclosures' (TCFD) report.
- Finalisation of the Pension Fund Strategic Asset Allocation (SAA) for presentation to committee; and preparation of reports for the Investment Committee and Investment Committee of the City Bridge Foundation Board.
- Finalising H Drive migration to SharePoint.

Changes to our Business Plan priorities

- No changes to business plan priorities

Key updates from this quarter

- Internal Audit Apprentices made excellent progress.
- Successful recruitment to 2 Senior Auditor posts – in post for start of Q3.
- Implementation of new Internal Audit Management IT Application.

Challenges faced over this quarter

- Capacity challenges whilst managing vacancies.
- Completion of Corporate Risk Assurance reviews has been deferred to enable completion of other planned assurance work.
- High profile work has required significant time commitment from Head of Internal Audit.

Plans for the next quarter (Q3)

- On-boarding and induction of new team members.
- Re-instatement of programme of Corporate Risk Assurance Work.
- In-depth review of outstanding and overdue Internal Audit recommendations.

Changes to our Business Plan priorities

No changes to business plan priorities.

Key updates from this quarter

- Gross profit generated by the CHB Court shop has increased by 49% compared to Q2 2022/23.
- Number of freedom applications processed have increased by 18% compared to Q2 2022/23.
- Continuously received very positive feedback from guests and participants of freedom ceremonies.
- Simplified the IDR payments process which has resulted in receiving prompt payment as well as preventing delays to the application process.
- H Drive migration done successfully for the CHB Office.
- Produced an ED&I action plan 2023/24 and agreed priorities for 2024/25 in consultation with the CHB ED&I Group.
- Drafted CHB 2024/25 Business plan in consultation with key stakeholders.

Challenges faced over this quarter

- The Chamberlain's Court continues to have capacity challenges to meet pressing deadlines and last-minute stakeholder requests when staff are absent.
- With the end of this Mayoralty coming up, the Court received more applications and was involved in arranging ceremonies off site (at Mansion House) before 10 November, liaising the Lord Mayor's Programme Officers, while working with an already extremely busy schedule.
- Delay on freedom application system (Agenda) testing due to the system not being thoroughly tested by the supplier before delivery.

Plans for the next quarter (Q3)

- Further testing on the new freedoms application system following a set calendar of updates and meetings with supplier to address delays.
- Liaising with Mansion House for arranging ceremonies for the new Lord Mayor (2024/25).
- Hosting a reception after the Silent Ceremony for key stakeholders, Freemen and the Chamberlain.
- Recruiting and training a new apprentice for the Court to alleviate capacity challenges.
- Continue to progress and monitor the Values and Behaviours action plan to support the Chamberlain's Transformation project.
- Complete the CHB Business Plan 2024/25 in consultation with key stakeholders.
- Complete CHB's H Drive migration project and conduct lessons learnt.
- Input into the CHB 2024/25 budget setting process.

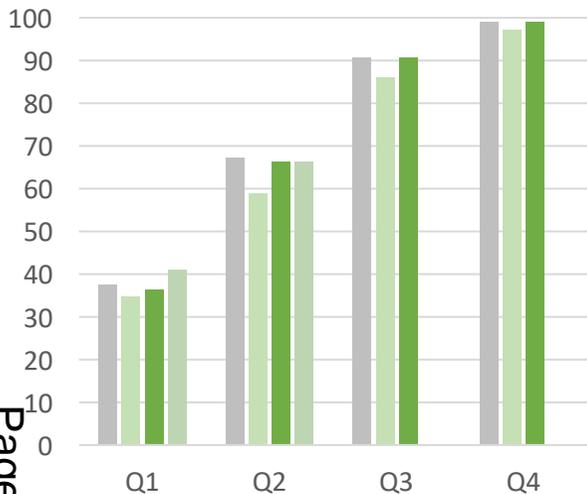
Changes to our Business Plan priorities

- No changes to business plan priorities.

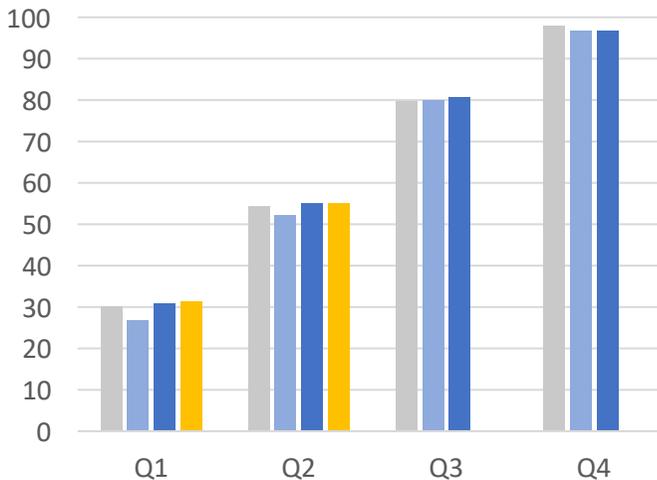


Key Performance Indicators

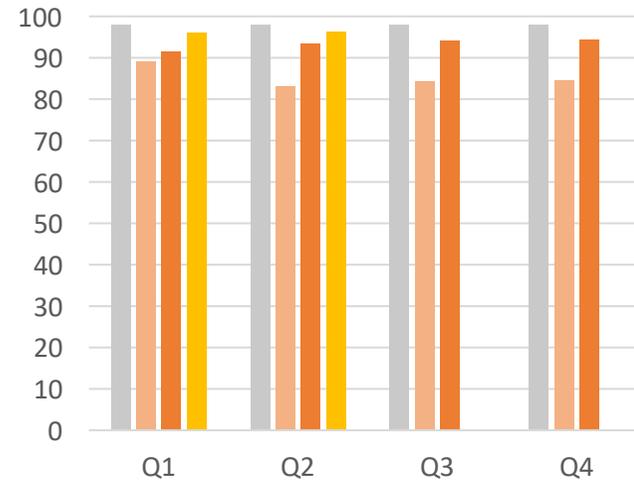
Business rates in year collection 23-24
% collected



Council tax in year collection 23-24
% collected



Commercial rent collection 23-24
% collected



■ Target 23/24* ■ 2021/22 ■ 2022/23 ■ 2023/24

■ Target 23/24 ■ 2021/22 ■ 2022/23 ■ 2023/24

■ Target 23/24 ■ 2021/22 ■ 2022/23 ■ 2023/24

*The target in the 23/24 business plan agreed by Members was 98%, however, following the 22/23 outturn a stretch target of 99% has been set.



Publication of the Draft City Fund Accounts within Statutory Deadline of 31st May. The authority has been unable to comply with this requirement due to the additional workload from the delayed audit of 2020/21 and 2021/22 statements. This is partly due to a national issue on the accounting for infrastructure assets, and also due to the pensions triennial valuations impacting 2021/22 accounts. Draft City Fund accounts were published on 12th July.



Publication of City Fund Audited accounts on 30th September. Impacted by the above and delay to auditing of accounts with three years now outstanding.



Publication of draft BHF Accounts end of July and Publication of draft City's Cash Accounts end of August.

IN PROGRESS

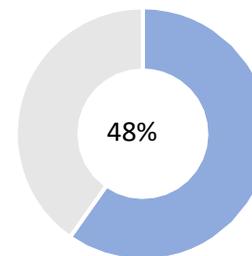
Effective financial management: expenditure against departmental local risk budgets (Target < 1%)

IN PROGRESS FOR 24/25

Delivery of a balanced budget and Medium-Term Financial Plan for City Fund, approved by Court of Common Council by 31 March

Appendix 1

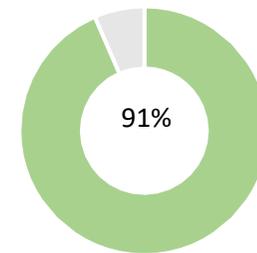
Invoices paid to SMEs within 10 days Q1 23-24



Target 88%

10 Day SME transactions 11,276, paid on time 5379 & 5897 paid after 10 days

Invoices paid within 30 days Q1 23-24



Target 97%

16,507 transactions, 15028 paid on time & 1479 paid after 30 days

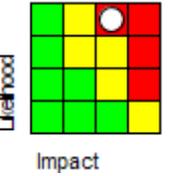
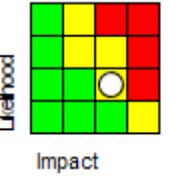
CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Leah Woodlock

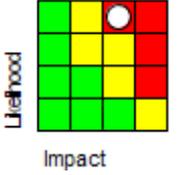
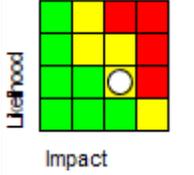
Generated on: 19 October 2023



Rows are sorted by Risk Score

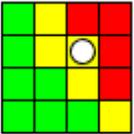
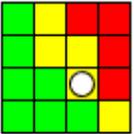
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Current Risk score change indicator
CHB 002 Housing Revenue Account Financials 16-Oct-2023 Mark Jarvis; Sonia Virdee	<p>Cause:</p> <ul style="list-style-type: none"> Increased running repairs and maintenance costs due to inflationary pressures, management costs and depreciation charges. Also, potential issue around non-recoverability of elements of service charge costs due to inadequate s20 consultation process <p>Event:</p> <ul style="list-style-type: none"> Inability to contain financial pressures on the Housing Revenue Account, need to have a balanced budget. <p>Effect:</p> <ul style="list-style-type: none"> The City Corporation's reputation is damaged due to failure to deliver housing services. 		<p>16</p>	<p>The latest financial position on the overall HRA, including the reviews noted above will form part of the HRA Estimates report to be presented in the autumn. Note the previous five year financial projections show the revenue funding position remained precarious and vulnerable to revenue overspends or significantly rising capital costs (leading to higher loan repayments and interest charges). Counsel opinion being sought on the S20 service charge recoverability issue.</p> <p>16 Oct 2023</p>	 <p>8</p>	<p>31-Mar-2025</p> <p>Reduce</p> <p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB002a	Close monitoring of capital schemes is required during 2023/24, update to be provided in regular reporting of capital forecasts next due in early November. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.	Close monitoring of capital schemes is required during 2023/24, update to be provided in regular reporting of capital forecasts next due in early November. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.	Mark Jarvis	16-Oct-2023	31-Mar-2024
CHB002b	Impact of inflation - capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs	<p>The Savills report identified high repairs and maintenance costs, management costs and depreciation charges. The relatively high level of the depreciation charge is being reviewed as part of the Estimates process. At the same time the level of the internal recharge to the HRA is being investigated as part of a City wide review.</p> <p>The current repairs and maintenance contract has had to be extended but will be re-procured as soon as feasible. Further controls on R&M spend to be implemented by Housing.</p>		17-Oct-2023	31-Mar-2024

