



Efficiency and Performance Sub (Finance) Committee

Date: TUESDAY, 26 MAY 2015
Time: 1.45 pm
Venue: COMMITTEE ROOMS - WEST WING, GUILDHALL

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

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Lunch will be served in the Guildhall Club at 1pm
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes of the meeting held on 4 March 2015.

For Decision
(Pages 1 - 6)
4. **APPORTIONMENT OF COSTS - TOWN CLERK'S DEPARTMENT, CITY PROCUREMENT AND INFORMATION TECHNOLOGY**
Report of the Chamberlain.

For Information
(Pages 7 - 22)
5. **SERVICE BASED REVIEW ROADMAP**
Report of the Deputy Town Clerk.

For Information
(Pages 23 - 32)
6. **SERVICE BASED REVIEW FINANCIAL MONITORING**
Report of the Chamberlain (TO FOLLOW).
7. **PERFORMANCE MONITORING: LONDON-WIDE PERFORMANCE INDICATORS**
Report of the Deputy Town Clerk.

For Information
(Pages 33 - 38)
8. **OUTSTANDING ACTIONS**
Report of the Town Clerk.

For Information
(Pages 39 - 44)
9. **WORK PROGRAMME**
Report of the Town Clerk.

For Information
(Pages 45 - 46)

10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
12. **EXCLUSION OF THE PUBLIC**
MOTION - 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.

Part 2 - Non-Public Agenda

13. **REMODELLING LIBRARIES**
Background reports and presentation by the Director of Culture, Heritage and Libraries.

For Information
(Pages 47 - 76)

14. **CITIGEN COMBINED HEAT AND POWER SYSTEM - EXTENSION OF CONTRACTS**
Report of the City Surveyor.

For Decision
(Pages 77 - 84)

15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Wednesday, 4 March 2015

Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee held at Guildhall, EC2 on Wednesday, 4 March 2015 at 1.45 pm

Present

Members:

Jeremy Mayhew (Deputy Chairman)
Randall Anderson
Nigel Challis
John Fletcher
Jamie Ingham Clark
Deputy Alastair King
Ian Seaton
Deputy John Tomlinson
Philip Woodhouse

Officers:

Susan Attard	Deputy Town Clerk
Neil Davies	Town Clerk's Department
John Galvin	Town Clerk's Department
Philippa Sewell	Town Clerk's Department
Peter Kane	Chamberlain
Caroline Al-Beyerty	Chamberlain's Department
Suzanne Jones	Chamberlain's Department

1. APOLOGIES

Apologies were received from Roger Chadwick and Deputy Anthony Eskenzi.

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 27 January 2015 be agreed as an accurate record.

4. OUTSTANDING ACTIONS

The Sub Committee received and discussed an updated schedule of outstanding actions. With regard to the Combined Heat and Power Annual Report, officers and a Member undertook to meet outside of the meeting to discuss on-site generators. Members noted that the potential inability to reach an agreement on an extension to the Citigen contracts had been added to the risk register, and asked officers to provide an update report on contingency issues and how the risk was being and would be managed.

RESOLVED – That:

- (a) An informal meeting be held to discuss on-site generators;
- (b) Officers provide an update report at the next meeting on the contingency issues and how the risk was being and would be managed; and
- (c) The report be noted.

5. **WORK PLAN FOR FUTURE MEETINGS**

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

RESOLVED – That the report be noted.

6. **CITY PROCUREMENT BENCHMARKING AND 2015/16 KEY PRIORITIES**

The Sub Committee received a report of the Chamberlain providing the findings of the second Procurement Benchmarking Review, undertaken in September 2014. Officers reported that four priorities had been identified to improve the procurement service - Operational Excellence; Value for Money; Corporate Social Responsibility; and Technology and Innovation.

Members discussed the report, in particular the metrics and terminology. Officers undertook to submit a follow-up report at the Sub Committee's next meeting regarding the City Procurement Strategy, identifying areas of weakness and how they were being addressed, including timescales.

RESOLVED – That a follow-up report be provided at the next meeting, and the report be noted.

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. The Opportunity Outline for the Facilities Management project had been agreed by the Summit Group on 23 February. Members noted the Project Management strand was being deferred, which would give more scope for other projects to be prioritised and actioned more effectively. The work being undertaken by the Corporation's Programme Delivery Unit was also noted. Officers advised that this deferral was yet to be agreed by the Summit Group and would be subject to Member review.

In response to Members' questions, officers advised that Facilities Management would cover both investment and operational properties, and the Procuring and Managing Services project would include generic contract management skills.

Income Generation

The Chamberlain reported that this project had slipped from "green" to "amber" owing to resourcing issues. Consideration was also being given to including a large-scale project within the review, such as the commemoration of the 350th anniversary of the Great Fire of London.

Grants

The Deputy Town Clerk advised that this project was delayed, but not significantly. Oversight of, and information about, the grants, donations and other payments to external organisations had been gathered, but the final report was still to be drafted.

Effectiveness of Hospitality

Members noted that a better definition was needed in order to reflect more accurately the need for hospitality to be more strongly aligned with strategic objectives. Members discussed the need for Mansion House to be included in the review, and for the appropriate level of scrutiny from the lead officer.

Independent Schools

The Deputy Town Clerk advised that this project was on track, with the Assistant Town Clerk meeting with the three school heads later in March to confirm and clarify the forthcoming steps.

Charitable Funding

Members noted that this project was rated as “amber” as any bids would need to be tested for eligibility for funding under the City Bridge Trust’s objectives, and would, therefore, be competing on merit against other bids for funding in the usual manner.

Remodelling Libraries

Members noted that there was no update for this project, and agreed to invite the Director of Culture, Heritage & Libraries and the Director of Community & Children’s Services to the next Sub Committee meeting to discuss how the project was being progressed.

Barbican Centre

Members noted that a report regarding implementation would be given to the Barbican Centre Board at their next meeting in April, after which this Sub Committee would be updated.

Public Conveniences and Highways Maintenance

Members noted that both of these would be tracked departmentally, with one further report on highways at the end of the calendar year and, as such, these projects would be removed from this SBR Roadmap.

RESOLVED – That:

- (a) The Director of Culture, Heritage & Libraries and the Director of Community & Children’s Services be invited to the next Sub Committee meeting to discuss the Remodelling Libraries project;
- (b) Officers examine resource requirements relating to these reviews and report back to Members on any additional requirements; and
- (c) The report be noted.

8. **COLLABORATION AND SHARED SERVICES: CITY CORPORATION AND CITY POLICE**

The Sub Committee received a report of the Deputy Town Clerk which provided an overview of the collaborative work between the City of London Police and City of London Corporation to develop shared service activity, driven by financial pressures and a desire to enhance effectiveness, wherever possible. Officers reported that, within the overall programme, there were four key projects: Customer Services, Community Safety, the Joint Contact and Control Room, and the 'Ring of Steel' upgrade. Members discussed the need for clarity as to what was being achieved and the timescales involved, and officers undertook to provide a roadmap at the next Sub Committee meeting, against which progress could be monitored.

In response to Members' questions, officers reported that the City of London Police intended to move back into Wood Street after the refurbishment, though different services would be based there to ensure operational effectiveness. With regard to mobile working, Members were advised that this would fall under the Community Safety strand, as well as being specifically addressed by other City departments.

RESOLVED – That a detailed roadmap be provided at the next meeting, and 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.

Item	Paragraph
12	3
13-14	-

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

RESOLVED - That the non-public minutes of the meeting held on 27 January 2015 be agreed as an accurate record.

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

There were no questions.

14. **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 ended at 3.10 pm

Chairman

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Committee	Date:
Efficiency and Performance Sub Committee	26 May 2015
Subject: Apportionment of Costs: Town Clerk's Department, City Procurement and Information Technology	Public
Report of: The Chamberlain	For Information

Summary

This report addresses the outstanding reference to review the bases for apportioning the costs of the Town Clerk's Department, City Procurement and the IT Division. It is concerned with 'how' the City accounts for the costs of these services. Questions on 'why' we provide the services, the method of delivery and the quantum are being examined through the pressures imposed by the Service Based Review. In my own department, a number of financial services have already been market assessed or tested e.g. outsourcing of the IT function to Agilisys, internal audit benchmarking, and the insourcing of rates and council tax collection. A further detailed benchmarking task, using soft market testing, is being carried out for other aspects of the Finance function.

The revised methodologies for apportioning the costs of the three services are outlined in the main report and, in aggregate, the redistributive impacts at Fund level are as follows.

Fund	Original Basis %	Revised Basis %	Change Increase/ (Decrease)	
			%	£'000*
City Fund	60.0	61.0	1.7	201
City's Cash	36.5	33.8	(7.4)	(528)
Bridge House Estates	3.5	5.2	48.6	327
Total	100.0	100.0	0.0	0

** The 2014/15 total cost of the Town Clerk's Dept., City Procurement and the IT Division is £19.5m*

Whilst the financial effect is relatively small in the context of the overall size of the funds, the redistributive impact at Committee Level is more significant as set out in the main report at Chart 2. For most Chief Officers of front line services, the changes should not be an issue as they are not responsible for the delivery of support services and neither is their performance linked to them. However for ring-fenced accounts, such as Police, the apportioned costs are a direct charge against available resources and should be subject to scrutiny by the Chief Officers concerned.

The apportionment of support service costs (or overheads) is designed to share the costs across all the activities of the organisation on a reasonable basis. However such a technique is a fairly blunt instrument and the limitations need to be recognised. For example, the apportioned costs do not represent what may be saved if a front line service were allowed to opt out of the support services provided

by the City Corporation, and neither are they necessarily an appropriate basis for charging third parties.

The City currently accounts for central support service costs in accordance with CIPFA's Service Reporting Code of Practice (SeRCOP). For local authorities SeRCOP has statutory force and establishes proper practice to ensure consistent financial reporting. However, with regard to the City's non-local authority funds, there is no requirement to follow SeRCOP.

The City could, for internal reporting purposes, take a decision that wherever possible the costs of support services will not be included with front line services but, instead, be treated as a 'one-line' management and administration cost. However, this would not avoid the task of preparing and accounting for such overheads as, on the local authority side, they will still be required for the financial statements, the budget, Government returns, CIPFA returns, etc. The main reason for non-inclusion for internal reporting purposes would seem to be that central support costs are not within the control of front line services. This is not a sufficiently compelling reason to justify the operation of two parallel accounting systems.

Recommendations

Members are requested to:

- note 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;
- agree 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 SeRCOP; and
- note the soft market testing task being undertaken for aspects of the Finance function.

Main Report

Background

1. Last September I reported on the various bases used to apportion the costs of central support services across the City Corporation's various activities. That report identified three support services, the Town Clerk's Department, the City Procurement Team and the Information Technology Division where the appropriateness of the distributions required review and updating. The Efficiency and Performance Sub-Committee resolved that for these services, revised methodologies for recovery of costs be reported back to the Sub Committee within six months, to improve the appropriateness of distributions.
2. This report addresses the outstanding reference which is concerned with 'how' the City accounts for the costs of these services. Questions on 'why' we provide the services, the method of delivery, the quantum and general value for money are being examined through the pressures imposed by the Service Based Review in order to achieve the significant budget reductions required. These pressures are visited on the local and central risk budgets (which are then apportioned as support services) of central departments in the same way as for front line

services. The reductions agreed for the Chamberlain and the Town Clerk are £2.8m and £2.0m respectively representing some 15% and 14% of each department's overall budget.

3. As part of the ongoing requirement to improve value for money, of which the SBR is a significant but not the only element, a number of services in my own department have been market assessed or tested, e.g. outsourcing of the IT function to Agilisys, internal audit benchmarking, and the insourcing of rates and council tax collection. A further detailed benchmarking task, using soft market testing, is being carried out for other aspects of the Finance function. However as Members are aware, for a number of the City's financial services, the breadth and complexity of the organisation makes benchmarking less straightforward than a simple comparison with other local authorities and these factors are being reflected in the approach and timescales for the task.
4. This report also recaps on why it is necessary to apportion the costs of central support services.

