

Committee(s)	Dated:
Finance Committee	10 November 2020
Subject: Key workstreams and business plan update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	<p>Outcome 5: <i>Businesses are trusted and socially and environmentally responsible</i></p> <p>Outcome 8: <i>We have access to the skills and talent we need</i></p> <p>Outcome 9: <i>We are digitally and physically well-connected and responsive</i></p>
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: The Chamberlain	For Information
Report author: Grace Rawnsley	

Summary

This report provides Members with a brief update on key areas of work underway in the Chamberlain's department and assurance that the department is making good progress in delivering the 2020/21 Departmental Business Plan to the agreed timescale and budget. The report also provides Members with an overview of the additional work resulting from COVID-19 and the way the department has responded to meet this challenge within existing resources.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The Chamberlain's Departmental Business Plan for 2020-21 was approved by Finance Committee on 21 January 2020. This report has been produced to provide Members with a summary of key work streams, progress against key deliverables, and additional workloads resulting from COVID-19 in the first half of the financial year.

Progress on Key Priorities in 20/21 business plan

Supporting the fundamental review and new operating model for the organisation through providing strategic financial and commercial advice.

2. Significant work has gone into supporting the organisation with financial and commercial advice. The impact of COVID-19 has widened the planned work on securing savings in-year. Several mitigations were put in place to address the adverse effects of COVID-19 and to ensure the Corporation's finances in the 2020/21 financial year. 2020/21 departmental budgets were reviewed to secure resource reductions and mitigate against income loss; and to ensure all departments had realistic budgets to move forward. Budget adjustments were approved by Finance Committee for onward recommendation to Court of Common Council.
3. The Chamberlain's Finance, Commercial and Procurement services have been working closely with departments to review opportunities to derive efficiencies, savings or income that will assist the services operate within their new budget envelope.
4. Preparation work to support the roll out of the new target operating model has been conducted to ensure that structural changes lead to savings; and delivery of the £14.3m forecast savings can be tracked.

Delivering an ambitious programme of departmental change to ensure fit for the future, responsive and value for money.

5. The central work on a new organisational target operating model (TOM) has delayed aspects of the departmental change programme. As a result, the IT and procurement divisions are currently awaiting the principles of the TOM to finalise their proposed future working practices in line with their respective strategies. However, there is an ongoing need to transform the financial services division. A Finance Transformation programme has been developed which will be progressed in tandem with the TOM.
6. Six workstreams have been identified to achieve savings and transformation in FSD including: improved ways of working, processes and procedures; improved strategic financial modelling capability; cultural and structural improvements; staff development; and better communication. The programme will see members of FSD at all levels work together to deliver projects over the next 18 months. Outcomes of the workstreams include the replacement of the current finance system, developing a 10-year strategic finance and cashflow model for each of the Corporation's funds and a review of the financial regulations with a specific focus on thresholds.

Delivering and embedding the 2020 IT services contract to secure further service improvements and value for money.

7. Considerable preparation for the new IT services contract has been conducted over the past 6 months to ensure that the correct resources and teams are in place to support a smooth transition.
8. Part of the contract has gone live with the migration of Agilisys data centres used by the City of London. The migration of City of London Police data centres is due to be completed in the new year. The transition has been delayed due to IT security concerns about the new Service Management tool. IT are working to resolve all outstanding issues with Agilisys to enable the contract signing in December 2020.

Delivering an annual audit plan that is aligned to the Corporate Plan and provides assurance to key stakeholders.

9. The Internal Audit Plan is designed to provide assurance as to the adequacy of the City of London Corporation's systems of internal control and governance. The team is on track to deliver their target of 95% of the audit plan to draft report stage by year end.

Embedding the organisation's approach to Responsible Business including responsible investment and procurement.

10. Chamberlain's department takes the corporate role in leading on responsible business, investment and procurement. Over the past six months, the team have led on the delivery of the Responsible Business Strategy action plans, refining the reporting framework and developing the annual report. Some key achievements in this area include; developing the organisational approach to delivering the UN Sustainable Development Goals agreed at September Policy and Resources Committee, and successfully delivering the Power Purchase Agreement (PPA) which will result in £3m saving on corporate energy expenditure.
11. Additionally, over the past 6 months the team led on a variety of elements of the recently adopted Climate Action Strategy. In particular: package 1 of the strategy development programme aiming to address how CoL systems can embed climate action; carbon foot printing of our financial investments; carbon foot printing of our supply chain; and the strategy development and drafting.

Additional COVID-19 priorities

12. The Business Rates team has processed 862 Small Business Rate Grants totalling £8,620,000; and 508 Retail and Leisure Grants totalling £11,920,000. The team had also paid out a further 100 Discretionary grants totalling £728,600. This is a combined total of £21,268,000 in grant payments processed between April-September 2020.
13. The team have also awarded approximately £130.5m in Retail and Leisure Business Rate Relief. This provides 100% relief from business rates to qualifying businesses.

14. Considerable work was undertaken at the beginning of the pandemic to develop and administer a Supplier Relief Programme. This needed to provide assurance for the integrity of the supply chain during the emergency response phase, and assurance that the supply chain would remain largely intact for return to business as usual.
15. The Charities Finance Team and Accounts Payable supported the London Community Response Team (a restricted trust established within BHE as a result of the Coronavirus pandemic to provide support to London's communities) whom between April and June awarded £13.1m in community grants to 951 organisations across London.
16. The IT team supported the London Strategic Response Group by working with City of London Police to develop an application to manage COVID-19 mortality data. The team also provided an IT service from scratch including support and equipment to approximately 30 seconded staff.
17. Rapid mobilisation of resources to support working from home from the IT team allowed the organisation to respond effectively to the pandemic. This included accelerating the Police IT transformation programme. Over 4 weeks the legacy remote working infrastructure was upgraded with staff working weekends and late evenings to enable remote working of CoLP back office staff.
18. The IT team was also instrumental in supporting the successful move to virtual committee meetings. Since the August recess, the team has supported 78 virtual committee meetings – providing IT support to the Committee Clerks and Chairs and ensuring that the meetings are streamed live on youtube.

Key Data

19. The departmental scorecard can be found in Appendix 1 and details progress against key performance indicators.

Corporate & Strategic Implications

Strategic implications

20. The Chamberlain's Business plan supports the following outcomes in the Corporate Plan:
 - Outcome 5: Businesses are trusted and socially and environmentally responsible
 - Outcome 8: We have access to the skills and talent we need
 - Outcome 9: We are digitally and physically well-connected and responsive
21. The Department leads corporately and supports a variety of strategies which are represented in the business plan:
 - Responsible Business Strategy
 - Climate Action Strategy

- Digital Skills Strategy
- Information Management Strategy
- Procurement and Commercial Strategy

Financial implications

22. The department is currently achieving a £184k underspend on our year to date position and forecasting a £124k overspend at year end. This is within a 1% variation on the budget which has been achieved through careful management despite increasing workloads due to COVID-19. The overspend can be explained through; increases in IT and equipment expenditure to support working from home, the underperformance of the Chamberlain's Court as a result of COVID-19, and the inability to achieve FR savings impacted by COVID-19 and the TOM.

Equalities implications

23. The department's ED&I working group has recently updated the Equalities, Diversity and Inclusion plan centred around 4 themes (support, education, insight and structure). The plan has been agreed by senior leadership and is now being implemented.

Conclusion

24. Members are asked to note that good progress is being made on key work streams and in the delivery of the Chamberlain's business plan. In particular, the Chamberlain's department has taken on a significant increase in responsibilities related to COVID-19 without a major impact on the budget. This has been done through careful management of resources across the department.

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