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR38 Unsustainable Medium Term Finances - City's Cash Oct-2022 Caroline Almyerty	<p>Causes: High inflation –Office for Budget Responsibility forecasting peak in Autumn 2022 and although predicted to fall over the next two years, embedded increases. Construction inflation running at 4% for 2023/24. Contraction in key income streams and increase in bad debts following post pandemic change in working practices still continues into 2023.</p> <p>Event: Inability to contain financial pressures within year (2022/23) and deliver sustainable savings already baked in and/or increase income generation not realised requiring further draw down on Reserves. Inability to contain construction inflation or inability to rescope capital schemes within budgets.</p> <p>Effects: Additional savings over and above those identified to meet this challenge are required, reserves are utilised and/or services stopped. The City Corporation’s reputation is damaged due to failure to meet financial objectives or the need to reduce services / service levels to business and community. Inability to deliver capital programme and major projects within affordability parameters. Spend is not aligned to Corporate Plan outcomes resulting in suboptimal use of resources and/or poor performance. Stakeholders experiencing reduced services and service closures.</p>		16	<p>The five-year financial plan provides recommendations for one-off cost pressures and ongoing pressures, now approved via the carry forward process on 30 June, this also included approval of £3.5m central contingency to support unforeseen inflationary pressures.</p> <p>An officer Star Chamber took place during May/June to review savings yet to be delivered during 2023/24 and was presented to RASC sub away day</p> <p>16 Oct 2023</p>		8	31-Mar-2023	 Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR38a	Impact of inflation <ul style="list-style-type: none"> • Rising inflationary pressures on energy costs • Rising inflationary pressures on construction and labour costs 	<p>The five year financial plan was approved by Court of Common Council on 9 March:</p> <p>2023/24 base budgets include 2% uplift plus increase in base to support July 2022 pay award.</p> <p>Mitigations approved by CoCo in March 2023 include: central contingencies held to support new pay pressures; carry forwards from 2022/23 underspends to support one-off pressures; transformation funding held centrally to support Resource Prioritisation Refresh workstreams</p>	Sonia Virdee	11-Jul-2023	31-Mar-2024

		<p>and the culture shift. Additional funding allocated to support the backlog of urgent Cyclical Works Programme.</p> <p>£3m contingency ringfenced for urgent health and safety works under capital programme.</p> <p>An update on the five year financial plan was presented to RASC away day, with recommendations on 2024/25 budget setting.</p>			
CR38b	<p>Impact of construction inflation on capital programme:</p> <ul style="list-style-type: none"> • Major projects • Business as usual capital programme <p>Remain within the financial envelopes approved for major projects</p>	Refer to CR35c.	Sonia Virdee	11-Jul-2023	31-Mar-2024
CR38e	<p>A reduction in key income streams and increase in bad Debt</p> <p><i>Triggers:</i> <i>Increase in loss of property investment portfolio income over £5m p.a.</i></p>	<p>This is being monitored monthly, with action being taken to reduce spend where possible.</p> <p>Budget forecast for 22/23 included reduced income, with recovery profiled across the medium term. In addition, Chief Officers continue to work with tenants on a payment plan to mitigate potential issues and this continues to prove effective.</p>	Phil Black; Sonia Virdee	31-Aug-2023	30-Jun-2024
CR38f	Achievement of current Savings Programme – includes flight path savings (Fundamental Review) and securing permanent year on year savings (12%).	<p>The five year financial plan provides recommendations for one-off cost pressures and on-going pressures.</p> <p>Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet savings. High risk departments are undertaking monthly revenue monitoring.</p> <p>An officer Star Chamber was held during June which was to review savings yet to be delivered during 2023/24 and was presented to RASC sub away day.</p>	Sonia Virdee	16-Oct-2023	31-Mar-2024

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR35 Unsustainable Medium Term Finances - City Fund 19-Jun-2020 Caroline Al-Beyerty	<p>Causes: High inflation – Office for Budget Responsibility forecasting peak reached Autumn 2022 and although predicted to fall over the next two years, embedded increases.</p> <p>Construction inflation running at 4% for 2023/24. Contraction in key income streams and increase in bad debts following post pandemic change in working practices still continues into 2023/24.</p> <p>Police Transform programme fails to realise the budget mitigations anticipated within the MTFP.</p> <p>Anticipated decline in public sector funding (local government and Police), increasing demands (revenue and capital) and an ambitious programme of major project delivery threaten our ability to continue to deliver a vibrant and thriving Square Mile.</p> <p>Event: Inability to contain financial pressures within year (2023/24) and deliver sustainable savings already baked in and/or increase income generation to meet the Corporation’s forecast medium term financial deficit will not be realised. Inability to contain construction inflation or inability to rescope capital schemes within budgets.</p> <p>Effects: Additional savings over and above those identified to meet this challenge are required, reserves are utilised and/or services stopped.</p> <p>The City Corporation’s reputation is damaged due to failure to meet financial objectives or the need to reduce services / service levels to business and community. Being unable to set a balanced budget which is a statutory requirement for City Fund.</p> <p>Inability to deliver capital programme and major projects within affordability parameters.</p> <p>Spend is not aligned to Corporate Plan outcomes resulting in suboptimal use of resources and/or poor performance. Stakeholders experiencing reduced services and service closures.</p>	 <p>Likelihood</p> <p>Impact</p>	12	<p>Consumer Price Index rose by 6.8% in 12 months to July 2023. Inflation is predicted to fall 6.1% in 2023, however increases are feared to be embedded creating pressures on service/departmental 2023/24 budgets to make further savings.</p> <p>Construction inflation is forecast at 4% for 2023/24.</p> <p>The Bank of England base rate rose to 5.25% on 03 August 2023 and remained at this level following the September MPC meeting; there is an expectation that it will rise further to 5.5%.</p> <p>The risk has reduced, the medium term financial plan was approved by Court of Common Council on 9 March, which includes contingency measures to support 2023/24 pressures.</p>	 <p>Likelihood</p> <p>Impact</p>	8	31-Mar-2024	
				16 Oct 2023				

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR35a	<p>Impact of inflation</p> <ul style="list-style-type: none"> • Rising inflationary pressures on energy costs • Rising inflationary pressures on construction and labour costs 	<p>2023/24 base budgets include 2% uplift plus increase in base to support July 2022 pay award.</p> <p>Mitigations approved by CoCo in March 2023 include: increase in Business Rate Premium; rise in core Council Tax and Adult Social Care; rise in HRA rents; central contingencies held to support new pay pressures; carry forwards from 2022/23 underspends to support one-off pressures; transformation funding held centrally to support Resource Prioritisation Refresh workstreams and the culture shift.</p> <p>Identified inflationary pressures are well within the contingencies held, in addition, interest rates are giving a welcome boost to City Fund finances.</p> <p>The £30m ringfenced reserves released to support the backlog of urgent Cyclical Works Programme.</p> <p>£3m contingency ringfenced for urgent health and safety works under capital programme.</p> <p>An update on the medium term financial plan was presented to RASC away day, with recommendations on 2024/25 budget setting.</p>	Sonia Virdee	16-Oct-2023	31-Mar-2024
CR35b	<ul style="list-style-type: none"> • Impact of inflation – capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs. • Need to monitor identified expenditure risks around recovery of leaseholder contributions following the decision not to allow the Appeal of the Great Arthur Cladding case. 	<p>Close monitoring of capital schemes is required during 2023/24, update to be provided in the regular reporting of capital forecasts, first forecast presented to Finance Committee in October. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.</p> <p>The Savills report identified high repairs and maintenance costs, management costs and depreciation charges. The relatively high level of the depreciation charge is being reviewed as part of the Estimates process. At the same time the level of the internal recharge to the HRA is being investigated as part of a City wide review.</p> <p>The current repairs and maintenance contract has had to be extended but will be re-procured as soon as feasible. Further controls on R&M spend to be implemented by Housing.</p> <p>The latest financial position on the overall HRA, including the reviews noted above will form part of the HRA Estimates report to be presented in the autumn. Note the previous five year financial projections show the revenue funding position remained precarious and vulnerable to revenue overspends or significantly rising capital costs (leading to higher loan repayments and interest charges).</p>	Mark Jarvis; Paul Murtagh	16-Oct-2023	31-Mar-2024
CR35c	Remain within the financial envelopes approved for major projects	For Major Projects – Capital Buildings Board monitors delivery within the revised budget envelopes. Monthly updates on the cash flow requirements on the major projects are provided to Policy and Resources Committee, Investment Board and Finance Committee to understand	Sonia Virdee	16-Oct-2023	31-Mar-2024

		<p>the investment/asset disposal strategy. Regular reporting on the major projects programmes will be presented to Capital Buildings Board, Finance Committee, and Policy and Resources Committee monthly and draw down requirements to the Investment Committee.</p> <p>Capital financing options was presented to RASC sub away day, further discussions with RASC took place on 5th September.</p> <p>The Capital Finance Strategy for the Major Projects programme, included as an agenda item to this committee.</p>			
CR35f	Achievement of current Savings Programme – includes flight path savings (Fundamental Review) and securing permanent year on year savings (12%).	<p>The medium-term-financial plan provides recommendations for one-off cost pressures and on-going pressures.</p> <p>Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet savings. High risk departments are undertaking monthly revenue monitoring.</p> <p>An officer Star Chamber was held during June which was to review savings yet to be delivered during 2023/24 and was presented to RASC sub away day.</p>	Alistair Cook; Sonia Virdee	16-Oct-2023	31-Dec-2023