Town Clerk's Department

5. The 2014/15 cost for the Town Clerk's Department within Guildhall Administration is some £7.9m and it was previously apportioned on the basis of estimated time spent. Although the apportionments were reviewed annually for new services and restructures the underlying percentages were dated. It was also recognised that the apportionment method would benefit from greater granularity.
6. The £7.9m relates to 15 separate cost centres. As a first step in reviewing the methodology, each cost centre was considered against service definitions set out in SeRCOP and classified as either support service functions accounted for as overheads on direct services or as Corporate and Democratic Core (CDC) activities accounted for as services in their own right. A brief definition of CDC is set out at the end of appendix 1. This review changed the apportionment between CDC and support services from 56% and 44% respectively to, coincidentally, 44% and 56% (see appendix 1 chart 5) – the reduction in CDC being some £0.9m.
7. CDC services covers functions primarily provided by the Policy and Democratic Services section of the Town Clerk's Department. The costs, some £3.5m under the revised methodology, are shared between the City's three main Funds with no requirement for further apportionment. The methodology used to apportion CDC costs between the Funds is based on the number and length of Committee meetings as recorded by the Town Clerk's Department. For committees with a more corporate role and for service committees where activities span funds (e.g. the Markets Committee oversees services in City's Cash and City Fund) a further basis of apportionment, the level of turnover, was used as a proxy for the amount of business by Fund.
8. Under the revised methodology the cost of the support services element of the Town Clerk's Department is some £4.4m. Support services provided comprise human resources related costs (e.g. Corporate HR, HR Business Units, Occupational Health, Health and Safety, Training) and the Contact Centre.
9. The revised methodology apportions the costs as follows.

Service Area	Apportionment Basis
HR Business Units	£1.5m (34%) of cost. Apportioned to departments served by the Units based on employee headcount.
Occupational Health	£0.3m (7%) of cost. Apportioned to all departments except Police (both Officers and Staff) based on employee headcount ¹ .
All other HR related areas	£2.0m (45%) of total cost. Apportioned to all departments based on employee headcount ¹ excluding Police Officers.
Contact Centre	£0.6m (14%) of cost. Apportioned to departments based on records of service calls

¹. For Barbican Centre and Guildhall School, both of which have large numbers of casual staff, full time equivalents were used instead of headcounts.

10. Appendix 1 compares the impact of the change in methodology at Fund level and Committee within Fund level.

11. The new apportionment bases for distributing the support service elements of the Town Clerk's Department to Committees use data already gathered for other purposes and it should therefore be relatively straightforward to update on an annual basis. The Committee data used to apportion the CDC element between funds is not routinely recorded and was compiled manually. The Town Clerk's Department propose refreshing the Committee data annually for new/ceased committees and carrying out a complete update every three years.

City Procurement

12. City Procurement within the Chamberlain's Department is a relatively new support service, only fully formed during 2014/15 following the early termination of the contract with Accenture. Originally, apportionments were based on budgets transferred from departments at the inception of the service. However, this was mainly related to invoice processing and did not reflect the sourcing work undertaken by the team.

13. The cost of the team in 2014/15 was some £2.4m divided into three main areas; accounts payable, transactional buying and category management.

14. The revised methodology apportions costs as summarised below.

Service Area	Apportionment Basis
Accounts Payable	£1.1m (46%) of cost. Apportioned pro rata to number of invoices processed.
Transactional Buying	£0.4m (16%) of cost. Apportioned pro rata to purchase orders raised.
Category Management	£0.9m (38%) of cost. Apportioned pro rata to Officers' assessment of time spent based on annual sourcing plan.

15. Appendix 2 compares the impact of the change in methodology at Fund level and Committee within Fund level.

Information Technology Division

16. Under the Shared Services Review, the IT Division within Chamberlain's Department has undergone a major transformation process over the last three years. To support the changes in service delivery resulting from the review, Phase 1 of the transformation process involved the unification of services and budgets centrally. Prior to this phase, a significant proportion of I.T. budgets, approximately 50%, had been devolved to departments under a system of trading accounts. However, the aim of encouraging economy and efficiency through competition proved unrealistic against the objectives of integration, standardisation, continuity and security. Trading accounts therefore ceased on 31 March 2012.

17. Phases 2 and 3 of the transformation process covered the restructuring of the IT Division to refocus on improved delivery and a sourcing review, to procure from the market improved 'best in class' IT services whilst providing efficiencies and reduced costs respectively. Phases 2 and 3 were completed during 2013/14.

18. Whilst the transformation process was underway the existing methodology used to apportion the costs of the Division, some £9.2m in 2014/15, continued to be used, with the previously "traded" element being treated as a support service charge.

19. The £9.2m relates to 12 separate cost centres. In consultation with the IT Division each of the cost centres were reviewed to assess the extent to which City departments were covered by the services or systems provided. As a result four main groupings or service areas were identified. The groupings and the revised bases of apportionment are set out below.

Service Area	Apportionment Basis
Systems or services only used by specific departments	£0.2m (2%) of cost. Allocated in full to specific departments.
Corporate systems	£1.0m (11%) of cost. Apportioned to all departments pro rata to full time equivalent (f.t.e.) employee numbers.
Services available to all departments but used to a lesser extent by the institutional departments e.g. client services and project management.	£2.3m (25%) of cost. Initially apportioned 10% and 90% between institutional departments (Police, Barbican Centre, Schools) and other departments respectively. F.t.e. numbers were then used to apportion costs to individual departments.
Services related to the non-institutional departments e.g. application support and development, Agilisys managed contract.	£5.7m (62%) of cost. Apportioned to non-institutional departments pro rata to full time f.t.e. employee numbers.

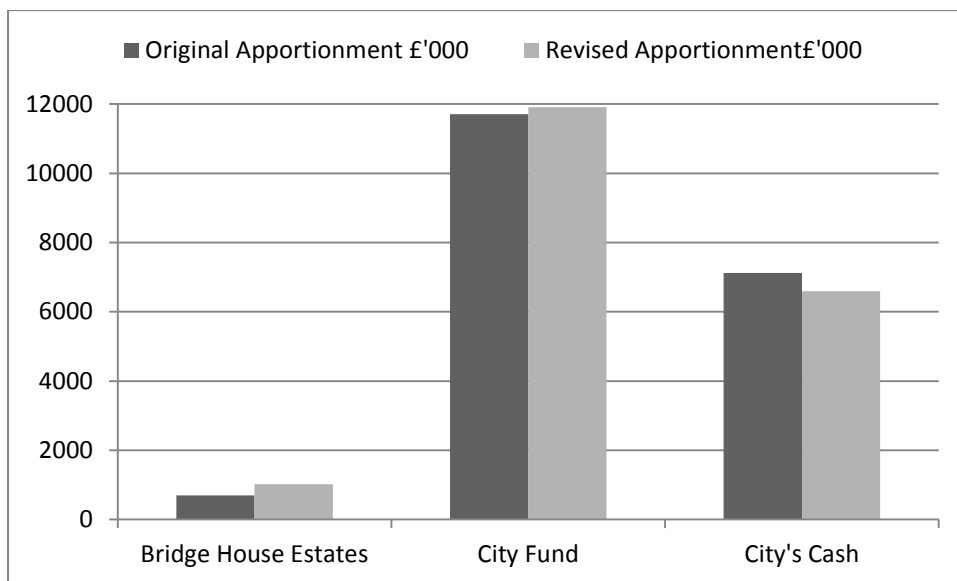
20. In arriving at the apportionment bases set out above an adjustment was made to the f.t.e. employee numbers to abate them by 50% for those departments, such as Open Spaces, where a significant number of employees do not have access to IT services.

21. Appendix 3 compares the impact of the change in methodology at Fund level and Committee within Fund level.

Implications of Review

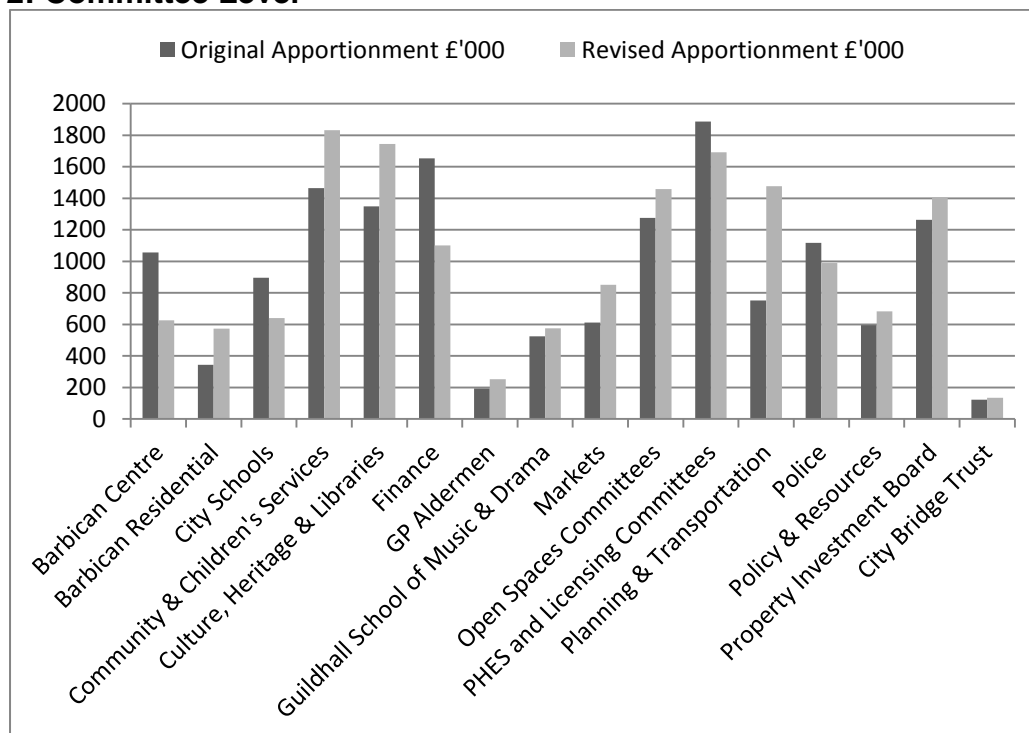
22. At Fund level, the overall re-distributional impact of the revised methodologies for the three services is relatively minor as shown in chart 1.

Chart 1: Fund Level



23. However, at Committee level the re-distributional impact is more significant as shown in chart 2 overleaf. The chart excludes the CDC reduction of £0.9m (from £4.4m to £3.5m) referred to in paragraph 6 as it would distort the table.

Chart 2: Committee Level



24. The new methodologies for the Town Clerk's Department and City Procurement were completed in sufficient time for use in the 2014/15 accounts and the new methodology for the IT Division will be used from 2015/16 when budgets are updated in the autumn/winter.
25. The "driver" for the current accounting arrangements for overheads, including support services provided centrally, is CIPFA's Service Reporting Code of Practice (SeRCOP). For local authorities SeRCOP has statutory force and establishes a definition of total cost to provide a consistent basis for all external financial reporting and statutory financial disclosures. When reporting service costs, each service must include an appropriate share of all overheads to arrive at its total cost. This definition includes costs over which service managers have no control as decisions over which costs managers should control are based on local management and delegation arrangements not accounting requirements.
26. For the City, the changes arising from this review should not be an issue for most Chief Officers of front line services as they are not responsible for the delivery of support services and neither is their performance linked to them. However for ring-fenced accounts, such as Police, the costs are a direct charge against available resources and should be subject to scrutiny by the Chief Officers concerned.
27. The apportionment of support service costs (or overheads) is designed to share the costs across all the activities of the organisation on a reasonable basis. However such a technique is a fairly blunt instrument and the limitations need to be recognised. For example:
- The apportioned costs do not represent what may be saved by the City Corporation if a front line service were allowed to opt out of the support

services provided. Such savings would be the marginal costs and these would be determined by the nature of each item (i.e. whether it is relatively variable or fixed) and the impact on workload volumes (i.e. stepped overheads). In addition alternative suppliers may not offer the same degree of resilience/support which will impact on long term rather than short term costs.

- Neither are apportioned overheads necessarily an appropriate basis for charging third parties. A more refined analysis is likely to be required in relation to the specific service being provided.

28. SeRCOP also recognises that although the total cost requirement must be followed for financial reporting purposes it may not be appropriate for management accounting and decision making purposes. For example, local authorities, for management accounting purposes, may exclude from budget holders' reports any overheads for which they are not responsible. Whilst the City does not wholly follow this approach, Chief Officers' performance is only measured in relation to their local and central risk budgets not on the costs of apportioned central support services.

29. With regard to the City's non-local authority funds, there is no requirement to follow SeRCOP. A single line for management and administration could be included within City's Cash and/or Bridge House Estate rather than the costs being apportioned to individual services. However, our accounting practices have normally been dictated by the requirements for our largest fund (City Fund) which have then been applied consistently.

30. The City could, for internal reporting purposes, take a decision that wherever possible the costs of support services will not be included with front line services but, instead, be treated as a 'one-line' management and administration cost. However, this would not avoid the task of preparing and accounting for such overheads as, on the local authority side, they will still be required for the financial statements, the budget, Government returns, CIPFA returns, etc. Neither could the task be undertaken for City Fund in isolation as it is only when the use of resources is reviewed as a whole that the relativities of what is apportioned to each element can be considered in context and sense checked.

