

Committee: Finance Committee	Date: 18 June 2019
Subject: Public Report of the work of the Sub-Committees	Public
Report of: Town Clerk	For Information
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Summary

On 19 July 2016, the Finance Committee agreed that, in addition to draft minutes of Sub-Committee meetings, short reports be provided to advise the Committee of the main issues considered by the Sub-Committees at recent meetings. This report sets out some of the main public issues considered by the following Sub Committees since 21st May 2019:

Corporate Asset Sub-Committee – 5th June 2019

ITEM 9. ADDITIONAL REPAIRS AND MAINTENANCE PROGRAMME 2018/19 QUARTER 4

The City Surveyor reported on the additional repairs and maintenance programme 2018/19 quarter 4, providing an overview of the progress and expenditure of the three-year 2016/17 programme (AWP) at the end of the financial year 2018/19.

The programme for 2016/17 totals 269 projects with a budget of £5.248m over the life of the programme. Total cost of the programme was £4.906m, excluding the £221,550 previously agreed for carry-over into 2019/20.

One project expected to complete in 2018/19 (ornate metalwork in London Central Markets) was not completed because of delays that project suffered due to access restrictions caused by neighbouring construction works being undertaken by Crossrail and Thames Water. Aside from that, and projects the Sub Committee has already agreed will be carried into 2019/20, the programme is complete. While some final accounts remain to be agreed, current figures indicate that savings over the programme total £342,018.

RESOLVED - The Sub Committee approved the following:

- provision of £192,300 be approved from the 2016/17 AWP budget into 2019/20 for project C037AW006L, LCM ornate metalwork maintenance finishes;
- provision of £100,000 be approved from the 2016/17 AWP budget into 2019/20 to allow settlement of final accounts when agreed; and
- carry over of savings on this programme into the 2019/20 CWP be approved to fund cyclical works currently on the reserve list.

Digital Services Sub-Committee – 30th May 2019

ITEM 7. CHANGE AND ENGAGEMENT UPDATE

The Sub-Committee received a report of the Chamberlain on the Change and Engagement Update. Members were informed that the IT Transformation has delivered £250,000 in cashable storage savings. To deliver further benefits requires increased adoption of the Office 365 toolset that the City of London has already invested in with Microsoft licence agreement. The reduction of storage is a favourable benefit for the City of London. An example provided was of the Freeman's School who are based in Leatherhead where governor meetings can now be held remotely via Skype for Business video conference with colleagues based at Guildhall.

A Member asked what will happen to the funds saved from the IT Transformation programme. Members were informed that any saving from the programme will go back to the Corporate Funds of the City of London.

Additionally, a Member sought clarification on the benefits of the business case for the programme. Members were told that one of the immediate benefits of the programme was that it was freeing up storage environment. A review will be carried out to explore the additional financial and non-financial benefits of the programme.

RESOLVED - *The Sub-Committee noted the report.*

Procurement Sub-Committee – 30th May 2019

ITEM 5. CITY PROCUREMENT QUARTERLY PROGRESS REPORT - YEAR END FOR 2018/19

The Sub-Committee considered a report of the Chamberlain providing an update on areas of progress measured against Key Performance Indicators (KPIs) for 2018/19.

In response to questions and comment from Members, Officers advised that in the interests of transparency, a comprehensive list of contracts would be included with formal savings targets. However, it was expected some projects would not deliver savings for a variety of reasons. It was also reported that there was potential for departmental challenge on baseline costs and in the event of costs increasing, departments would have to identify how these additional costs would be met.

RESOLVED – *That the progress report on the key strategic improvement projects and performance for the 2018/19 financial year as set out below be noted.*

- A total savings achievement of £8.4m in 2018-2019 financial year
 - Procurement savings of £6.74m achieved against a target of £6.52m.
 - Commercial Contract Management (CCM) savings of £1.66m against a target of £1.27m.
- Purchase order compliance of 97% (on target).
- 94% of all supplier invoices were paid within 30 days (target of 97%).

- 84% of SME invoices were paid within 10 days (target of 85%).
- Waiver trends:
 - Total number of waivers has reduced by 32% compared to the previous financial year.
 - Non-compliant waivers have decreased by 72% comparing the same periods.
 - A total of 42 Procurement Breach waivers recorded in 2018/19 with a value of £2.5m.

Recommendations

The Committee is asked to note the report.

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