		Key workstreams for the board have been identified.			
CHB001c	Chamberlain's TOM structure design and culture is fit for purpose.	<p>A culture and values workshop was held in November 2023 for all staff to allow colleagues across Chamberlain's the opportunity to shape the departmental culture. An action plan was subsequently produced in response to the feedback provided and progress will be reported at the all staff call in July.</p> <p>A number of actions sit within the workplan for the Learning and Engagement Board and within the empowering transformation workstreams which will be delivered throughout 2023/24 and 2024/25.</p> <p>Progress was reported on the action plan to staff and a further update will be provided to staff in November.</p>	Hayley Hajduczek	16-Oct-2023	31-Mar-2024
CHB001d	The corporate recruitment moratorium has lead to a significant number of vacancies being held across the department leaving gaps in capacity.	<p>Vacancies across Chamberlain's have now been filled with the exception of a number remaining in the Financial Services team. A multiagency recruitment campaign took place during April to fill 5 critical vacancies, a total of 18 external and 1 internal applicants applied, of which two roles were filled successfully.</p> <p>There still remains 7 permanent positions to recruit to (including the Chief Accountant role), plus Trainee Graduates and Apprentices (underway). It is an employee's market and inducements are being offered by other employers with higher rates and working from home flexibility. The previous round of recruitment was extremely challenging, with a long list of 29 candidates, 11 candidates were shortlisted. 6 candidates pulled their application due to wanting to work from home full time. Market Forces Supplement (MFS) – has now been considered, an update was taken to this committee in April.</p> <p>Resignation of the Assistant Director and Chief Accountant positions moved the risk rating to red, placing a considerable amount of pressure on existing staff and adding further risk of not meeting key deadlines on transformation. An interim Assistant Director has been appointed to support the transformation programme. The Permanent Assistant Director started on 31 July. The Chief Accountant permanent position has been appointed, to start in January 24 the interim Chief Accountant will remain to support the handover.</p> <p>A renewed focus is taking place on 'training our own' through a wider apprenticeship programme and graduate trainee recruitment.</p>	Sonia Virdee	16-Oct-2023	31-Mar-2024
CHB001e	Following the resignation of the previous Assistant Director the team are now required to reprioritise to focus on core financial work including statutory deadlines, due to the capacity gap that this vacancy creates along with those already existing within the team.	A plan has been drawn up by the team to ensure most pressing work is covered, which will lead to some work being deprioritised in the interim and a possible shift in target completion dates.	Sonia Virdee	16-Oct-2023	31-Mar-2024

		An update on FSD was taken to this committee in April and September with 3 key priorities focusing on 1) well-being of staff; 2) recruitment 3) getting the basics done. A verbal update will be provided in December.			
CHB001f	Ensure procedure notes are in place, accurate and current. To avoid loss of critical knowledge and best practice approaches to departmental tasks and responsibilities.	<p>A project has been at the July Chamberlain's Senior Leadership team meeting to identify the current procedure notes available and gaps across the department.</p> <p>The project proposes to review the quality, accuracy and validity of the procedure notes. It is requested that line managers coordinate their teams response. Draft procedure notes are due at the end of October for review.</p>		16-Oct-2023	31-Dec-2023

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Target Operating Model: Final Report

October 2023

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Introduction

The Target Operating Model (TOM) was approved by the Court of Common Council in December 2020. The purpose of the TOM was “to update and simplify the structures and ways of working of the City of London Corporation to enable us to be radical, more agile and proactive to withstand both internal and external challenges. Fundamentally, the TOM’s aspiration was to ensure best use of resources to deliver our mission: to create a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK”¹.

The TOM interim update report² was published in early 2023. This summarised where activity had reached by the end of 2022 and what had been achieved, including TOM-related savings, and outstanding activity. Information explaining the context, background, governance and organisational design (OD) principles of the TOM programme can be found in the Interim Report.

This is the final TOM programme report. This report is retrospective and covers the corporate restructure and its impacts. The design phase of the TOM completed earlier this year (the majority of departments completed TOM restructuring in 2021/22); the remaining restructure implementation agreed during the design phase (through Officer and Member governance structures) is underway and likely to complete at end of 2023. OD principles are now widely implemented, meaning there is an opportunity to use the new corporate structures combined with the developing People Strategy, transformational change and organisational culture to address remaining challenges.

The TOM has been extremely challenging for the organisation as, like many complex bodies, the organisation adjusts to post-covid financial realities and adapts for the future. Positive outcomes have been achieved, however, the original poor design of how the programme was to be delivered, and the sequencing of the programme combined with the extent of the restructuring changes, have had profound effects on what was ultimately delivered, on staff morale and on some service delivery.

Measuring TOM outcomes is also challenging. These were not defined from the outset, were not consistently communicated and shifted during the process. Beyond the OD Principles, TOM savings target of £4.5m in relation to staffing cost reductions (and agreed exceptions or variations), no performance indicators or success criteria were set for the programme. Of the four programme workstreams, only one has a defined outcome, and three were resourced. The analysis in this report consequently focuses on how far the intentions of the workstreams were implemented in the absence of measurable outcomes and any unintended consequences of the programme.

On TOM related finance targets, the cost of the programme to date has been £10.045m, mainly relating to redundancy and flexible retirement costs. The TOM has made annual savings of £7.344m against a target of £4.5m. The overall 12% savings target was £17.04m (including £4.5m TOM target), of this total annual savings of £16.18m have been achieved. The savings shortfall is being addressed in the 2023/24 financial year; star chambers took place during May/June 2023 to ensure these savings will be delivered. Figures do not include costs for filling roles temporarily where necessary, or buying in services where staff had left (in some cases as a consequence of the TOM).

The TOM has been a catalyst for transformation and reform and is now an opportunity to realign around priorities, both political and from the new Town Clerk and Chief Executive. This will take time and resource to embed. Modernised structures are in place, but investment needs remain, in order to generate and deliver successful outcomes and prioritisation. This report covers:

1. **TOM outcomes:** analysis of what has or has not worked
2. **TOM finance review:** the costs and savings associated with the TOM to date, including project costs, implementation costs and all other costs linked to TOM activity

¹ TOM Steering Group Terms of Reference

² Target Operating Model (TOM) Interim Update – December 2022

3. **Restructuring and Head of Profession (HoP) implementation:** an update on areas still implementing OD principles and Heads of Profession with provisional timelines
4. **Ongoing activity:** activity linked to TOM outcomes being delivered through newer and refreshed workstreams

Part 1: TOM Outcomes

This section focuses on programme delivery and the extent to which the intentions of the TOM were achieved. The programme aimed for wide-scale change, affecting a large number of roles. Programme design hampered delivery, with some support services not being prepared to manage the process. This has had profound impacts that are set out in the first part of this section.

Programme delivery was split into four workstreams. The first three of these were resourced, the fourth was not (with the exception of institutions, see below). Analysis below explores delivery of each workstream.

- a. Tier 1 restructure, talent & leadership
- b. Organisational design
- c. Enabling functions
- d. Ways of working, institutions, behaviours & culture

In addition to restructuring, departments were required to make cost savings (with some exceptions/variations), see part 2: finance.

Scope and programme design

The TOM programme had far-reaching ambitions, with restructuring affecting most roles within the organisation. Restructuring very large complex departments required far reaching changes affecting staff. This is especially true for areas such as Environment where modernisation has required significant change, affecting jobs and livelihoods.

Programme design and ineffective project planning further exacerbated the challenges in delivering wide-ranging TOM changes. Enabling functions and support services (predominantly in HR, DITS and Chamberlains) were not scaled up to manage transition which, amongst other things, negatively impacted staff morale and put additional pressure on these teams.

In particular, the lack of planning for HR capacity needed to support a restructure had major negative impacts. The department was simultaneously required to support restructures while restructuring itself, and was under resourced in the extreme at a point when it played a critical role in supporting restructuring and recruitment. During this process, HR staff were also suffering from restructure related uncertainty about their own roles. This delayed decision making, resulting in some staff suffering very long periods of uncertainty while recruitment and restructuring decisions were made, resulting in City Corporation losing skilled, experienced staff.

Staff were further affected by a hiring moratorium, creating significant secondary pressures on existing roles and impacting on morale and motivation of staff remaining in the organisation. All of these impacts impaired corporate ability to deliver services. Where gaps were addressed through hiring of temporary staff this incurred costs. Where departments were permitted only to recruit to fixed term contracts this resulted in higher staff turnover leading to poor project delivery due to a lack of continuity.

Furthermore, the programme stated an aspiration of culture change but prioritised meeting savings targets. These, alongside implementing Organisational Design Principles (see next section), became the focus of the programme.

The combination of the scale, programme design and workstream structure (further detail below) created complexity in the context of an ineffective delivery structure.

Leadership and management

Workstream 1 focussed on restructuring executive leadership. An independent review of organisational design was conducted by McLean Partnership³. This identified that City Corporation was challenged in its efforts to achieve the Corporate Plan 2018-2023 outcomes. Specific issues identified related to management structures being unfit for purpose and recommendations fed into workstream 1 (Tier 1 restructure) and 2 (Organisational Design). Findings stated:

- Management structure is unwieldy and lacks agility, with the size of the management team too large
- Size and structure of the organisation supports a lack of engagement and reinforces a siloed approach
- Too many tiers of management, particularly between grade F and grade H
- Average span of responsibility for managers is too low
- Span of responsibility for the Town Clerk and Chief Executive is in excess of any meaningful standard norm
- Duplication of roles and responsibilities
- Demographics of the organisation at senior levels does not fully represent the City it serves

Leadership transformation was achieved early. McLean Partnership recommendations identified the need for a slimmed down management structure more representative of the community it serves. The new executive team is more diverse and line management numbers for the Town Clerk and Chief Executive have been adapted in line with new structures. An updated organogram at annex A provides further detail on management structures.

Further detail on the relationship between the institutions and the broader City Corporation, including line management arrangements between the Town Clerk and Chief Executive and Institutions is in the 'Ways of Working' section below.

Organisational design

Workstream 2 dealt with the remaining McLean Partnership recommendations not covered above. These led to the development of the OD principles, used as the guiding structure for transforming departments and institutions.