31. The main reason for non-inclusion for internal reporting purposes would seem to be because central support costs are not within the control of front line services. This is not a sufficiently compelling reason to justify the operation of two parallel accounting systems.

Stephen Telling

Chief Accountant

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Chart 1: All By Fund

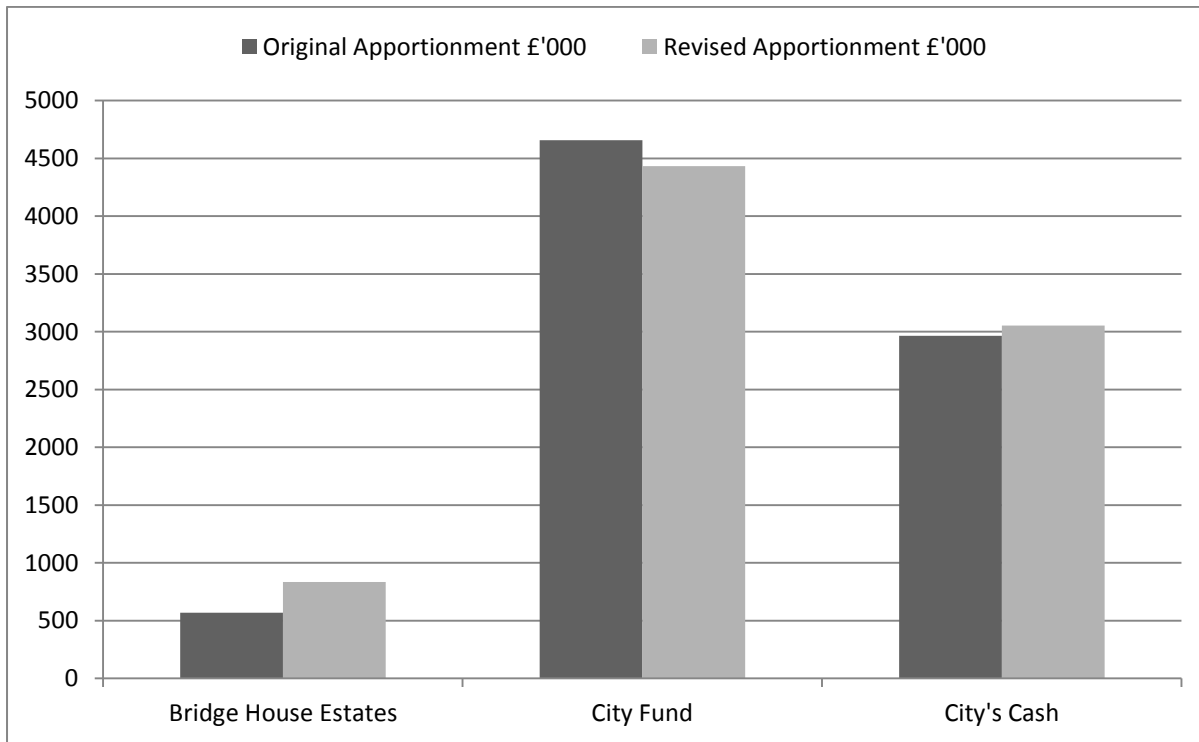


Chart 2: City Fund by Committee

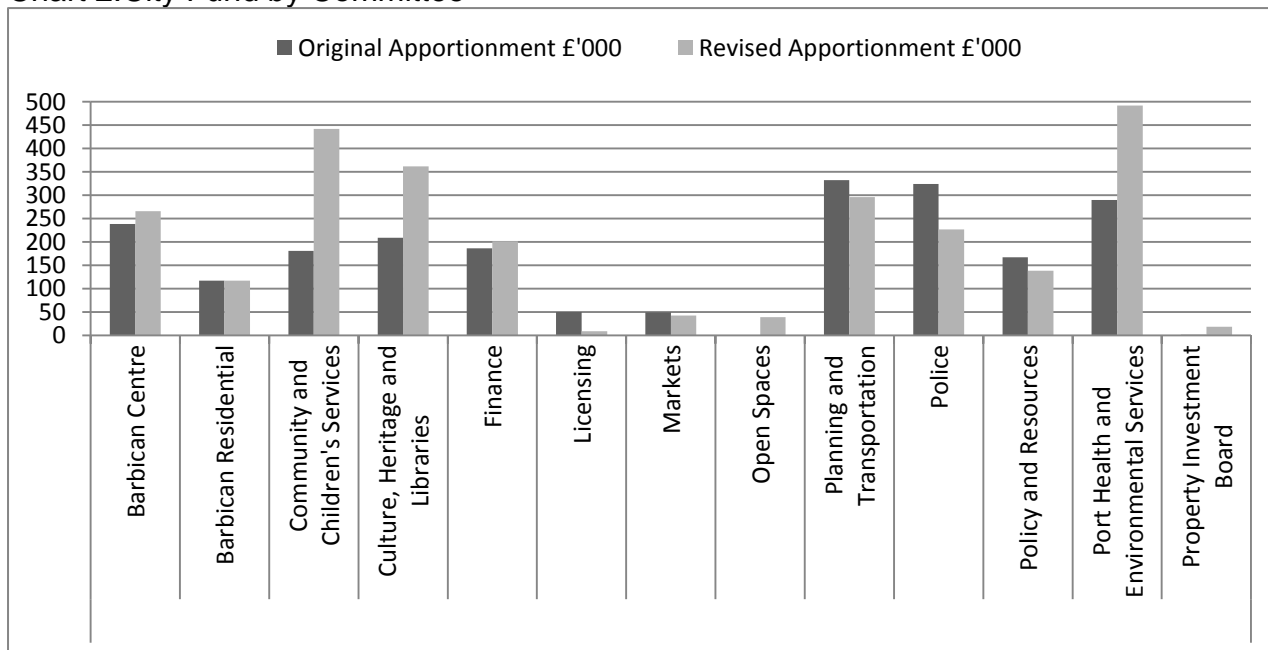


Chart 3: City's Cash by Committee

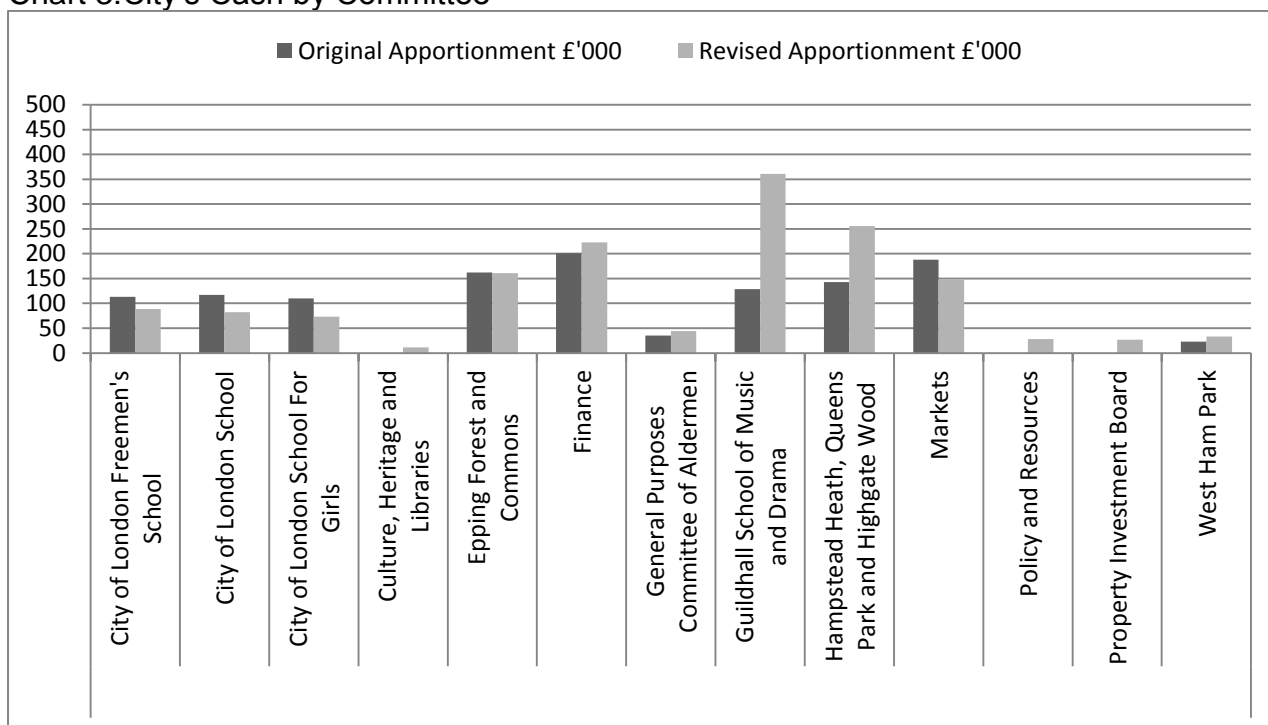


Chart 4: Bridge House Estates by Committee

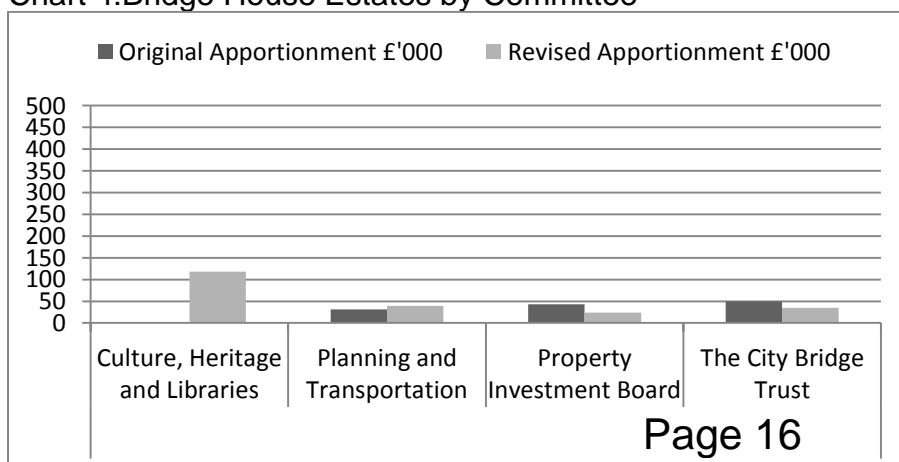
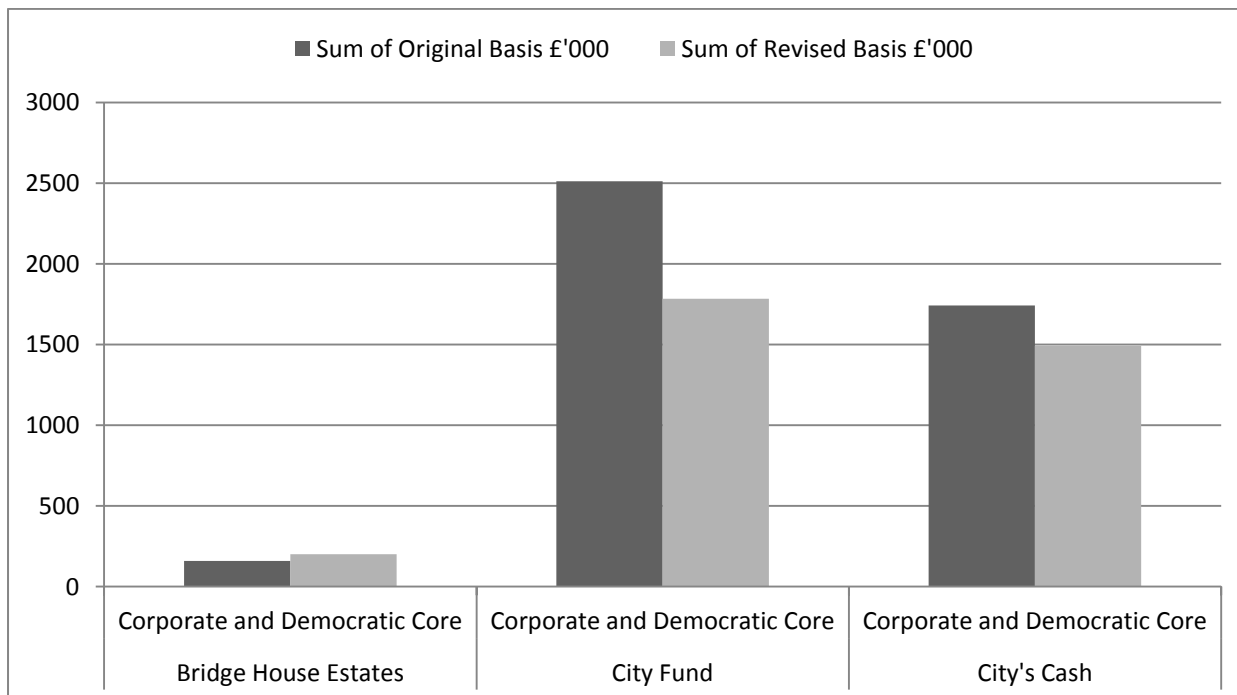


