

## EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Tuesday, 26 May 2015

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

### **Present**

#### **Members:**

Roger Chadwick (Chairman)	Deputy Anthony Eskenzi
Jeremy Mayhew (Deputy Chairman)	Deputy Jamie Ingham Clark
Randall Anderson	Ian Seaton
Nicholas Bensted-Smith	Deputy John Tomlinson
Nigel Challis	Philip Woodhouse

#### **Officers:**

Susan Attard	Deputy Town Clerk
Neil Davies	Town Clerk's Department
Philippa Sewell	Town Clerk's Department
Peter Kane	Chamberlain
Caroline Al-Beyerty	Chamberlain's Department
Paul Nagle	Chamberlain's Department
Steve Telling	Chamberlain's Department
Peter Bennett	City Surveyor
Neal Hounsell	Community and Children's Services Department
David Pearson	Director of Culture, Heritage and Libraries
Carol Boswarthack	Culture, Heritage and Libraries Department

#### **1. APOLOGIES**

Apologies were received from John Fletcher.

#### **2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations.

#### **3. MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** - That the public minutes and non-public summary of the meeting held on 4 March 2015 be agreed as an accurate record.

#### **Matters Arising**

##### Service Based Review Roadmap

Members requested more detail concerning the Effectiveness of Hospitality and Independent Schools cross-cutting reviews, and officers undertook to circulate Opportunity Outlines to Sub Committee Members once they were finalised.

**RESOLVED** – That Opportunity Outlines be circulated to Sub Committee Members once approved.

4. **OUTSTANDING ACTIONS**

The Sub Committee received and discussed an updated scheduled of outstanding actions.

**RESOLVED** – That the report be noted.

5. **WORK PROGRAMME**

The Sub Committee received the updated programme of work for the year.

**RESOLVED** – That the report be noted.

6. **APPORTIONMENT OF COSTS - TOWN CLERK'S DEPARTMENT, CITY PROCUREMENT AND INFORMATION TECHNOLOGY**

The Sub Committee received a report of the Chamberlain regarding the bases for apportioning costs of the Town Clerk's Department, City Procurement and the IT Division. The Chamberlain advised that recharges for the Barbican and Markets was determined separately owing to service user charges.

Members noted that the apportionment of support service costs (or overheads) was designed to share costs across all the activities of the organisation on a reasonable basis, however, the limitations of such a technique were recognised. The City currently accounted for central support service costs in accordance with CIPFA's Service Reporting Code of Practice (SeRCOP). For local authorities SeRCOP had statutory force, but, with regard to the City's non-local authority funds, there was no requirement to follow SeRCOP. The Chamberlain advised that, although the main reason for non-inclusion for internal reporting purposes would be that central support costs were not within the control of front line services, this was not sufficient to justify the operation of two parallel accounting systems.

Members also noted that a further detailed benchmarking task, using soft market testing, was being carried out for other aspects of the Finance function. It was noted that, for a number of the City's financial services, the breadth and complexity of the organisation made benchmarking less straightforward than a simple comparison with local authorities, and these factors were being reflected in the approach and timescales for the task.

**RESOLVED** – That

- (a) The methodologies being used to apportion the costs of the Town Clerk's Department, City Procurement, and the Information Technology Division together with the redistributive impacts be noted;
- (b) It be agreed that the costs of central support services should continue to be apportioned to all funds and services in accordance with the local authority requirements set out in CIPFA's Service Reporting Code of Practice (SeRCOP); and
- (c) The soft market testing task being undertaken for aspects of the Finance function be reported at a future meeting, along with recommendations for

adding update reports and reviews of other departments to the Work Programme.

## 7. **SERVICE BASED REVIEW ROADMAP**

The Sub Committee received a report of the Deputy Town Clerk presenting the latest update of the Service Based Review Roadmap.

### Strategic Asset Management

The Deputy Town Clerk reported on the four projects that supported this overarching programme.

#### 1. Strategic Review of Operational Properties

Members noted that the Departmental Workshops were providing regular updates to Chief Officers and would submit final comments for review to the Review Group, chaired by the Town Clerk. In response to a Member's query, the Chamberlain advised that the review of Operational Resources had been successful in identifying surplus properties and areas of property, and gave a better understanding of which buildings were most in need of renovation.

#### 2. Facilities Management

Members noted that meetings with individual Chief Officers were being held to discuss issues with the current arrangements and how these could be improved in future.

#### 3. Project Management

Members noted that this review was being deferred until later in the programme. Members queried the level of in-house project management, and the Deputy Town Clerk advised that HR were investigating how in-house skills could be built upon to address this.

#### 4. Procuring and Managing Services

Members noted that this review was in an early stage, but was progressing well.

### Income Generation

Members noted that CIPFA's comparisons of income generation across London Boroughs for 2012-13 were being reviewed to identify areas that need further exploration, and work had been commissioned to determine the extent to which the City Corporation receives external public funding, particularly in comparison with similar organisations.

### Grants

Members noted that this review was rated 'Green' and reports would be coming to Service Committees in the coming months. This review included charities under the Finance Committee, but did not include disaster relief payments.

### Effectiveness of Hospitality

Members noted that this review was rated 'Green' and the Opportunity Outline had been agreed by the Chief Officer Summit Group. Members requested that the operation of invitation lists be considered as part of this review.

#### Independent Schools

Members noted that this review was rated 'Green' and the Opportunity Outline had been agreed by the Chief Officer Summit Group.

#### Remodelling Libraries

Members noted a presentation on this review would be considered later in the meeting.

#### Barbican Centre

Members noted that this review was rated 'Green', and requested that the Managing Director of the Barbican Centre be asked to present to the Sub Committee at a future meeting.

**RESOLVED** – That the Managing Director of the Barbican Centre be asked to present to the Sub Committee at a future meeting, and the report be noted.

### 8. **PERFORMANCE MONITORING: LONDON-WIDE PERFORMANCE INDICATORS**

The Sub Committee received a report of the Deputy Town Clerk presenting the dashboard of Service Performance Indicators monitored and reported quarterly by London Councils, known as LAPS (London Authorities Performance Solution), for the period October to December 2014. Members received additional information regarding sickness absence figures, as requested at the previous meeting. It was noted that figures broken down by department were reported to Service Committees and monitored centrally by the Establishment Committee. Members requested these be compared with figures from the private sector (if available), and that a follow-up report be provided at the next meeting regarding potential Value for Money indicators.

**RESOLVED** – That:

- (a) Sickness Absence figures be compared with those from the private sector (if available);
- (b) A follow-up report be provided at the next meeting regarding potential Value for Money indicators; and
- (c) The report be noted.

### 9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

### 10. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no other business.

### 11. **EXCLUSION OF THE PUBLIC**

**RESOLVED** - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds

that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

<b>Item</b>	<b>Paragraph</b>
12-14	3
15-16	-

12. **REMODELLING LIBRARIES**

The Sub Committee received a presentation of the Director of Culture, Heritage and Libraries.

13. **SERVICE BASED REVIEW FINANCIAL MONITORING**

The Sub Committee considered a report of the Chamberlain.

14. **CITIGEN COMBINED HEAT AND POWER SYSTEM - EXTENSION OF CONTRACTS**

The Sub Committee considered a report of the City Surveyor.

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

There were no questions.

16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was no other business.

**The meeting closed at 3.42 pm**

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Chairman

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