OD principles

- Create no more than six layers in the organisation (excluding Town Clerk and Chief Executive)
- Create shared management objectives for all senior management grades
- Ensure spans of managerial control will be equalised to one manager per six employees in most circumstances
- Phase out all one to one management responsibility
- Organise our services to create the new operating model, for example reviewing duplication of roles
- Use agreed designations for the most senior three tiers in the organisation
- Create an agreed Establishment for each department and workforce plan so that vacancies are managed and not left unfilled without planned activity

Implementation of the OD principles is still outstanding in a small number of areas (see part 3). However, overall principles have been consistently implemented across City Corporation. Agreed

³ Independent Management Review – McLean Partnership, March 2020

designations are in place for senior tiers of management, standardised spans of management control (phasing out one to one management and limiting one manager to no more than six employees) have in most cases been implemented, with a small number of exceptions where no alternative was practicable. This restructuring has also decreased the number of layers in the organisation. The table in part 3 maps the delivery of the OD principles, updated from the interim report.

Senior leadership ensured that OD principles were adhered to. Chief Officers provided assurance that OD principles were adhered to via the Executive Leadership Board and updated in establishment plans.

Enabling functions & service departments

Workstream 3 was aimed at restructuring City Corporation service provision and aligning corporate resources with service delivery by prioritising front line services and strengthening enabling (corporate) services. This section covers the modernisation that took place within departments and alignment between enabling functions and service departments.

Departments

Outward-facing service departments (DCCS, Environment and IG) were reimaged alongside cross cutting enabling departments providing corporate business support. Beyond splitting functions by type, no work was envisaged (or took place) to align the needs of service departments with provision from the corporate centre.

For several of the internally facing enabling functions the TOM has created uneven workloads and instability across the corporation, with some service responses deemed as not fit for purpose and struggling to fulfil the basics in terms of service delivery. Despite the well-intentioned benefits of the COO department when it was first created, many areas of dysfunction and lack of dynamism are concentrated within the COO function which has had to manage this while creating a new departmental identity. The department includes include Human Resources (HR), Digital, Information & Technology (DITS), Health & Safety (H&S), Markets, Commercial, Project Governance and Equality, Diversity & Inclusion (EDI).

The work that has been undertaken to-date to significantly transform and improve service response includes:

- The TOM process under the COO exposed an underinvestment in the Project Management Offices (PMOs). Teams previously split across Surveyors and the COO were merged, and a review has led to development of proposals for the transformation of our approach. These include the establishment of a professional and appropriately resourced enterprise-wide Portfolio Management Office and merger with the Commercial team.
- Health & Safety was previously split between departments, was under-resourced and pitched at too junior a level. A single team is now led by a Director of Health & Safety at Chartered Membership level for IOSH, with subject matter experts remaining in more complex departments (such as Environment and the Police). The H&S Management System is going through an overhaul process, supported by an external review to make it appropriate for the organisation and resolve limited assurance levels
- Due to the profound restructuring needs of HR (and the importance of their role in delivering outputs following on from workstream 4 below) this area has required transformation funding to rebuild and transform their service effectively - this remains ongoing. The extensive capability gaps identified during the TOM process have now been recruited to.
- The IT Department has been repositioned as DITS (Digital, Information & Technology Services) and a formal operational level agreement is in place with City of London Police under a shared

service model. Changes in leadership have enabled improvements on aged infrastructure and disaggregated systems to enable a better platform for new tech adoption.

- Equality, Diversity & Inclusion became a standalone team with an expanded remit to include service delivery, community and workforce issues. Personnel gaps in the team have meant progress has been focussed on the basics, statutory requirements and re-establishing engagement and approach for the Staff Networks, Dignity at Work Advisor networks and links to delivery departments.

While the majority of these are enabling functions, Markets are not. During the TOM design process initial discussion focussed on locating Markets within City Surveyors. Upon the approval of the Markets Co-location Project as a major project, the project team was incorporated into the Markets division. This operational/project team remains an anomaly within an enabling services department.

Some benefits have been realised for other enabling services, though some areas are still experiencing knock-on challenges:

- Governance & Member Services experienced significant change: here the TOM has allowed for the creation of a few specialist roles where experience and capacity was previously lacking, an innovation that is boosting the department from a local and organisational perspective, particularly in the areas of IT Support and Member Learning & Development.
- The Corporate Strategy function was enhanced under TOM to include corporate risk management, reflecting an intention to develop an integrated and aligned, professional and insight-led approach to strategy, planning, risk management and change to strengthen strategic planning capabilities. However, due to lack of budget allocation for this team (beyond for staffing), there are limitations on what can be achieved. Further investment is necessary to realise the full ambitions of the TOM in relation to developing capability to anticipate change and progress data driven decision-making (see part 4).
- Prior to the TOM it had been identified that there was inadequate support for the Chair of Policy and Resources to properly discharge their duties in the role (which could lead to reputational risks and ineffective relationship and stakeholder management). The TOM and a growth bid created an Office of the Policy Chair which include both a Policy Unit and Private Office directed by the Executive Director and Private Secretary. The Office has established itself as the primary conduit between the Policy Chairman, the Corporation and external stakeholders. The Office supports the Policy Chairman by providing advice, coordinating logistics, and long-term planning. Within the Office of the Policy Chair, the Policy Unit works closely with Chief officers and Members on cross-cutting policy, discrete projects and emerging issues. The Unit helps to articulate and shape the Policy Chair's objectives, translating these goals into tangible programmes and outcomes, collaborating closely with departments across the organisation, and tracking delivery.

Separating the organisation into service and enabling departments has also generated improvements for service departments.

For DCCS the TOM has allowed for key frontline services to be strengthened to meet operational demands and secure the statutory footing of services. This is leading to a reduction of agency staff and associated savings.

The first phase of the Environment TOM (this department required multiple phases to restructure due to its size and complexity) improved the structure in The Commons, making it more relevant and mainstream; in Epping Forest and the Commons it has also driven an update of decades old job descriptions that did not correlate to roles. It has boosted Planning, making the Planning and Development Division more integrated, responsive and agile. By bringing together different areas of work, it has also created a more integrated approach in merging policy formulation and delivery, through schemes encouraging innovation. The City Operations Division brings into one team the whole of the Square Mile, including City Gardens, enabling improved cross team working.

Where this restructure has been less effective is how the restructuring was linked to the Governance Review conducted by the Lord Lisvane⁴. This recommended a reorganisation of Committees to align their identity and structures more closely to the Corporation's needs. Following the TOM the Environment Department in fact gained committees (through the creation of a new sub-committee) and is now required to service 12 committees (Grand and Sub), including five by one single division. Although this could be seen to reflect an increase in responsibility, in reality it translates to a significantly increased workload for fewer staff, adding further pressure to enabling services, in particular finance, where there is no additional resource.

Interdependencies

Despite splitting between service and enabling functions, no work was envisaged (or resourced) to review the organisation horizontally and operationally for consistency and duplication (for example of enablers such as HR or IT functions within Institutions), to align the needs of service departments with provision from the corporate centre. This is generating unintended consequences, impacting on potential efficiency gains. It is also reducing interoperability between departments that are already curtailed by staffing cuts.

The siloed focus of cost reductions led to a loss of capacity in some services, causing a degradation in service provision. Some of this pressure may have been alleviated had the programme explored technological solutions - these could have supported service areas where staffing gaps existed or were created by TOM. Consequences include delays in recruitment and penalty charges due to failure to meet payment deadlines. Having the right number of staff is critical, however some of these challenges may have been better managed by earlier exploration of technological solutions such as e-invoicing and better process development, although noting that our current aged systems need to be addressed before such benefits can be realised.

Duplication of different functions has not been reviewed, and similar roles may be proliferating. Unless duplication is addressed at a corporate level, enabling departments cannot create economies of scale, and are likely either to need to increase budgets, or plan for service degradation. Duplication can also inhibit the development of depth of knowledge within specialist teams – depth which can be a driver for recruitment, development and progression for staff, and which benefits the organisation.

The simultaneous restructuring of departments meant it was not possible to review the needs of service departments, as these were not known. Achieving alignment between supply and demand is necessary to optimise efficiency. If a service area review or change in activities results in growth then logically there is likely to be a knock-on growth requirement for enabling functions - or if, for example, automation is implemented as part of service efficiency, then an increase in IT and transformational support is likely to be required to underpin this.

Feedback from different departments points to demand for enabling services currently outpacing supply in areas such as finance, HR, DITS and legal. Anecdotal evidence suggests less support being available due to reduced capacity and outdated, clunky systems, leading to delays, less rigorous scrutiny and lower levels of support. This results in further delays for users, with associated increases in costs, and a diminished corporate capacity for agility.

Interdepartmental service provision (both for service providers and users) is one area where the TOM programme created or exacerbated inefficiencies that impact upon delivery. For example, service demand and volume of work has not changed for City Surveyor's Department (CSD) though roles have been lost without commensurate resource to make efficiency solutions. There has also been a TOM-driven reduction in resource within the financial services facility, where business partners now cover multiple departments (as opposed to being a dedicated function) and within the

⁴ Corporate Governance of the City of London Corporation, Report of a Review by the Lord Lisvane KCB DL, September 2020

central finance capacity. This has reduced the speed and comprehensiveness of responses to queries, creating a knock-on effect on the ability and agility of CSD to provide its own services internally and externally.

Developing processes that support the design, delivery and management of service provision as a core precept will help build in mechanisms for resolving current arrangements being a drag on efficiency. This is likely to require a review of service needs for all departments and will take a number of iterations before it is resolved, and supply and demand are balanced. Overall, these interdependencies can be greatly improved through better data, specifically management information (MI) data that is shared between departments. Service areas do not currently have the capacity to predict demand: for example DITS has seen significant increase in demand in the past 12 months for software licenses and devices (reflecting the end of the recruitment freeze and post TOM staffing increase). This has led to strain on services and budgets. Developing shared MI that captures upstream changes will improve downstream forecasting, meaning accurate predictions of change can be fed into budget setting by services, who will then be able to match real time demand with increased agility, while minimising service degradation. Overall, this workstream has been successful: in the longer term this will help the organisation create cross-cutting efficiency savings. Where there remain challenges and constraints on delivery, this is due to funding limitations, staffing gaps, a lack of robust shared MI, and because there has been no horizontal review to align service supply and demand. There may be benefits in undertaking this work to improve efficiency.

Ways of working, institutions, behaviours and culture

Following the onset of the pandemic, it was recognised by City Corporation leadership and Members that there was a need for the organisation to be more agile and responsive, make better use of resources including data, and combat existing silos to deliver outcomes.