Chart 5: Corporate and Democratic Core by Fund



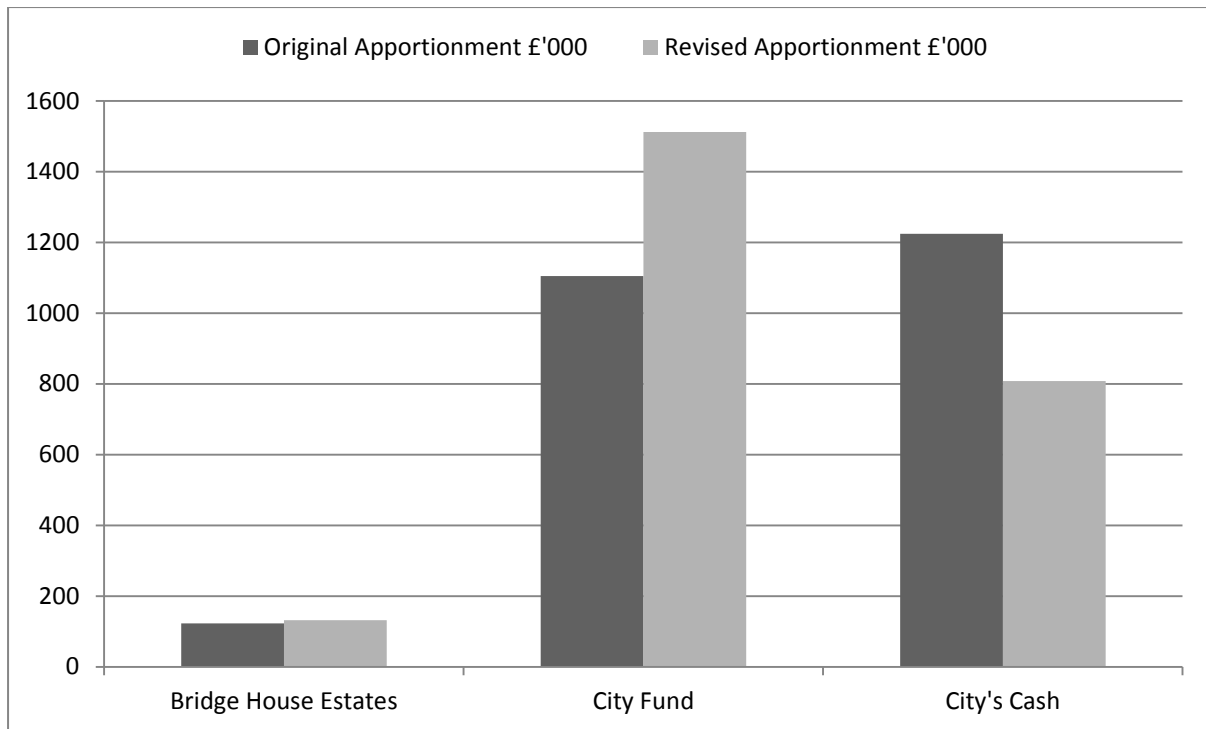
Some activities may be classed as “corporate” and be provided centrally based on an organisation’s method of operating or to ensure specific standards or policies are followed. However, if a “corporate” service does not meet the accounting definition of CDC set out in SeRCOP it must be treated as an overhead on direct services.

CDC only comprises two divisions of service: Democratic Representation and Management (DRM) and Corporate Management (CM).

- DRM concerns corporate policy-making and all other Member-based activities. Officer support of Members can be included in DRM if, and only if, the cost incurred was specifically due to the existence of elected Members.
- CM concerns those activities and costs that relate to the general running of the authority. These costs relate to the infrastructure that allows services to be provided, whether by the authority or not, and the information required for public accountability. Activities relating to the provision of services, even indirectly, are overheads on those services not CM. Examples include:
 - **Chief Executive or other designated head of the paid service** – the functions of the individual designated the head of the paid service (frequently the chief executive), except those concerned with the direct management of services.
 - **Maintaining statutory registers**, e.g. of politically sensitive posts, unused land, payments to members and members’ interests, but specifically excluding the electoral register, which is included in the Elections Service.
 - **Providing information** required by members of the public in the exercise of statutory rights, except if it is about a specific service, in which case the cost is charged to that service.
 - **Completing, submitting and/or publishing corporate information** such as corporate service staffing returns, Statements of Accounts, annual reports, and public performance reports.

- **Estimating, negotiating, accounting for and allocating corporate-level resources** such as capital grants; supported borrowing and other sources of capital finance, precepts, block grants and taxes.
- **The costs of statutory external audit** including value for money work, but excluding work done by external auditors that would otherwise be done within the authority or by separate contractors, eg consultancy work. Also excluded is work done to audit grant claims. These costs should be charged to services, including the Corporate and Democratic Core if the grant claim is of a corporate nature
- **The costs of external inspections.** Local authorities and other authorities in England and Wales will be subject to external inspections. As inspections largely concentrate on particular functions or groups of functions, the associated costs will vary significantly from year to year. The inclusion of such costs within the total costs of individual services could have a significant distorting effect and should, therefore, be accounted for as a Corporate Management cost.
- **The costs of treasury management and bank charges** are included because treasury management fits within the definition of Corporate Management as including 'those activities and costs that provide the infrastructure that allows services to be provided'. One outcome from treasury management activity is the level of bank charges relating to main council bank accounts. Therefore, these charges should also be included in Corporate Management. Charges for any accounts operated on a decentralised basis, eg those held by schools, should be a charge against the service of the account holder.

Chart 1: All By Fund



At Fund level there has been a noticeable shift in cost from City's Cash to City Fund. This is mainly due to the fact that a proportion of the cost of the team was charged to City's Cash Finance Committee pending the full implementation of the service and subsequent data gathering to identify appropriate bases to apportion the costs.

This also explains the 'spike' shown for Finance Committee in chart 3 below.