This workstream brought together many different types of activity and deliverable. For the purposes of clarity, the section has been split into two parts: institutions and ways of working (covering silos and decision-making). As noted above this workstream was not resourced, so no activity took place to develop behaviours and culture. However, due to the importance of corporate culture and behaviours, these are being progressed through the People Strategy – this is detailed in part 4: ongoing activity.

Institutions

There is no specific definition for the term 'Institution' within City Corporation. Each area that is referred to as an institution has different functions, statutory duties and/or structural arrangements and status (such as being a charity).

The TOM aimed to enhance the autonomy and to clarify and optimise the relationship between the institutions and the broader City Corporation. The TOM delivered institutions that are accountable to their boards for delivery of outcomes specific to their institution, and accountable to the Town Clerk and Chief Executive for contribution to wider City Corporation outcomes. The Institution leadership and line management arrangements are detailed below. The City Corporation institutions and Board members will broadly:

1. Be accountable to their own boards for the delivery of outcomes specific to their institution and successful overall performance.
2. Be responsible for the leadership and management of their own teams and accountable for their budgets.
3. Be accountable to the Town Clerk and Chief Executive for contribution to wider City Corporation outcomes

4. The City of London Police Authority Team will report to the Town Clerk and Chief Executive in his capacity as Chief Executive of the Police Authority
5. The Managing Director of the City Bridge Foundation reports to the Town Clerk & Chief Executive but is also directly accountable to the CBF Board, consistent with the charity's governing documents and how the Court manages conflicts of interest as trustee of CBF.

The arrival of the new Town Clerk and Chief Executive in February 2023 saw the following additional outcomes added to the above:

6. The Institution leaders will attend and contribute to the Town Clerk and Chief Executive Chaired City Corporation monthly Executive Leadership Board meeting
7. Undertake the Institution leaders' annual appraisals and objective setting and share the outcomes with the Town Clerk and Chief Executive for comment and sign off
8. Engage the Town Clerk and Chief Executive and City Corporation Comptroller, City Solicitor and Chief People Officer in any conversations of poor performance or misconduct of the Institution ELB member and work within corporate policies

For the purposes of local authority functions the Town Clerk and Chief Executive is, the head of paid service and the chief executive officer across all the Corporation's functions. Accountable to various committees but ultimately the Court of Common Council, the Town Clerk and Chief Executive is responsible for the officer corps including chief officers. Under the scheme of delegation, the powers of any chief officer can be assumed by the Town Clerk and Chief Executive. As the Court's most senior officer he has the power to issue reasonable management instructions to those who report to him and is ultimately responsible for the day-to-day management of chief officers, where such management is required.

Feedback from institutions indicates that the TOM has improved operational effectiveness, increasing focus on distinct business areas, including developing shared services for schools, and more sector specific agility; alongside better regulatory compliance, including with the Charity Governance Code, as relevant.

Ways of Working: Silos

This paper has already indicated that programme design undermined the capacity to deliver intended objectives including breaking down silos. Where horizontal reviews took place there has been success on de-siloing, for example in Markets. Here, the three existing markets were brought together under a single management team, requiring a review of existing roles, resource and activity. This removed duplication, has driven up standards and consistency across the department, delivering more consistent oversight and increased collaboration and creating efficiency savings. This structure now includes the Markets Co-location Project team to ensure a holistic approach between the current and future markets development.

Continuing to improve alignment between enabling functions and service provision will allow for deeper consideration of the City Corporation value chain and increased efficiency within the organisation.

Ways of Working: data & decision-making

The TOM aspired to better use of data for decision-making and the development of a corporate business analytics capability. Again, no workstreams, defined outcomes or channels to deliver these outcomes were developed.

The ability to drive this forward was also hampered by programme design: the CSPT restructure removed technical capability (for PowerBI) from this team and focussed on building analytical

capability. DITS restructuring did not consider where technical capability had been lost, so has not rebuilt this. This has led to a gap in the management of the back-end corporate data. There is also limited capability to drive forward corporate data management and governance or any ethical or financial considerations or opportunities related to this. While unaddressed, this gap is creating data silos and duplication of data, and preventing effective sharing of corporate data.

In 2022, DITS received additional funding to upgrade to the enhanced Microsoft E5 licence for all City Corporation staff. The business case was predicated on the additional security functionality available through E5 with the enhanced licence giving departments access to Microsoft's Business Intelligence tool, PowerBI. This presents an opportunity to make the first step in addressing the proliferation of reporting and business intelligence tools in use across City Corporation and move to a more standardised approach, where the reporting tool and the data itself can be shared more widely.

Transparent data and proactive use of management information to inform decision-making and measure performance is underdeveloped within the organisation, and requires further investment to fully deliver the outcomes intended through the TOM. CSPT and DITS are collaborating to drive improvement: the former is working with individual departments and teams to help identify key data streams to produce management information and performance data upon which to base decisions and in doing so, enhancing corporate analytical capabilities; the latter is taking forward work on a data maturity assessment that will create a baseline and provide recommendations for improvement. More performance focussed activity, reporting and accountability will also be driven through the business planning process, ELB and SLT and the development of a new Corporate Plan that will include the measurement of outcomes, performance monitoring and regular reporting.

Improved data capabilities will generate better management information and enable more effective alignment of activity and resources with corporate outcomes. Data can be used to identify efficiency savings, and automating the use of data will create efficiencies and free up staff to focus on delivering work.

Part 2: TOM finance

Since the TOM was launched, the financial situation for City Corporation has changed. Further cost savings options and measures (including opportunities for income generation) are now required to support new cost pressures being identified – these are outside the scope of this report.

When the TOM was originally agreed, a savings target of £4.5m was set. This was mainly intended to be delivered by salary savings achieved by headcount reduction. At the time this decision was made, it was not possible to estimate what the TOM savings would be and allocate a target to departments as each department has a different cost base. The TOM target was therefore a range with a minimum value of £4.5m and is part of the overall 12% reduction totalling £17m. Specific departmental savings targets were set, with most departments required to make 12% savings, with the exception of Bridge House (no savings required) and DCCS (6% savings).

TOM costs

Between 2019/20 and 2021/22 the totals costs of the TOM were **£10.045m**: most of this spend relates to redundancy and flexible retirement costs

- The total costs for redundancy/flexible retirement to 2022/23 are **£7.9m** (one-off cost pressure)
 - There may be further redundancy costs which are yet to be realised from those areas which have not yet finalised their TOM, or are still restructuring – see part 3. These costs are not yet known
- During this period the costs relating to Consultancy were **£1.51m** (one-off cost pressure)
 - These costs relate to payments made to external providers for Project and Programme costs
- Additionally there are new salary costs of **£1.8m** (resources reprioritised within existing envelope)
 - These are ongoing and are a result of staffing changes arising from the TOM

12% / TOM savings

The annual 12% savings target including TOM total **£17.04m**

- Of this total, the savings relating to TOM, reduction in staff costs total **£7.334m**
 - These were achieved through redundancy, flexible retirement and holding current vacancies
 - The target for staffing cost savings was £4.5m; this has been exceeded by **£2.84m**
- The remaining **£8.849m** of savings have been achieved from non-pay initiatives (including income generation)
- The total 12% savings (including TOM savings) target is **£17.040m**, this leaves unachieved savings of **£0.857m**

The unachieved savings are being addressed in 2023/24. Plans for realising these savings were discussed as part of the Medium Term Financing Plans with Chief Officers at the recent Star Chambers ahead of the RASC away day.

For a detailed breakdown of savings delivered by individual departments, refer to annex F.

Part 3: Outstanding TOM activity

Restructuring and implementation of OD principles

The table below summarises where restructuring remains underway at the time of writing, with best estimates of completion dates. Departments or institutions that are still implementing TOM are required to complete formal governance processes. It is anticipated that the TOM will be completed by the end of 2023, over 18 months after it was originally scheduled to end.

Some areas previously under the Deputy Town Clerk functions now sit with the Town Clerk's department following the arrival of the new Town Clerk and Chief Executive. This was not a TOM-related change and does not affect the OD principles. The table below indicates which areas have not yet completed TOM restructuring. For the full list refer to annex C.

Area	TOM remaining activity
Environment	Phase 2 (Natural Environment Epping Forest and North London Open Spaces) final structure agreed and implementation progressed, expect completion late 2023
City Bridge Foundation	<p>A two-phased approach to designing and implementing the future operating structure of CBF was proposed: Phase 1, focused on embedding a comprehensive leadership team across the charity's primary and ancillary objects and support functions; and Phase 2 focusing on the charity's wider resourcing needs, directed by the newly established leadership team.</p> <p>Phase 1 has been successfully implemented. Key external factors have delayed the full implementation of Phase 2, notably a delay in appointments to the new leadership team, the City Bridge Foundation Supplemental Royal Charter, and the impact of Covid 19 on the work of the charity. To ensure areas that can be implemented earlier than others are progressed, and employee security can be provided where possible, Phase 2 will be treated and implemented going forward on a business-as-usual basis; change estimated over the next 18 months. Any change proposals will align with the City Corporation's design principles and will be undertaken in accordance with appropriate governance.</p>
City of London School City of London Girls School City of London Freemans School	Shared services leadership team completed September 2023, along with most functional posts, with final more junior positions to be staffed in IT and finance by end 2023.
Barbican Centre	<p>A strategic framework has been co-designed with colleagues across the business that focused initially on our purpose and values and which has been used to inform our organisational goals and priorities. We have additionally initiated a piece of work around an audience strategy which presents a market shift in focus. Both pieces of work will enable us the opportunity to understand the resource, size, shape and capability needed to deliver against our aspirations.</p> <p>Alongside the above, to help with organisation review discipline the Barbican Centre has developed an approach and framework to manage organisational reviews in structured/systemised and more disciplined</p>

	<p>ways that includes building in operating model requirements and addresses internal needs. This approach and process has been drawn from best practice and experience and is designed to deliver an improved operating model and organisational structures that ensures the Barbican Centre is fit for the future sustainable, has the right capabilities, agile, adaptable and has a culture that delivers against our strategic framework and priorities.</p> <p>To address immediate challenges and opportunities there are a few operational areas that have been reviewed (these include creative collaboration and marketing).</p> <p>We have also needed to manage a few exits from the organisation including at Director level. The composition of the executive and management level will invariably be impacted. The two director roles that are leaving the organisation are subject to a report to Corporate Services on 6 September 2023, within which we describe our intended response to these changes.</p> <p>We are conscious there is a fair bit of organisation change in parts of the organisation – this is a natural consequence of transformation and whilst we start rebuilding the top layer of the organisation we will start to shape the structures, capabilities and skills for the future we need for the Barbican Centre moving forward.</p>
City of London Police (CoLP)	<p>City of London Police has completed its proposed designs which were discussed at Police Authority Board and its Resource Risk & Estates Committee in May, and Corporate Services Committee in July. Consultation on the proposed model will take place from 29 August to 27 September. Designs will be finalised and implementation will commence from mid-October. Activity is anticipated to be complete at the end of 2023.</p>

Head of Profession: implementation and role development

The role of Head of Profession (HoP) was designed to lead and champion a specific profession across Departments, Services and Institutions. They must ensure the standardisation and development of their enabling service, and influence cross-cutting activity such as risk management within that specific profession. The HoP represents the interests of their profession on a range of issues, such as pay and grading. HoP functions are held alongside day to day posts. Because of the variety of professions, each function requires very different management.