Chart 2: City Fund by Committee

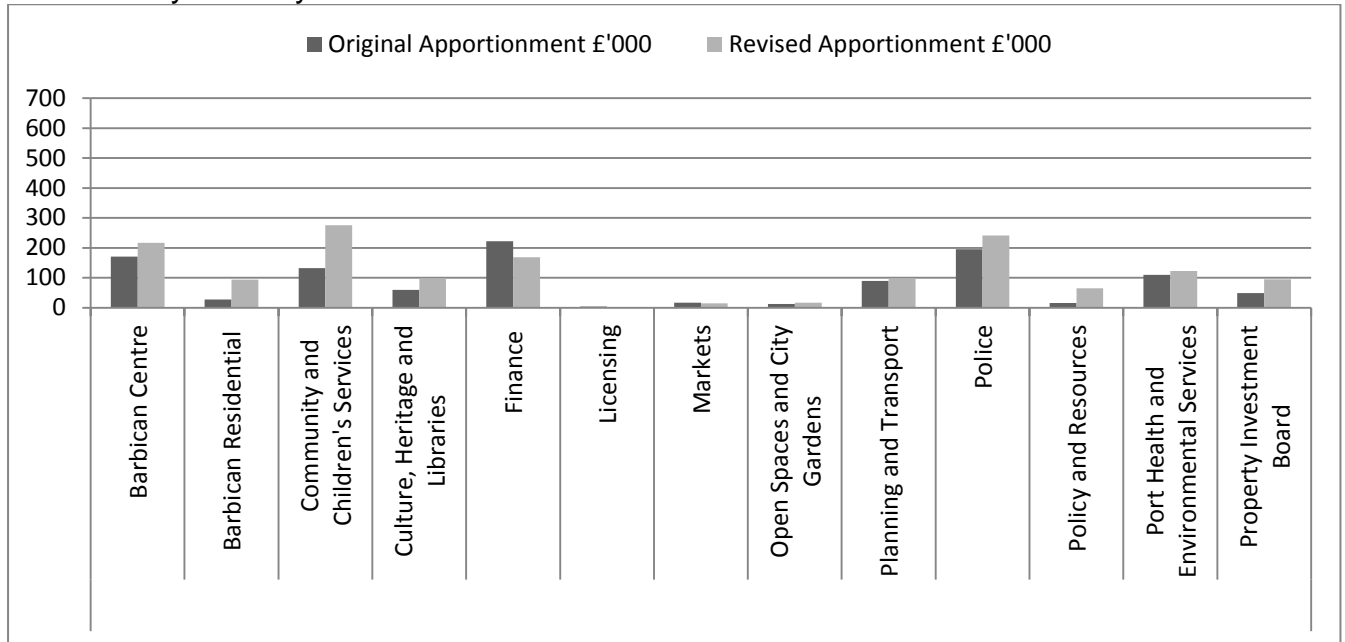


Chart 3: City's Cash by Committee

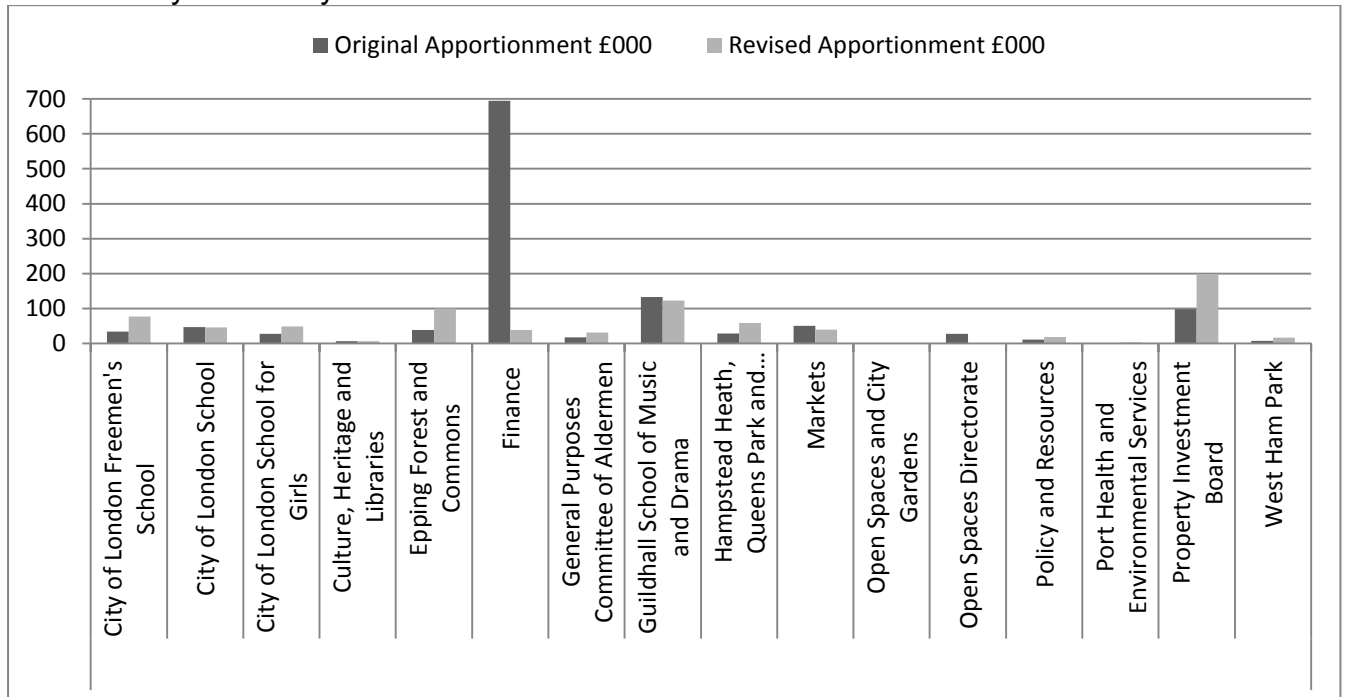


Chart 4: Bridge House Estates by Committee

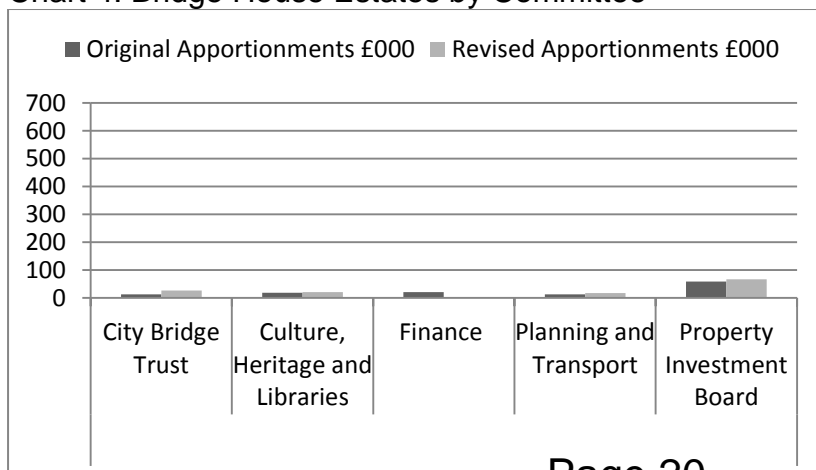


Chart 1: All By Fund

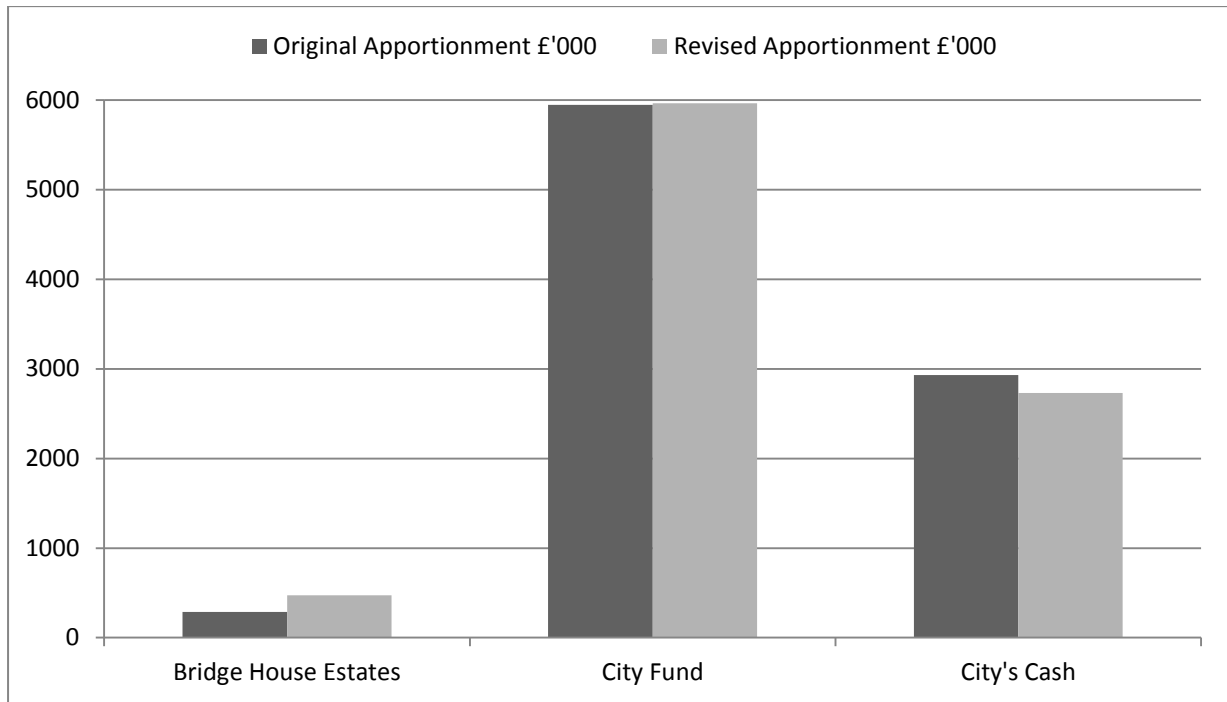


Chart 2: City Fund by Committee

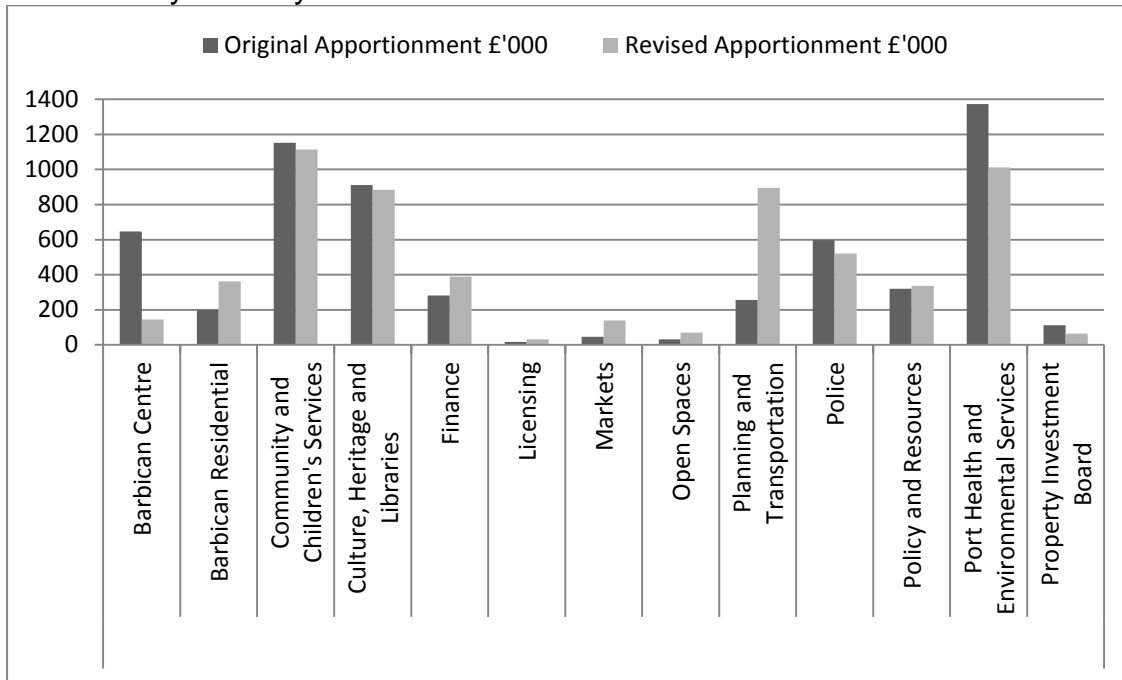


Chart 3: City's Cash by Committee

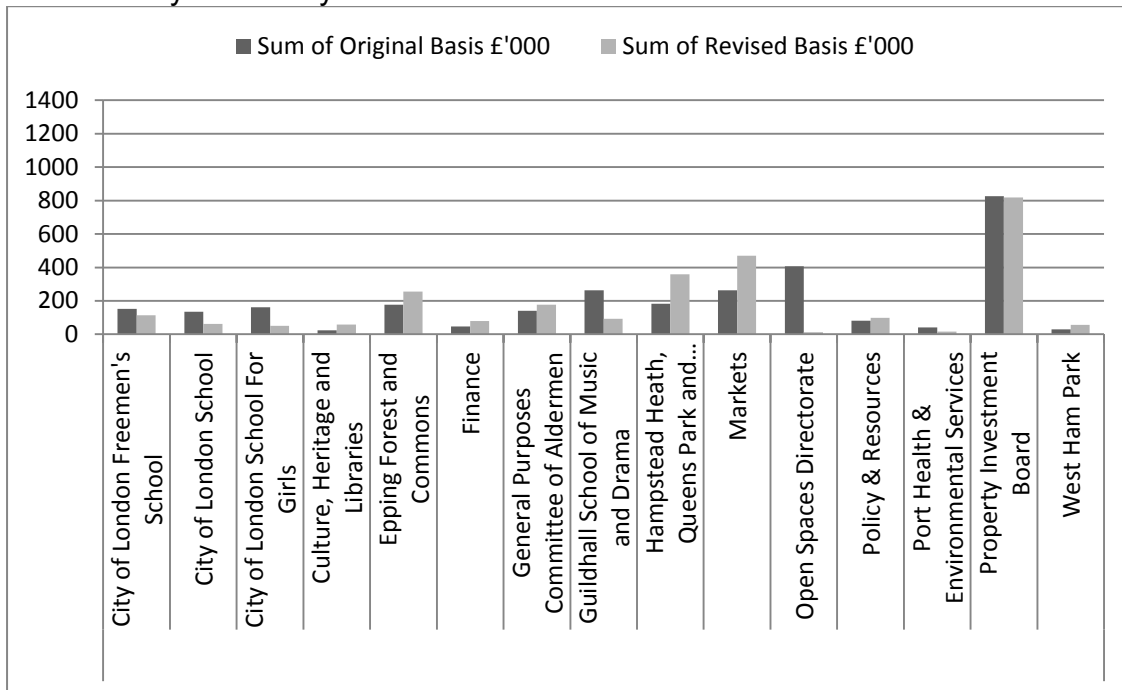
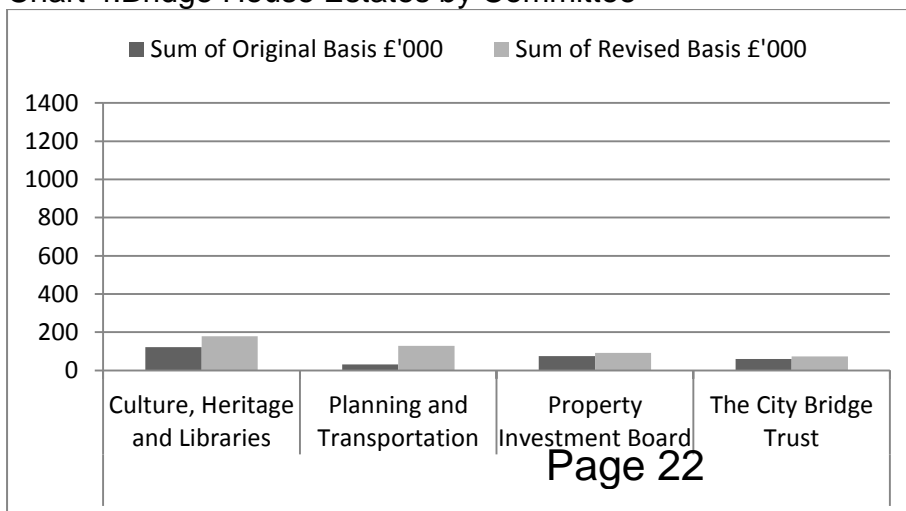


Chart 4: Bridge House Estates by Committee



Agenda Item 5

Committee:	Date:
Efficiency and Performance Sub Committee – For Information	26 March 2015
Subject: Service Based Review Roadmap	Public
Report of: Deputy Town Clerk	For Information

Summary

Under its terms of reference, the Efficiency and Performance Sub Committee is responsible for overseeing and monitoring the agreed programme of work arising from the Service Based Review.

This report presents the Sub Committee with the latest update in respect of the agreed Service Based Review projects and cross-cutting reviews in the format of the Service Based Review Roadmap (Appendix 1). Changes since the last meeting are reported against each of the projects in the main body of the report.

Of the 13 projects currently being tracked by this Roadmap, eleven are rated as 'green', one as 'amber', none as 'red', and one as 'n/a'. At the last meeting nine projects were rated as 'green' and four as 'amber'. Those that have changed rating are as follows:

Project	from ...	to ...
Project Management	Amber	n/a
Grants	Amber	Green
Effectiveness of Hospitality	Amber	Green

As discussed at the last meeting, the review of Project Management has been deferred. The review of grants has changed status as the final report has been agreed by the Chief Officers Group and is being presented to the Policy and Resources Committee on 28th May. Effectiveness of Hospitality has changed status as the Opportunity Outline has been approved by the Steering Group and the Summit Group and work on the review has commenced.

Further updates will be provided at every meeting of the Sub Committee.

Recommendation

Members are asked to note the report.

Main Report

Background

1. Members agreed to receive an update report at every meeting showing progress on the delivery of Service Based Review projects and programmes, including any actions to address problems identified.
2. Progress is reported on a “Roadmap”, attached as Appendix 1. This is in a common format, developed by the Corporate Programme Delivery Unit, who also work with Chief Officers to ensure that projects and programmes are delivered.
3. At officer level, progress is reported monthly to the Service Based Review Steering Group, chaired by the Chamberlain, and the Chief Officer Summit Group, chaired by the Town Clerk.
4. Since the last meeting, the Policy and Resources Committee received a report summarising the overall position in respect of the departmental budget reductions and the cross-cutting reviews. That report noted that the Efficiency and Performance Sub Committee had commenced its monitoring of the cross-cutting reviews using the Roadmap.
5. From this meeting of the Sub Committee, a separate Service Based Review financial monitoring report is being presented, highlighting any significant variations from the approved budget reductions, along with summary information on the progress made by every Chief Officer.