The Interim Report highlighted that the development of HoP roles and responsibilities varied in maturity. This is still the case, though progress is being made in some areas.

A HoP has the remit to look across different areas of the organisation. This could be used to support efficiency by looking at potential duplication of activity and streamlining. Alignment of this profession with other enabling functions alongside a greater integration of risk management, will be critical to the successful delivery of the City Corporation's corporate outcomes and priorities. Activity is now underway on behalf of the Chief Strategy Officer to develop the HoP role, including guidance and advice required on the processes, tools and techniques used in strategy development, business

planning, risk management, and measuring and reporting organisation performance designed to improve capability.

HoP activity will be taken forward as business as usual, with HoPs responsible for developing the individual roles and roles within each defined profession within City Corporation, as well as ensuring optimal communications into ELB, relevant committees and other relevant groups. The scope of a HoP and specific authority exercised by each HoP role still require definition, and a clear corporate understanding of the role communicated. For details of the individual HoP roles, refer to annex D.

Part 4: Ongoing activity

As outlined above, some TOM programme workstreams were not resourced, most critically that of People and Culture. To progress these, work is now being taken forward outside the context of the TOM.

People and culture

As already noted, work to develop organisational culture was not completed. As set out above, the TOM has negatively impacted on staff morale. The lack of HR resource (discussed above) slowed down decision making processes resulting in the already low morale surrounding job losses being drawn out and driven further down. This specific lack of resource is also why the workstream on culture and ways of working never gained traction.

Both people and culture are central to City Corporation being able to achieve its objectives successfully. This is why culture change activity will become a workstream of the People Strategy, being delivered by HR. Part of this workstream focuses on refreshing the corporate vision, values and behaviours (led by the Town Clerk and Chief Executive with the involvement of the Senior Leadership Team working with their teams).

The creation of City Corporation's first People Strategy was initiated from an original eight theme framework (see annex E1) approved by Corporate Services Committee in December 2022. Engagement occurred across City Corporation in spring 2023 and this work, also informed by the results of recent employee surveys, has led to a refinement down to five core themes (E2): My Contribution, My Reward; My Wellbeing & Belonging; Effective Leadership; My Talent & Development; Modernising & Transforming our City Corporation. Work will continue through autumn to engage our employee and member communities in the continued development of the People Strategy and to connect it fully with the new Corporate Plan. Our intention is to publish the People Strategy by April 2024. Associated vision and values engagement work will commence from early 2024. Following review by the Corporate Services Committee, Policy & Resources Committee and Court of Common Council, we hope to also communicate our final vision and values by summer 2024.

Employee surveys

An all-employee survey was undertaken in spring 2022, with all areas within City Corporation responsible for taking forward actions from that initial survey. Since then two additional internal pulse surveys have taken place: one on Reward (feeding into a larger Total Reward Project) and one on Workplace Attendance. A second all-employee survey is planned for 2023/2024, building on the 2022 survey. Consistency between surveys enabling progress tracking will be a critical, though it is expected that some modifications are likely. Work on the survey will be completed in spring 2024. This activity is led by HR.

Continuous improvement & transformation

A need for Continuous Improvement activity was identified during the TOM review that created the COO department. Funding was sought for a small number of phase 1 pilot projects focusing on continuous improvement took place (including trialling the use of Rapid Improvement Events, workshops designed to help solve problems and/or improve processes in different services). Now

confirmed as a permanent capability this function has been absorbed into the Transformation and Improvement team, within the newly combined Project Governance & Commercial team.

A focussed and sustained programme on continuous improvement is considered important, and responds to a need identified through the staff survey. It will support the Corporation to face current financial challenges by ensuring efficiency and productivity. Making it easier to get things done and ensuring our systems and business processes are efficient and function well will make a big difference to how staff experience working at the Corporation.

The Transformation Team will focus on taking forward Phase 2 of the Continuous Improvement Pilot and associated Rapid Improvement Events, and improving transformation on a macro scale. This includes developing a unified vision for transformation and a systematic approach to change management to ensure transformation efforts are successful. Work will take place across three key disciplines:

- Transformation
- Enterprise Change Management
- Continuous Improvement

This activity will address a need to unify strategic transformational programmes and support and enable transformation projects (including RPR) by providing a common approach to change and capability to manage change effectively. It will enable improved productivity through training and localised workshops focussing on improving processes and ways of working. Tools will also be designed to make change more effective, and the ability to deliver it more efficient.

Governance & organisational design advice

Officer governance processes were set up alongside Member Governance activity to manage TOM in the form of the Design Advisory Board (DAB) and Steering Group, as detailed in the interim report. The intention of the DAB was to provide cross-cutting advice and guidance on proposals for departmental and institutional design. This has been valuable in pooling corporate knowledge and experience with the outcome of enhancing outputs and identifying (and resolving) potential issues. This has also shaped organisational design in a more collaborative way.

The last elements of the design phase of the TOM were agreed earlier in 2023 and are now in the process of implementation. OD principles are business as usual and the DAB and Steering Group have been stood down. All guidance relating to TOM remains available on the intranet with the Chief Strategy Officer serving as the Chief Officer point of contact for questions on alignment and compliance with TOM principles. This does not affect Member Governance arrangements.

Conclusion

The TOM has achieved much for the organisation. New leadership structures are in place from which to progress activity, including in key areas such as people and culture. All departments and institutions are likely to have restructured by the end of 2023.

However, TOM also profoundly affected staff, and has directly resulted in a loss of skills and morale. Key areas of learning are around programme design. Poor preparatory planning for service areas meant they were unprepared to support the extensive organisational change created by the TOM. The origins of the TOM may have been based in culture change, but the programme focussed solely on a limited number of outcomes: savings targets and OD restructure principles. The programme missed out on delivering innovation and progressing work to remove silos because it was hampered by its design (and requirement for simultaneous restructuring of departments) and due to the speed and urgency of the attempt to deliver the programme by March 2022.

The programme is close to achieving its cost savings targets, and work is ongoing to monitor these until they are delivered. However, cuts in some corporate service areas are impacting upon service delivery in other departments.

Consolidation of departments across service and enabling functions has been successful, which has delivered benefits for both service departments and enabling functions. Challenges remain on breaking down silos and aligning supply and demand of services, which may generate efficiency savings, especially with better use of data.

In future it is likely there will be a need to review intra-departmental service provision and address opportunities to adapt to current and future challenges to ensure effective delivery of services, as some areas may not be optimally resourced to deliver these. This will require a collaborative approach.

Activity on the people strategy, organisational culture, continuous improvement and data is now critical to support staff in delivering against their objectives (and by extension corporate objectives) and to create efficiency savings.

The structural changes created by the TOM and the arrival of the new Town Clerk and Chief Executive with a clear vision for City Corporation means that the people elements and culture change can be delivered as an integral part of business as usual.

Annex A: Executive leadership organogram

Executive leadership structure organogram post TOM implementation. This is correct at the time of writing.

TOWN CLERK & CHIEF EXECUTIVE			
DIRECT REPORTING (17)			INDIRECT REPORTING (1)
Chamberlain & Chief Financial Officer	Executive Director of Community & Children's Services	Barbican Chief Executive Officer	City of London Police Commissioner
Chief Operating Officer	Executive Director of Environment	City of London School Head Teacher	
Chief Strategy Officer	Executive Director of Innovation & Growth	City of London School for Girls Head Teacher	
City Surveyor & Executive Director of Property		City of London Junior School Head Teacher	
Comptroller & City Solicitor Deputy Chief Executive		Freeman's School Head Teacher	
Deputy Town Clerk		Guildhall School of Music and Drama Vice Principal & Director of Music	
Remembrancer		Managing Director of Bridge House Estates	
Executive Director of Corporate Communications and External Affairs			

Annex B: Lessons learnt

The table below includes all lessons learnt from the TOM programme, including those from the interim report. Starred lessons are those that are new in this report.

Many of the lessons below are relevant to wide-scale corporate change programme management within the organisation. Other lessons have been shared with Chief Officers and the relevant lead department(s). Lessons (and what should be done differently) can broadly be split into three key areas:

- The programme over-promised and underdelivered: in future, focus on simple, achievable and measurable aims
- The programme dragged on: in future execute quickly but coordinate impacts and outcomes across the organisation
- Staff were left bruised and disillusioned: in future get the internal comms right with honest, transparent, regular communication

No	Detail
1	Scope & Project/programme management: Complex organisational change needs adequate time and resource: significantly more than was set out in the original TOM plans – timelines were too short to achieve all original intentions given the complex nature of City Corporation. All workstreams should be fully scoped and resourced when the programme starts.
2	Support and sequencing: Change programmes require significant support from specific corporate functions such as HR and programme management – these functions should be adequately resourced for the full duration of the programme, and should not undergo change processes at the same time as the areas they are supporting, especially the HR function.
3	Governance: Officer governance structures added significant value to TOM process and provided valuable assurance to Members and Committees that OD principles were being followed while avoiding repetition / duplication of work
4	Comms: Communication of change programmes is key to success: internal comms should be significantly more extensive and staff more engaged in any future programme to improve ability to deliver successfully
5	Cross-cutting programme: new structures have been developed with limited input from across the organisation. This means that siloes have been reinforced; future activity should specifically be reviewed to prevent reinforcement of siloes
6	Performance & success criteria: no criteria were set out at the start of the programme, so there is no way of clearly indicating the extent of the success (or not) of the programme. Performance measures will need to be developed retrospectively which will not be able to take the change delivered by the programme into consideration.
7	Structure: splitting the organisation between front line and corporate support services has improved clarity within the organisation and helped break down some siloes. Awareness should not be lost that both types of function are critical to the effective and successful operation of the organisation and require funding and resource commensurate to the function they perform across the organisation.
8	Structure & Income generation: this was not included in the TOM programme; given the change in economic circumstances, departments who are income generating may benefit from reviewing opportunities to further develop funding streams and the organisational support/design required to achieve this.
9	Chauffeuring and fleet management has been identified as areas where further cost savings could be made. A review into this may support cost saving efforts under the HoP
10	Process: Reviewing organisational structures uncovered that in some cases job descriptions had not been reviewed for many years (in some cases for in excess of a decade). Structures should be put in place to ensure these are reviewed and kept up to date at a frequency that is relevant to the role/department.

11	Staff sentiment in relation to key TOM outcomes should be monitored in future staff surveys to develop a dataset to indicate success measures for the intentions of the programme
12	Digital, technology and data systems: A review of digital, technology and data systems across the corporation may identify opportunities to delivery more efficient, leaner services through technology. It may also support transforming ways of working.
13	Establishment Control: overall final establishment should be produced alongside programme closure. Department plans are owned and activity to develop them led by Chief Officers.
14	Measures for TOM as BAU: Measures and metrics to be developed to understand and monitor organisational success in the context of TOM outcomes. Oversight of TOM as BAU is held by the Chief Strategy Officer; activity on metrics will require input from across the organisation.
15	HoP: further development of the Head of Profession function, and planning for scoping these roles to ensure effectiveness for City Corporation.
16*	Project delivery: future transformations should ensure that there is an appropriately sized and resourced programme office in relation to the scale of the programme, realistic timetabling, clearly developed programme objectives with tracked benefits and outcomes (including tracking of cross departmental efficiencies and benefits), and regular organisational communications
17*	Moratorium on recruitment meant that many vacancies were held in some areas/departments – this prevented work being progressed and caused upstream challenges and increased pressure on remaining staff
18*	In some cases City Corporation needed the right tools as well as restructuring: fast tracking new technology solutions may have created early efficiency savings on which to base restructure
19*	Any future restructuring and cost saving efforts needs to focus on City Corporation holistically (including on how resources align with objectives), including to prevent silos being deepened by restructuring processes
20*	The TOM has not resolved challenges on some interdependencies and service responsibilities between departments: resolving these may create operational efficiencies
21*	The original intention was that TOM would be implemented hand in hand with Lisvane recommendations as governance is central to organisational competence and efficiency – this has not happened
22*	TOM work had the knock-on effect of a wholesale review of job descriptions in parts of City Corporation (which in some cases had not been reviewed for many years) – building in these type of reviews regularly may benefit the organisation
23*	In some departments/institutions the TOM created much closer links between services that naturally support and assist one another as these functions were moved more closely together: repeating this across different departments may generate opportunities for cost and efficiency savings
24*	TOM OD criteria have created overdue consistency across the organisation, but this does not mean that processes have been reviewed and streamlined. Creating space for this to happen may generate efficiency savings.
25*	While removing one to one management chains was necessary in some areas – in some departments this has effectively blocked the opportunity enhance staff skillsets by allowing them to develop line management responsibilities
26*	In some departments cuts were required despite growth in service demand, impacting resilience of services and severely stretching teams – in future consideration should equally be given to service provision options in the face of any cuts
27*	Enabling services were critical to delivering TOM effectively and fast. They were not prepared, lengthening TOM processes and impacting on morale. For any future change programmes, relevant enabling services should be reviewed and prepared before any restructuring takes place. Exploring technological solutions to improve enabling services before any changes may also improve the facilitation of change.

Annex C: TOM implementation

Implementation of OD principles and restructuring (including provisional timelines) as at 31 August 2023

Area	TOM Status
Town Clerk's Including Deputy Town Clerk functions	Completed 2022
Comptroller and City Solicitor's	Completed 2021
Innovation & Growth	Completed 2021
Community & Children's Services (DCCS)	Completed 2021
Remembrancer's	Completed 2021
Guildhall School of Music and Drama (GSMD)	Completed 2022 As part of the new GSMD strategic plan and new business model a 'size and shape' exercise is taking place to ensure currency and viability of programmes to inform estate and facilities planning. Major changes resulting from this may have an impact on temporary staff.
London Metropolitan Archive	Completed 2022
City Surveyor's	Completed 2023
Chamberlain's	Completed 2022 and implemented except for Financial Services Division
Chief Operating Officer's	Completed 2022
Environment	Phase 1 (Planning and Development Divisions: City Operations Division; Port Health and Public Protection Division; Directorate and Business Services Division as well as The Commons team in Natural Environment) completed 2022 Phase 2 (Natural Environment Epping Forest and North London Open Spaces) final structure agreed and implementation progressed, expect completion late 2023
City Bridge Foundation	Phase 1 completed 2022 (creation of Leadership Team), including increased autonomy Further change will be incremental by team and treated as business-as-usual change estimated over the next 18 months to avoid delays across phase 2 and provide employee security where possible. Any proposals will be brought to Members in line with governance outlined in the organisational change guide and will align with the Organisational Design Principles.
City of London School City of London Girls School City of London Freemans School	Shared services leadership team completed September 2023, along with most functional posts, with final more junior positions to be staffed in IT and finance by end 2023.
Barbican Centre	A strategic framework has been co-designed with colleagues across the business that focused initially on our purpose and values and which has been used to inform our organisational goals and priorities. We have additionally initiated a piece of work around an audience strategy which presents a market shift in focus. Both pieces of work will enable us the opportunity to understand the resource, size, shape and capability needed to deliver against our aspirations.

	<p>Alongside the above, to help with organisation review discipline the Barbican Centre has developed an approach and framework to manage organisational reviews in structured/systemised and more disciplined ways that includes building in operating model requirements and addresses internal needs. This approach and process has been drawn from best practice and experience and is designed to deliver an improved operating model and organisational structures that ensures the Barbican Centre is fit for the future sustainable, has the right capabilities, agile, adaptable and has a culture that delivers against our strategic framework and priorities.</p> <p>To address immediate challenges and opportunities there are a few operational areas that have been reviewed (these include creative collaboration and marketing).</p> <p>We have also needed to manage a few exits from the organisation including at Director level. The composition of the executive and management level will invariably be impacted. The two director roles that are leaving the organisation are subject to a report to Corporate Services on 6 September 2023, within which we describe our intended response to these changes.</p> <p>We are conscious there is a fair bit of organisation change in parts of the organisation – this is a natural consequence of transformation and whilst we start rebuilding the top layer of the organisation we will start to shape the structures, capabilities and skills for the future we need for the Barbican Centre moving forward.</p>
City of London Police (CoLP)	<p>City of London Police has completed its proposed designs which were discussed at Police Authority Board and its Resource Risk & Estates Committee in May, and Corporate Services Committee in July. Consultation on the proposed model will take place from 29 August to 27 September. Designs will be finalised and implementation will commence from mid-October. Activity is anticipated to be complete at the end of 2023.</p>

Annex D: Head of Profession

HoP Function & Lead	HoP in place	Activity Description / How the role will be developed / current plans for role and profession
Commercial Commercial Director	Yes	Work is ongoing to embed the HoP role. An online Commercial Academy was launched in January 2023 to provide clearer bite-sized guidance to service areas regarding the Procurement Code and roles and responsibilities. The Service continues to develop a network of officers involved in procurement and contract management across the Corporation.
Legal Comptroller & City Solicitor	Yes	Currently unspecified
Estates & Facilities Management City Surveyor	Yes	Work is on-going to communicate and embed the City Surveyor's role as HoP. The department aims to align its approach with others across the Corporation to ensure a consistency across the organisation and communicate the role and remit of this HoP across the organisation.
Corporate Comms & Marketing Executive Director of Comms & External Affairs	Yes	Corporate Comms & Marketing HoP function has been centralised under the ED for Comms & External affairs. Further activity will take place in due course.
Security Strategic Security Director	Yes	Work is ongoing through the Senior Security Board and thematic subgroups across the portfolios. With the draft Terrorism (Protection of Premises) Bill, 'Martyn's Law' ⁵ work is being monitored to ensure compliance, with the approved security contract under review.
Business Planning Chief Strategy Officer	Yes	This portfolio was expanded to include risk and strategy development. Work ongoing to review and update the business planning process and lead development and alignment of HoPs
Events Remembrancer	Yes	Event Mapping activity is taking place reviewing event formats, audiences, resourcing and systems. Future activity aims to focus on: <ul style="list-style-type: none"> • Implementing new approaches for the sharing of information and collaboration across all event teams • Reviewing event planning and evaluation processes to ensure events are strategically aligned with wider Corporation outcomes and objectives • Developing an EDI framework for events • Creating a talent pipeline by supporting event apprentices across the organisation
Financial Services Chamberlain	Yes	The Chamberlain has statutory responsibilities to ensure the effective financial management of the City Corporation's affairs in its public (inc. charitable) and private capacities. As HoP for finance ensure adequate

⁵ Public safety requirements for venues/organisations due to be implemented post Manchester Arena bombing