Service Based Review Roadmap

6. The Service Based Review Roadmap at Appendix 1 to this report lists all of the cross-cutting reviews agreed by the Policy and Resources Committee in September 2014, together with other work arising from the Service Based Review Challenge Meetings, or requested by the Policy and Resources Committee. It records the key activities for each of the projects. Appendix 2 contains an outline of each of the reviews reported on the Roadmap.
7. Opportunity Outlines are required for each review, to include key details of the project such as: the case for change; outcomes to be achieved; recommended approach to delivery; resources and support required; how benefits will be measured, and the risks of proceeding or not proceeding.
8. Further information will be added as Opportunity Outlines for every project are approved by the Summit Group, and monitoring reports are completed by the lead officers. Within the Roadmap, completed actions are shaded green.
9. The definitions for status and direction of travel are as follows:



Project is in a critical state, guaranteed to go, or has gone, beyond agreed tolerances



Project is slipping, has slipped, or is about to slip within agreed tolerances



Project is on track



Milestone



Project is in a controlled state



Positive direction of travel (e.g. from Amber to Green)



Negative direction of travel (e.g. from Amber to Red)



Project Closed (in RAG column)

Detailed Commentary – Changes since the last report

Cross-cutting Reviews

10. Strategic Asset Management. This line acts as the overarching proposal for the following four reviews to ensure that the strategic aims are aligned across all the asset-related opportunity outlines.
11. Strategic Review of Operational Properties. An update report was presented to the Resource Allocation Sub Committee in March. Good progress is being made with the departmental workshops. Once these are completed, the suggestions and comments made will be analysed and collated, for reporting to the Review Group, chaired by the Town Clerk. Regular updates are being provided to Chief Officers.
12. Facilities Management. During May, meetings are being held with individual Chief Officers and senior managers involved in facilities management (FM) activities to discuss issues with the current arrangements and how these could be overcome in future. Following these, a series of workshops will be held to help establish a clear set of principles for future FM contracts, with the aim of producing the most effective model of FM service provision in the future.
13. Project Management. As noted at the last meeting, it was being proposed that this review be deferred until later in the programme, which would give more scope for other projects to be prioritised and actioned more effectively. Members also noted that the work of the Corporate Programme Delivery Unit was supporting project management across the organisation through the application of a more formal process for change programmes. This course of action has been agreed by the Summit Group and with the Chairman of the Projects Sub Committee. This project has therefore been marked as 'n/a' on the Roadmap.
14. Procuring and Managing Services. Workshops are being scheduled to discuss issues with current contract management arrangements. These will assist with identifying skills gaps and a potential future model. Good engagement is taking

place with Chief Officers. The expected outcomes of this review include: improved contract management across the organisation, leading to improvements in, or maintenance of, quality delivery at a lower cost; the identification of any skills gap and the development of training programmes to address them, and recommendations for the appropriate governance and structure for future contract management.

15. Income Generation. A workshop was held in April to discuss the potential convening / co-ordinating role which the Corporation could play for the cultural institutions, in relation to accessing businesses and advertising / promotion opportunities – especially filming and charitable gift-giving. A second workshop will be convened once proposals are further developed.
16. CIPFA's comparisons of income generation across London Boroughs for 2012-13 are being reviewed to identify areas that need further exploration, particularly where the City Corporation was being outperformed by others in relation to local authority activities. Work has also been commissioned to determine the extent to which the City Corporation receives external public funding, particularly in comparison with similar organisations.
17. Grants. This project is now rated as 'green'. The final review report has been produced and was presented to the Chief Officers Group in April. The review covered grants programmes funded from City's Cash, City Fund and the charitable grant-giving trusts which are either wholly or majority-controlled by the City Corporation. This excluded charitable grant-giving trusts with which the City Corporation is involved (e.g. via nomination rights to the governing board of trustees) but which the City Corporation does not control via majority control of the board – except for cases in which the City Corporation finances the activities of the trust from City's Cash.
18. The review concluded that there is no consistent approach across the City Corporation to governing or managing grants, which potentially exposes the City Corporation to financial, organisational and reputational risks. Accordingly, a set of core principles have been identified to drive a more consistent, coherent and co-ordinated approach to grant giving, and several high level changes of direction are proposed, a number of which will require Member approval. A report has been prepared for a number of Committees, starting with Resource Allocation Sub Committee and Policy and Resources Committee on 28th May.
19. Effectiveness of Hospitality. This project is now rated as 'green'. The Opportunity Outline has been agreed by the Service Based Review Steering Group, and is being presented to the Summit Group on 18th May. The review will be overseen by the Corporate Events Management Group, chaired by the Remembrancer. Meetings have commenced with individual Chief Officers, with the intention of circulating draft proposals to departments by the end of May, following which a report will be made to the Hospitality Working Party.
20. Independent Schools. The Opportunity Outline has been agreed by the Service Based Review Steering Group, and is being presented to the Summit Group on 18th May. Preliminary meetings have been completed with three Head Teachers

and three Chairmen. Mapping of each School's activity against the Education Strategy is taking place, and will be reported to the three Boards of Governors in June and the Education Board in September.

Departmental Reviews

21. Remodelling Libraries. As requested at the last meeting, the Director of Culture, Heritage and Libraries has been invited to present on this review to the Sub Committee.
22. Barbican Centre. A further meeting of the Steering Group for this review was held in late April to discuss progress on the departmental savings and income generation proposals agreed by the Barbican Centre Board. Business cases for investment to support increased income generation in retail, catering and business events are due to be completed in June. A further meeting of the Steering Group is being planned for July, to discuss progress on the recommendations arising from the effectiveness review conducted by AEA.
23. Public Conveniences and Highways Maintenance. As noted at the last meeting, both of these will now be tracked via the departmental roadmap.

Conclusion

24. The Corporate Programme Delivery Unit has commenced monitoring and reporting of the Service Based Review cross-cutting reviews and associated projects. This will include reporting to every meeting of the Sub Committee.
25. Of the 13 projects currently being tracked by this Roadmap, eleven are rated as 'green', one as 'amber', none as 'red', and one as 'n/a'.
26. An emerging issue in respect of the cross-cutting reviews is that of resources, and officers have discussed the need to direct some additional external resource to support some projects within the overall programme.

Appendices

- Appendix 1 – Service Based Review Roadmap
- Appendix 2 – Outline of cross-cutting reviews

Background Papers

- Oversight of Corporate Programmes – report to Efficiency and Performance Sub Committee, 10 September 2014
- Service Based Review – report to Policy and Resources Committee, 26 March 2015

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Service Based Reviews Roadmap

Programme / Project	2014				2015												Opp Outline Agreed Steering Group	Opp Outline Agreed Summit Group	RAG
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Cross Cutting																			
Strategic Asset Management <i>Sponsor: Susan Attard</i>	<ul style="list-style-type: none"> Draft opportunity outline to be presented to SBR Steering Group 				<ul style="list-style-type: none"> Opportunity Outline to be presented to summit group 				<ul style="list-style-type: none"> Workshops to commence 										
>> Strategic Review of Operational Properties <i>Lead: Caroline Al-Beyerty, Peter Bennett</i>	<ul style="list-style-type: none"> Resources identified 		<ul style="list-style-type: none"> Draft opportunity outline to be presented to SBR Steering Group 		<ul style="list-style-type: none"> OO to be presented to summit group 		<ul style="list-style-type: none"> To agree Governance, milestones and establish project 		<ul style="list-style-type: none"> City Surveyors produce initial analysis of opportunity utilisation list 		<ul style="list-style-type: none"> Workshops - April/May 		<ul style="list-style-type: none"> Prepare workshop pack for Markets & CP workshop 		<ul style="list-style-type: none"> Update to Summit Group 		Dec-14	Feb-15	
>> Facilities Management <i>Sponsor: Susan Attard</i> <i>Lead: David Smith</i>	<ul style="list-style-type: none"> Draft opportunity outline to be presented to SBR Steering Group 		<ul style="list-style-type: none"> Opportunity Outline to be presented to summit group 		<ul style="list-style-type: none"> To agree Governance, milestones and establish project 		<ul style="list-style-type: none"> First meetings with Chief Officers 		<ul style="list-style-type: none"> Chief & Senior Officer meetings Workshops (May & June) Fix meeting of Steering Group Obtain BA support, commence review 						Feb-15	Feb-15			
>> Project Management <i>Sponsor: Peter Bennett</i>	<ul style="list-style-type: none"> Further discussion to take place to agree scope and membership for this proposal. 				<ul style="list-style-type: none"> Opportunity Outline to be presented to SBR Steering Group 		<ul style="list-style-type: none"> No OO yet received, meetings ongoing with CB, CAB & PB 										N/A		
Procuring and Managing Services <i>Sponsor: Michael Cogher</i> <i>Lead: Chris Bell</i>	<ul style="list-style-type: none"> Sponsors and business leads identified 		<ul style="list-style-type: none"> Draft opportunity outline to be presented to SBR Steering Group 		<ul style="list-style-type: none"> Opportunity Outline to be presented to summit group 		<ul style="list-style-type: none"> Agreed at Summit & SBR - Mtgs to establish governance, milestones & establish project 								Dec-14	Jan-15			
Income Generation <i>Sponsor: Peter Kane</i> <i>Lead: Leo Thomson / Sue Baxter</i>	<ul style="list-style-type: none"> Draft opportunity outline (OO) to be presented to SBR Steering Group 		<ul style="list-style-type: none"> Initial OO received 		<ul style="list-style-type: none"> Revised OO expected at SBR Steering Group 		<ul style="list-style-type: none"> OO presented to Summit Group 		<ul style="list-style-type: none"> Funding Workshop Chamberlain and project leads to meet 										
Grants <i>Sponsor: Susan Attard</i> <i>Lead: Sue Baxter</i>	<ul style="list-style-type: none"> Substantive research, background work to be completed by end December 2014 				<ul style="list-style-type: none"> First draft of report received & circulated 		<ul style="list-style-type: none"> Draft report discussed with review group 		<ul style="list-style-type: none"> Presented to COG on 20/04 		<ul style="list-style-type: none"> Final recommendations to be presented P&R and Resource Allocation Sub 		<ul style="list-style-type: none"> Final recommendations to be presented to relevant Service Committees (June & July) 		<ul style="list-style-type: none"> Final recommendations to be presented to Court of Common Council (if necessary) 		Nov-14		
Effectiveness of Hospitality <i>Sponsor: Paul Double</i> <i>Lead: Nigel Lefton</i>					<ul style="list-style-type: none"> Meetings with Individual Chief Officers 		<ul style="list-style-type: none"> OO presented to Summit Group 		<ul style="list-style-type: none"> Supply of data by provider Further discussions with CO 		<ul style="list-style-type: none"> Recommendations to be presented to Corporate Events Management Group 		<ul style="list-style-type: none"> Recommendations to be presented to Hospitality Working Party 				Apr-15	(May 15)	
Independent Schools – fees, bursaries, scholarships <i>Lead: Peter Lisle</i>	<ul style="list-style-type: none"> Appendix 4 of full SBR report to P & R inc benchmarks for tuition fees, bursaries & scholarships 		<ul style="list-style-type: none"> Education Board received a report detailing education - related activities funded by COL 		<ul style="list-style-type: none"> Preliminary discussions with Head Teachers on City support and links Education Strategy 		<ul style="list-style-type: none"> Opportunity Outline to be presented to SBR & Summit group 		<ul style="list-style-type: none"> Mapping of activity against Education Strategy reported to 3 Boards 		<ul style="list-style-type: none"> Mapping of activity against Education Strategy reported to Education Board 		<ul style="list-style-type: none"> Benchmarking information reported to 3 Boards 				Apr-15	(May 15)	

Continues on next page

Service Based Reviews Roadmap

Programme / Project	2014												2015				Opp Outline Agreed Steering Group	Opp Outline Agreed Summit Group	RAG
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Departmental																			
Remodelling Libraries <i>Sponsor: David Pearson / Ade Adetosoye</i> <i>Lead: Carol Boswarthack/Rosalina Banfield</i>			<ul style="list-style-type: none"> Report agreed by Policy & Resources Committee Principle of ongoing transformation to be pursued 		<ul style="list-style-type: none"> Draft OO received 	<ul style="list-style-type: none"> Draft OO Agreed 	<ul style="list-style-type: none"> Agreed & handed to department for delivery 		<ul style="list-style-type: none"> OO to SER Steering Group 	<ul style="list-style-type: none"> Project Sub 16/05 GW 3/4 for full costings 									
Barbican Centre <i>Sponsor: Nick Kenyon</i> <i>Lead: Leo Thomson & Sandeep Dwesar</i>	<ul style="list-style-type: none"> Full report circulated to Barbican Board 		<ul style="list-style-type: none"> Report agreed by Barbican Board 		<ul style="list-style-type: none"> Report received by Resource Allocation Sub Committee 22/1/15 		<ul style="list-style-type: none"> Mtgs to be arranged, indicative milestones to be agreed 										n/a	n/a	
Public Conveniences <i>Lead: Philip Everett</i>			<ul style="list-style-type: none"> Report agreed by Port Health & Environmental Services Committee Full SER savings amount agreed Detailed proposals amended to retain up to 4 x APC originally suggested for closure 				<ul style="list-style-type: none"> Report agreed by PHES Citty on 18/11 - project now moved to departmental roadmap 										n/a	n/a	
Highways Maintenance <i>Lead: Philip Everett</i>	<ul style="list-style-type: none"> Report agreed by Planning & Transportation Committee No savings proposed 		<ul style="list-style-type: none"> Report presented to Policy & Resources Committee for information 														n/a	n/a	

Page 30

- Partnership Working
- Technology Led Project/Programme
- Project is in a critical state, guaranteed to go, or has gone beyond agreed tolerances (financial, benefits, timescales, quality)
- Project is slipping, has slipped or is about to slip within agreed tolerances
- Project is on track

- Milestone
- Project is in a controlled state
- Positive direction of travel
- Negative direction of travel
- Project Closed

Service Based Review:
Outline of cross-cutting reviews included on Service Based Review Roadmap

1. Strategic Asset Management. A number of opportunities to mitigate cost and risk across the City Corporation's asset base have been identified. Due to the diversity, scope and complexity of the different suggestions, an overarching proposal has been created to ensure that the strategic aims are aligned across all the asset-related opportunity outlines. Where appropriate joint working will be utilised to achieve better outcomes overall.

Beneath the overarching proposal sit four work streams:

- Strategic Review of Operational Properties;
- Procuring & Managing Services (All Contracts);
- Project Management (All Project / Programme Management), and
- Facilities Management

The key issue to be addressed is that current arrangements for providing these services are inconsistent across the organisation. There is a lack of shared organisational understanding or consistency in the levels of service and how these are identified, delivered and measured, resulting in duplication of effort in some areas and a number of pinch points. Through these reviews, the opportunity to consolidate and rationalise, in order to deliver consistent and appropriately defined services in a more efficient and cost effective manner will be thoroughly tested.

Note: In March 2015, it was agreed to defer the review of Project Management until later in the overall programme.

2. Income Generation. The majority of the departmental proposals agreed by the Policy and Resource Committee in September 2014 relate to reducing costs, although several income generating proposals were put forward as part of this exercise. However, it was felt by Members that these proposals were not ambitious enough and that further opportunities should be explored. This review aims to identify both departmental and cross-cutting opportunities, such as promoting the city as a place to visit, and consequently increase income.
3. Grants. This review will examine the potential to improve the many different City Fund and City's Cash grant giving functions across the City Corporation to achieve better transparency and accountability, improved value for money, greater traction and administrative efficiencies.
4. Effectiveness of Hospitality. This review will comprise a thorough examination of all aspects of the City Corporation's hospitality activities and how these link to the Corporation's Strategic Aims. Hospitality linked to events takes place in numerous ways and in different departments; and this review will examine how such hospitality can be coordinated so far as possible to maximise efficiency and effectiveness, and to achieve effective sharing of best practice.

5. Independent Schools. This review will examine issues regarding fees, scholarships and bursaries at the three independent schools and will be conducted in consultation with School Heads and the governing bodies.
6. Remodelling Libraries. At the December 2014 meeting of the Policy and Resources Committee, Members received a report outlining transformation opportunities for the City Corporation's Library services. They agreed that the principle of ongoing transformation of the services should be pursued and that further work should take place on planning and costing a range of options relating to the City's Lending Libraries.
7. Charitable Funding. The report to the Policy and Resources Committee in September 2014 noted three service areas that are charitable in nature and might satisfy Bridge House Estates' charitable objectives. These could potentially be financed from the charity Bridge House Estates, in accordance with the policy and procedures agreed by the charity's sole corporate trustee, the City of London Corporation acting through the Court of Common Council, following appropriate consultation. Members agreed that further research should be undertaken by the Chief Grants Officer, in conjunction with the Chamberlain and the Comptroller and City Solicitor.
8. Barbican Centre. As part of the Service Based Review process, Adrian Ellis Associates (AEA) Consulting was commissioned to provide a review of the Barbican Centre's current operations and to identify areas in which there might be scope for improvements in efficiency and effectiveness. They also scrutinised and assessed the Centre's Service Based Review proposals. An implementation plan has been developed to encompass both the Service Based Review proposals and the AEA recommendations. Progress against the plan will be monitored through the standard Corporate Programme Delivery Unit processes, and reported to a separate Steering Group which has been established, and includes the Chamberlain, the Managing Director and the Deputy Town Clerk.
9. Public Conveniences. When considering the Service Based Review proposals of the Department of the Built Environment, the Policy and Resources Committee requested that further work be undertaken in respect of the provision of public conveniences. This further work was reported to the Port Health and Environmental Services Committee in November 2014. The Committee agreed a revised proposal, which maintained the full savings proposed for this service, whilst retaining up to four of the Automated Public Conveniences originally suggested for closure.
10. Highways Maintenance. When considering the Service Based Review proposals of the Department of the Built Environment, the Policy and Resources Committee recognised that highways were a priority area and that there were cost pressures that should be considered further by the Planning and Transportation Committee. A report was presented in November 2014, when Members agreed that no further savings would be made from the highways maintenance budget as part of the current review, and that a further report should be submitted in 12 months' time.

Committee:	Date:
Efficiency and Performance Sub Committee	26 May 2015
Subject: Performance Monitoring: London-wide Performance Indicators	Public
Report of: Deputy Town Clerk	For Information

Summary

This report presents the most recent results from the dashboard of service Performance Indicators monitored and reported quarterly by London Councils, known as LAPS (London Authorities Performance Solution). These cover the period October to December 2014, and are attached as Appendix 1.

This shows that the City continues to perform well in comparison with London Boroughs, with 79% of the indicators for which the City reports data being in the top quartile of London performance. Where the City's performance is in the bottom quartile, or where performance has deteriorated, this is followed-up with departments, and this report comments in more detail on those indicators.

This report also summarises the City Corporation's approach to sickness absence, as requested by Members in January. This demonstrates a rigorous approach to the monitoring and reporting of sickness absence at individual, departmental and corporate levels.

Recommendation

Members are asked to note the report.

Main Report

Background

1. Members will recall from previous meetings that London Councils maintains a dashboard of thirty-six service Performance Indicators which are reported quarterly. This dashboard, known as LAPS (London Authorities Performance Solution) is reviewed by the Chief Officers Summit Group before being reported to the Sub Committee.
2. The latest dashboard covers the period from 1st October to 31st December 2014, and is attached as Appendix 1.
3. On the dashboard, the City's performance is shown in the column headed 'value', and by the black diamond (◆) in the column headed 'better performance →'. The 'group average' is calculated from those boroughs that submitted data. The number of boroughs submitting data for each indicator is shown in the 'group average' column.

Current Position

4. The table below summarises the City's performance for Q1 (April-June), Q2 (July-September) and Q3 (October-December) of 2014/15, showing the number of performance indicators (PIs) in each quartile:

	Top quartile	2 nd quartile	3 rd quartile	Bottom quartile	n/a *	Total
Q1: Number of PIs	14	2	2	1	17	36
Q2: Number of PIs	17	3	2	1	13	36
Q3: Number of PIs	15	3	0	1	17	36
Net change in numbers Q2 to Q3	-2	-	-2	-	+4	-

* The n/a indicators generally relate to Community and Children's Services indicators where the raw data value is <10.

* The indicators for Council Tax and non-domestic rates collection are n/a because the City chooses to submit data only at year end.

Movement between quartiles

5. One indicator has moved from n/a to the top quartile as a result of the national data sets becoming available for the third quarter:
 - DB15: Percentage of persons aged 16-18 who are not in education, employment or training (NEET)
6. One indicator has moved from third quartile to second quartile:
 - DB35: Percentage of minor planning applications determined within 8 weeks – performance has improved from 69% to 74%
7. Three indicators have moved from the top quartile to n/a, because national datasets for these indicators were not available:
 - DB23: Percentage of working age people on out of work benefits
 - DB24: Number of households living in temporary accommodation
 - DB25: Number of homeless applications accepted as being in priority need
8. Two indicators have moved to n/a because data was not available at the cut-off date for submission:
 - DB9: Housing Benefit number of days to process new claims
 - DB10: Housing Benefit number of days to process change of circumstances

Bottom quartile indicator

9. One indicator remains in the bottom quartile – DB36: Percentage of 'other' planning applications determined within 8 weeks. This is despite the City's

performance improving from 71% to 73%. A detailed review of this indicator was reported to the last meeting of this Sub Committee.

Sickness absence

10. At the January meeting, Members requested further detail on sickness absence trends and management at the City Corporation. Figure 1 below shows the City's performance over the last three years.

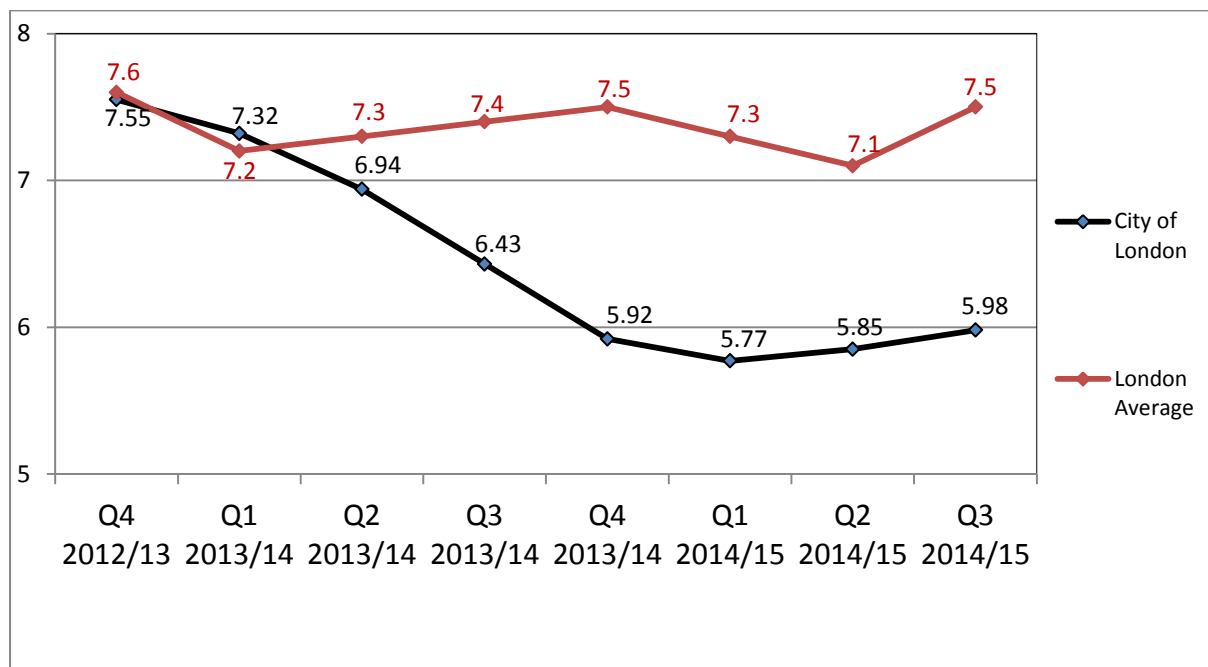


Figure 1: City of London sickness absence data – 12 month rolling averages

11. The City has a robust approach to managing sickness absence and this is reflected in the performance figures. As shown in Appendix 1, the City lost 5.98 working days per FTE (Full Time Equivalent) member of staff to sickness in the past 12 months, compared to the London average of 7.5 days and the national comparator of 9 days. This puts the City in the top quartile in terms of performance. As shown in figure 1 above, the City has been consistently below the London average for the last six quarters.

12. The City Corporation has a Sickness Absence Policy and Procedure in place for Line Managers to follow. This policy was recently reviewed and simplified and revised version was launched on the 1st February 2015. This includes return-to-work interviews after each period of absence and 'trigger levels' for further action. Monitoring and support to Line Managers is provided by Corporate HR to ensure that sickness absence is managed appropriately.

13. In April 2015, Corporate HR introduced a departmental dashboard for each Chief Officer which reports the key HR metrics, including sickness. This will now be produced on a monthly basis to enable closer monitoring of sickness absence by Chief Officers and their Departmental Management Teams, especially as this is based on dynamic sickness data and not static reported values.