		<p>resourcing and delivery of an effective finance function. Overseeing adherence to financial regulations and procedures, managing financial risk and issues, developing capability of finance staff and enabling decision making. Thereby enhancing collective value of the function.</p> <p>The Financial Services Director chairs the Finance Leadership Group- drawing together all finance leads for departments and institutions alongside the Corporate Treasurer, Assistant Director, Financial Shared Services, the Head of Internal Audit and key posts within corporate accounting for professional oversight and to build strong and collaborative relationships to deliver the above responsibilities and drive improvements within the finance service.</p> <p>The City Bridge Foundation and Charities Finance Director is the professional lead for charities finance.</p>
Internal Audit Head of Internal Audit	Yes	<p>All Internal Audit activity across all operations of the City of London Corporation is delivered by a single team under the leadership and line management of the HoP.</p> <p>There is potential to expand the remit of the HoP to incorporate the work of second line assurance functions: developing approach to improve effectiveness and support upskilling of these teams (currently being influenced through the delivery of planned Internal Audit reviews of these functions).</p>
Health & Safety Director of Health and Safety and lead for the Corporate Health and Safety Team	Yes	<p>Health and Safety HoP covers:</p> <ul style="list-style-type: none"> • Advising departments on adequate competent provision, the appropriate professional standards required and sector benchmarking • Through professional networks, matching suitable professionals within the Corporation to development roles for professional growth • Championing the Level 6 Occupational Health and Safety qualification and supporting professionals working toward Chartership status with IOSH; leading the commitment to develop the health and safety professional and strengthening the integrity of the profession internally • Driving the continual improvement of City Corporation's health and safety management system through engagement with internal and external interested parties to ensure governance and policy supports change • Supporting departments in focusing and prioritising their workstreams to best deliver departmental health and safety aims and objectives through the department health and safety business plans • Collaborating with other Heads of Profession to deliver the best outcomes for significant projects
IT Digital, Information and Technology Service Director	Yes	<p>Work has commenced to consolidate the organisation's application estate, and in September 2023 this had achieved a 50% reduction.</p>

		<p>A future Technology State and Roadmap is being developed, allowing greater alignment around our choice of technology. This will be strengthened by a new Digital & IT Strategy which will focus on innovation through simplicity, convergence, and automation.</p> <p>The organisation's Managed Service Partner contract with Agilisys is coming to an end, and several services have successfully transitioned in-house.</p> <p>Co-Design of the future service to better align with organisational priorities has commenced, and this is expected to result in some changes to the structure to better accommodate services transitioning in.</p> <p>Work continues to strengthen the relationship with institutions with a move towards increased collaboration and convergence.</p> <p>Data will be a big focus for us this as a Data strategy is developed, allowing the organisation to make better data driven decisions.</p>
HR Chief People Officer	Yes	<p>HoP role development underway; guidance and further activity planned</p> <p>As part of the People Strategy, the Head of HR Profession role will be set out, including guidance, engagement and dotted line responsibility for all Institutional Directors/ Heads of HR across the Corporation.</p> <p>There is an opportunity to create a HR Profession Centre of expertise and to share and drive HR best practice.</p> <p>Gaps identified are consistency of practice and risks of setting precedents which jeopardise single employer status.</p>
Programme Management Project Governance Director	Yes	<p>Established as part of the implementation of the proposals set out in the project governance review. A change network has been established, bringing together officers leading business change and transformation in services across the Corporation</p>
Business Support Chief Operating Officer	Yes	<p>The business support area is poorly defined, with further activity due in 2023. This role would likely require a cross-cutting, horizontal review process which is not felt to be appropriate or beneficial for business support at this time, following the team/vertical TOM processes already completed.</p>
Fleet Management Chief Operating Officer	Yes	<p>Discussions on HoP scope underway; specific guidance planned and new draft policy completed.</p>
Philanthropic & Charitable Activities Managing Director City Bridge Foundation	Yes	<p>Further development to take place</p>
Arts Artistic Director – Barbican Centre	Yes	<p>The Head of Profession, Arts & Culture role is focussed on connecting the many different aspects of culture and cultural offerings within the City of London.</p> <p>Much can be achieved by unifying and amplifying much of the excellent work already taking place across the Square Mile. This role will be used to add value and improve efficiency across existing activity, as an urgent need has been identified to shape and articulate a</p>

		<p>strategic framework for City of London arts and cultural activity that unites:</p> <ol style="list-style-type: none"> 1. The emerging programme being developed by the Destination City team 2. The existing output from our major cultural institutions 3. The legacy of Culture Mile 4. The many applications received each month from developers and producers seeking permission to initiate, commission, present, or install cultural / artistic projects within the City of London <p>In addition, the HoP for Arts & Culture will lead the development of an Arts & Culture Content Strategy in collaboration and consultation with a wide range of stakeholders.</p> <p>The HoP for Arts and Culture will also leverage the profile of the role to help unite the current arts and cultural activity taking place in the Square Mile, as:</p> <ol style="list-style-type: none"> 1. Co-Chair of the City Arts Initiative (CAI) 2. Attending the Cultural Heritage and Archives Committee (CHL) 3. Established and chair the advisory group for artwork commissions as part of the Barbican Podium Project 4. A member of the City Envoy Network
<p>Equality Diversity and Inclusion Director of EDI</p>	<p>Yes</p>	<p>Noting there is a vacancy in the EDI Director post currently, a network of EDI leads has been created with increasing joint working across parts of the Corporation for Staff Networks and officers.</p>

Annex E1: People Strategy framework

Original City of London Draft People Strategy Framework as of December 2022

No	Theme	Ambition for the City of London and its People	Human Resources & OD Focus
1	Developing the organisation	<p>Our senior leaders will act as role models, creating an open and honest culture, treating people fairly by listening and acting on feedback</p> <p>Leadership will be visible and will empower line managers by introducing greater people management delegations to inform evidence-based decision making and effective employee relations</p>	<ul style="list-style-type: none"> • The Chief Executive will lead a review and refresh of our vision values and behaviours, supported by HR & OD • Views of all colleagues will be sought regularly through regular all staff surveys and pulse surveys and actions will be taken based on feedback received
2	Attracting and retaining the best talent	We will deliver a great employee experience across the entire employee lifecycle	<ul style="list-style-type: none"> • Talent management and succession planning initiatives will create job families, flexible progression, and career paths for staff • The employer brand will be reviewed and enhanced to attract the best talent • Modern working patterns, workplaces and people practices will be offered
3	Transformation (of our ways of working)	Our working practices will empower managers with devolved key people functions to effectively manage performance, meet KPIs and manage change effectively	<ul style="list-style-type: none"> • I-Trent will be upgraded to better embrace the digital environment and how we work • An Enterprise Resource Planning (ERP) will be considered as a way to increase self-service, deliver better automation, and improve processes through reduced bureaucracy • A framework will be created and will inform the commissioning of a new provider to support the management and supply of the contingent workforce • Service Level Agreements will be put in place to manage performance and ensure KPIs are met
4	Reward & recognition	We will support, recognise and reward our workforce	<ul style="list-style-type: none"> • The pay framework (in consideration of the financial position and in liaison with the Chamberlain's department) will inform the creation of a Total Reward concept • Consideration will be given to benefits and intergenerational fit, terms and conditions and job evaluation
5	Performance	We will encourage a performance based culture that enables the City of London to recognise and celebrate the excellence of its people	<ul style="list-style-type: none"> • A holistic approach to leadership and management development and people management will improve the performance of the workforce
6	Learning & development	We will have a learning culture focused on continuous improvement	<ul style="list-style-type: none"> • Coaching and mentoring will be encouraged • Hybrid learning methods will be offered

			<ul style="list-style-type: none"> • An agile project management approach linked to continuous improvement will be encouraged • The induction programme for employees and line managers will be revised • Career / learning opportunities including apprenticeships and placements will be developed to enable tailored personal and professional development
7	Wellbeing & belonging	We will take a person-centred approach within the full employee life cycle	<ul style="list-style-type: none"> • The employee wellbeing offer will be reviewed and linked to effective health and safety practices, including attention to physical and psychosocial hazards • Opportunities for employees' voices to be amplified through improved staff surveys will enable triangulation of engagement measures through data and insights • Effective occupational health services will be delivered to maximise attendance through reduced sickness absence
8	Equality, diversity & inclusion	Linked to our EDI strategy, we will fully embed Equality, Diversity and Inclusion across the organisation	<ul style="list-style-type: none"> • Targeted strategies and mitigations will reduce pay gaps and support implementation of our Public Sector Equality Duty • Regular and annual workforce modelling, planning and reporting will be incorporated into our business planning processes • EDI learning and development programmes will be reviewed
Golden Threads		Human Resources will be a high performing function	
		The City of London will develop a Head of HR profession	
		Reporting and management information will be standardised	
		Insight from data will enable engagement and performance	

Annex E2: People Strategy framework

Revised City of London *Draft People Strategy Framework as of September 2023 based on employee engagement (*subject to Committee approval)

1	My Contribution, My Reward	<p>Total reward project too broad, need to focus on pay and recognition as baseline</p> <p>Renamed Project to Ambition 25: My Recognition, My Reward</p> <p>Pay Award offer agreed and piloting ideas for recognition schemes</p>
2	My Wellbeing & Belonging	<p>What is wellbeing? Values need to be role modelled</p> <p>Wellbeing includes psychological safety where colleagues can share ideas and take risks. We will be inviting employees to help us develop our new values</p>
3	Trustworthy (Effective) Leadership	<p>Effective leadership feels top-down. How can we better understand connections to Members?</p> <p>Trustworthy leadership embodies credibility, reliability, good relationships, and shared purpose. We will regularly update on progress with colleagues and Members</p>
4	My Talend & Development	<p>We need clearer career pathways. Our learning is outdated and needs to be revamped for a digital age</p> <p>My Recognition, My Reward project and focusing on key elements of inclusive recruitment, including apprenticeships and regularly reviewing our development offerings</p>
5	Modernising & Transforming our City Corporation	<p>Our people systems and processes need streamlining and modernising</p> <p>City People Improvement Projects and Enterprise Resource Planning (ERP) Project</p>

Annex F: Breakdown of total savings achieved to date by department

Financial Services continue to monitor the savings. Star Chambers have been undertaken with Heads of Finance and Chief Officers to ensure that savings are delivered on a permanent basis. Any planned savings are built into the Medium Term Financial Plan. These are addressed as a whole, regardless of which savings programme they originated from.

Department	Total TOM - 12% Savings*
Total	16,182,602
DCCS	1,228,000
CS	2,697,163
DBE	2,882,000
CLS	227,000
CLSG	91,000
CLFS	105,000
Remembrancer	199,000
MCP - COO	290,000
MCP - DBE	-
GSMD	778,439
Open Spaces	1,686,000
Culture	24,000
Mansion House CCC	48,000
Mansion House	382,000
Chamberlains	1,800,000
COO	1,489,000
Comptroller	101,000
Innovation and Growth	958,000
LMA	531,000
Town Clerk	666,000

* TOM 12% savings did not apply universally: City Bridge Foundation was exempt and DCCS required to make 6% savings

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