14. A quarterly report of sickness absence trends and figures is provided to the Summit Group and Chief Officers Group. This will include comments from Chief Officers whose Departments are above the corporate average as to the action they are taking. Reports are also provided to the Establishment Committee on the same basis.
15. In addition, the Chief Officer Sickness Absence Review Group (SARG) meets monthly to independently review individual cases directly with line managers if the Group feels that further action should be considered.

Conclusion

16. The City continues to perform well against the London Dashboard, with minor fluctuations from quarter to quarter. Those indicators where the City's performance is in the bottom quartile, or where performance has deteriorated are followed-up with departments, and the results reported to the Performance and Strategy Summit Group of Chief Officers.

Appendices

- Appendix 1 – LAPS Dashboard for Q3 of 2014/15

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City of London: London Performance Dashboard: 2014-15 - Q3 FINAL

Risk and vulnerability	Value	Better performance →	Group Average
DB 01: Violence against the person crime rate per 1,000 population (LIS 15) Year to Date Apr 14 to Dec 14	2.05		16.96
DB 02: Robbery, dwelling burglary, and theft off from a motor vehicle crime rate per 1,000 population (LIS 16) Year to Date Apr 14 to Dec 14	0.65		12.18
DB 03: Total notifiable crime rate per 1,000 population (LIS 3) Year to Date Apr 14 to Dec 14	13.2		62.13
DB 04: % Child Protection Plans lasting 2+ years at 31 March and for child protection plans which have ended during the year (N 17) Year to Date Apr 14 to Dec 14	0.0		3.8
DB 05: % children subject of Child Protection Plan for a 2nd time or more, within 2 yrs of previous plans end date (N 18) Year to Date Apr 14 to Dec 14	0.0		9.5
DB 06: Vacancy Rate of Children's social workers (FTE) for year ending 30 Sept (N 23) Annual Snapshot 30 Sept 2014	0		22
DB 07: % Children's Social workers who are agency workers (FTE) for year ending 30 Sept (N 26) Annual Snapshot 30 Sept 2014	0		22
DB 08: % of adults with a learning disability who live in their own home or with their family (ASCOF 1G) Year to Date Apr 14 to Dec 14	n/a		62.6
DB 09: Housing Benefit number of days to process new claims (LIS 181a) Year to Date Apr 14 to Sep 14	n/a (a)		23.1
DB 10: Housing Benefit number of days to process change of circumstances (LIS 181b) Year to Date Apr 14 to Sep 14	n/a (a)		8.8

key

- ◆ borough performance
- average performance
- national comparator
- lower performing 25%
- middle performing 50%
- higher performing 25%

relative performance is:

- quite below average
- quite above average
- significantly below average
- significantly above average

Guidance notes

a. The diamond represents performance for your chosen borough. To the right of the black bar represents better than average performance, to the left represents lower than average performance.

b. Lower than average performance does not necessarily imply poor performance, and vice versa.

c. ** denotes there are fewer than 16 returns for that indicator.

d. Please note that the national comparator measure is the latest available, it does not necessarily relate to the same time period as borough data.

e. (a) denotes that for data presourced by London Councils, the borough submitted their own data instead.

f. Blue font indicates a presourced data item from an existing data publication.

Improving life chances	Value	Better performance →	Group Average
DB 11: Percentage of pupils achieving level 4 or above in both Reading, Writing and Maths at Key Stage 2 (LIS 73) Annual 2013-14	93		82
DB 12: % children in need (CIN) achieving at least level 4 at KS2 in reading, writing & math (N 1a) As at March 2014	n/a		52.1
DB 13: % children in need (CIN) who achieve 5+ A* -C grades at GCSE including Eng & math (N 1b) As at March 2014	n/a		19.4
DB 14: % of school-aged children in need permanently excluded from school (N 3a)** As at April 2013	n/a		0.00
DB 15: Percentage of persons aged 16-18 who are not in education, employment or training (NEET) (NI 117) Nov 2013-Jan 2014 average	0.5 (a)		3.8
DB 16: % of clients using social care who receive self-directed support (ASCOF 1C(1a)) Year to Date Apr 14 to Dec 14	n/a		83.5
DB 17: % of clients using social care who are receiving direct payments (ASCOF 1C(2a)) Year to Date Apr 14 to Dec 14	n/a		30.2
DB 18: rate 18-64 yr old permanent admissions to residential and nursing care homes, per 100,000 population (ASCOF 2A(1)) Year to Date Apr 14 to Dec 14	n/a		7.8
DB 19: rate aged 65+ permanent admissions to residential and nursing care homes, per 100,000 population (ASCOF 2A(2)) Year to Date Apr 14 to Dec 14	n/a		315.7
DB 20: Number of people receiving a council funded service (RAP 1) Year to Date Apr 14 to Dec 14	n/a		4257
DB 21: Number of Carers receiving respite or carer specific services as an outcome of assessment or review (RAP 2)** Year to Date Apr 14 to Dec 14	n/a		681
DB 22: % of relevant care leavers aged 19-21, now in education, employment or training (LIS 148)** Year to Date Apr 14 to Dec 14	n/a		59.3
DB 23: Percentage of working age people on out of work benefits (NI 152)** Snapshot - Aug 14	n/a		n/a
DB 24: Number of households living in temporary accommodation (NI 156)** Snapshot - Dec 14	n/a (a)		955
DB 25: Number of homeless applications accepted as being in priority need (LIS 18)** Rolling year Jan 13 to Dec 14	n/a (a)		284

Quality of the environment	Value	Better performance →	Group Average
DB 26: Number of kilograms per household of residual household waste collected (NI 191) Year to Date Apr 14 to Dec 14	289		368
DB 27: Percentage of household waste sent for reuse, recycling and composting (NI 192) Year to Date Apr 14 to Dec 14	36.1		35.59
DB 28: Percentage of land assessed as having unacceptable levels of litter (NI 195a) Most recent survey	4.83		6.07
DB 29: Percentage of land assessed as having unacceptable levels of detritus (NI 195b) Most recent survey	0.00		7.24
DB 30: Percentage of land assessed as having unacceptable levels of graffiti (NI 195c) Most recent survey	0.17		2.51
DB 31: Percentage of land assessed as having unacceptable levels of fly-posting (NI 195d) Most recent survey	0.17		1.43

Interest to the public	Value	Better performance →	Group Average
DB 32: Percentage of Council Tax collected (BVPI 9) Year to Date Apr 14 to Dec 14	n/a		81.6
DB 33: Percentage of non domestic rates collected (BVPI 10) Year to Date Apr 14 to Dec 14	n/a		83.6
DB 34: Number of working days per FTE lost due to sickness absence (excluding school staff) (BVPI 12) Rolling year Jan 13 to Dec 14	6.0		7.5
DB 35: Percentage of minor planning applications determined within 8 weeks (NI 157b) Year to Date Apr 14 to Dec 14	74		71.9
DB 36: Percentage of 'other' planning applications determined within 8 weeks (NI 157c) Year to Date Apr 14 to Dec 14	73		82.1



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EFFICIENCY AND PERFORMANCE SUB-COMMITTEE - Outstanding Actions (as at 11/5/2015)

Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
1	January 2013	Staff Suggestion Scheme Members requested that officers review and report back on the incentives offered to staff who suggest good ideas through the City Corporation's Staff Suggestion Scheme and also the level of uptake.	Deputy Town Clerk	May 2015: Start of three month trial of refreshed scheme, using online platform	April 2015: The Performance and Strategy Summit Group of Chief Officers approved a three-month trial of a refreshed staff suggestions scheme, including an online platform for recording and sharing suggestions. The target start date is 1 st July, to allow for the implementation of single sign on, configuration of the system, and the preparation and launching of a communications campaign.
2	July 2014	Professional, Management and Consultancy Fees Members requested a further report to the Sub Committee following completion of the Internal Audit VFM review of consultancy fees and the joint work planned between internal audit and City	Chamberlain	July 2015 (report to Efficiency and Performance Sub Committee)	May 2015: Report on consultancy spend for 2013/14 now completed and presented at Corporate Services Procurement Category Board. It will inform future strategy for consultancy and temporary labour procurement. Findings will be reported to the Sub Committee in July.

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE - Outstanding Actions (as at 11/5/2015)

Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
		Procurement on Professional, Management and Consultancy Fees.			
3	September 2014	<p>Central Support Service Costs and the Allocation or Apportionment to the City's Activities</p> <p>Members agreed to receive a further report, within six months, on the review and updating of the methodologies for the recovery of costs, with the aim of improving the appropriateness of distributions.</p>	Chamberlain: Financial Services Director	<p>May 2015 (report to Efficiency and Performance Sub Committee)</p>	<p>May 2015: Report submitted to Efficiency and Performance Sub Committee</p> <p>DISCHARGED</p>
4	January 2015	<p>Performance Monitoring</p> <p>Members asked for more detail on the City Corporation's sickness absence data, and actions being taken to improve</p>	Deputy Town Clerk/Director of HR	<p>May 2015 (report to Efficiency and Performance Sub</p>	<p>May 2015: Included in Performance Monitoring report submitted to Efficiency and Performance Sub Committee</p> <p>DISCHARGED</p>

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE - Outstanding Actions (as at 11/5/2015)

Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
		performance.		Committee)	
5	January 2015	Service Based Review Members agreed to receive a Service Based Review Budget Monitoring report.	Chamberlain: Financial Services Director	May 2015 (report to Efficiency and Performance Sub Committee)	May 2015: Report submitted to Efficiency and Performance Sub Committee DISCHARGED
6	4 March 2015	Combined Heat and Power (a) Officers to meet and discuss query raised by a Member in respect of on-site generators (b) Officers to provide an update report on contingency issues and how the risk was being and would be managed	Chamberlain: Business Support Director		(a) The Member's points have been addressed in separate meetings with Suzanne Jones and Citigen. (b) The contingency issues are covered in the report to Corporate Asset Sub Committee (31/3/15) and Efficiency and Performance Sub Committee (26/5/15) DISCHARGED

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE - Outstanding Actions (as at 11/5/2015)

Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
7	4 March 2015	City Procurement Officers undertook to submit a follow-up report regarding the City Procurement Strategy, identifying areas of weakness and how they were being addressed, including timescales.	Chamberlain: Business Support Director	July 2015 (report to Efficiency and Performance Sub Committee)	May 2015: The City Procurement Strategy will be presented to the Procurement Steering Group and Chief Officers Group for decision in May, followed by Finance Committee for information in June, and Efficiency and Performance Sub Committee in July.
8	4 March 2015	Service Based Review Roadmap Director of Culture, Heritage and Libraries and Director of Community and Children's Services to be invited to the next meeting to discuss the Remodelling Libraries project	Chamberlain/Deputy Town Clerk	May 2015 (presentation to Efficiency and Performance Sub Committee)	May 2015: Presentation to Efficiency and Performance Sub Committee DISCHARGED
9	4 March 2015	Collaboration with City Police Officers undertook to provide a Roadmap for four key workstreams, against	Deputy Town Clerk	July 2015 (report to Efficiency and Performance	May 2015: Programme Board for these workstreams established. Governance arrangements and dependencies between these

EFFICIENCY AND PERFORMANCE SUB-COMMITTEE - Outstanding Actions (as at 11/5/2015)

Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
		which progress could be monitored		Sub Committee)	workstreams and the City Police Accommodation programme being clarified and embedded. Milestones still to be agreed. Roadmap will be presented to the Efficiency and Performance Sub Committee in July.

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Efficiency and Performance Sub Work Programme 2015/16

(Changes since the last meeting in italics)

Date	Items
17 th July	<ul style="list-style-type: none"> • Energy performance report (end of year) • Service Based Review financial monitoring report • Service Based Review Roadmap (Programme Unit delivery report) • Performance monitoring report: LAPS Q4 • <i>City Procurement Strategy</i> • <i>Consultancy Spend Review (Internal Audit and City Procurement)</i> • <i>Joint City Police/City Corporation Roadmap: "One Safe City"</i>
16 th September	<ul style="list-style-type: none"> • Performance monitoring report • Service Based Review financial monitoring report • Service Based Review Roadmap (Programme Unit delivery report)
4 th November	<ul style="list-style-type: none"> • Annual Combined Heat and Power report • Performance monitoring report, LAPS Q1 • Service Based Review financial monitoring report • Service Based Review Roadmap (Programme Unit delivery report) • Energy performance report (half year)
13 th January 2016	<ul style="list-style-type: none"> • CIPFA VFM Indicators 2014/15 • Performance monitoring report, LAPS Q2 • Service Based Review financial monitoring report • Service Based Review Roadmap (Programme Unit delivery report)
7 th March	<ul style="list-style-type: none"> • <i>Performance monitoring report</i> • <i>Service Based Review financial monitoring report</i> • <i>Service Based Review Roadmap (Programme Unit delivery report)</i>

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