

Committee(s): Policy and Resources	Date(s): 10 December 2020
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	5 (primary) 1, 2, 3, 4, 8, 11 and 12.
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N
Subject: Annual Responsible Business Performance Update	Public
Report of: Chamberlain and Chief Grant's Officer	For Decision
Report author: Divindy Grant	

Summary

This report provides the second annual update to Members on the City of London Corporation's Responsible Business Strategy to ensure Members have oversight of the Strategy's progress and impact. It recognises our achievements for the year October 2019 through September 2020, our COVID-19 response and reaffirms our commitment to the ongoing delivery of our Responsible Business Strategy. The report identifies the eight priority areas for action for Year 3.

At the end of the year 78% of the Strategy's 218 actions are completed or on track and 86% of our performance indicators showed positive progress this year, with Covid-19 the primary reason for delays. It is a testament to the Officers involved in delivering the Responsible Business Strategy that Covid has only had a minor impact on the Strategy with significant achievements across all eight themes.

Recommendation(s)

Members are asked to:

- Approve the attached *Responsible Business Annual Report – Year 2* in Appendix 1.
- Endorse the identified Responsible Business Year 3 priority activities.

Main Report

Background

1. In September 2018, the City Corporation adopted its *Responsible Business Strategy, 2018-23: Towards a Sustainable Future*. In this Strategy, the City Corporation committed '*to creating positive impact and reducing negative impact across all our activities and decisions, because it is the right thing to do and will help ensure a sustainable future*'.
2. The strategy focuses on two outcomes; individuals and communities flourish, and the planet is healthier. Each outcome has a set of priority areas for 2018-23, along with eight responsible business practices to guide our work.

Key highlights from Year 2

3. The year 2 report in appendix 1 demonstrates the breadth of progress made from October 2019 to September 2020. Key highlights for members to note are:
 - Our response to Covid-19 which includes leading the pan-London response for London Councils; providing over £12.7M in assistance to 200+ organisations; providing resources and support to businesses; and supporting our residents, workers, students and staff.
 - Our ambitious, evidence-based Climate Action Strategy was approved in Autumn 2020. The strategy commits the City Corporation to net zero direct (scope 1 & 2) carbon emissions by 2027 and indirect (scope 3) emissions by 2040 in our own operations, and to help the Square Mile meet net zero by 2040, as well as to build the climate resilience of our assets and the Square Mile.
 - Our commitment to prioritise action on race equality through signing the Race at Work Charter and launching a Tackling Racism Taskforce made up of elected officials and City Corporation officers that is taking a deep dive approach into issues such as staffing, culture, internal governance, education, police, health and wellbeing and business.
4. Other highlights include:
 - Implementing London's first 24-hour zero-emissions street;
 - Adopting a comprehensive new responsible procurement policy;
 - Obtaining our Employer with Heart status through adopting a new Premature Baby Paid Leave policy;
 - Supporting the launch of the Impact Investing Institute (III),
 - Working with city businesses on areas such as recycling, air quality, and health;
 - Undertaking species monitoring and natural pest-control measures to protect biodiversity at the open spaces we manage;
 - Agreeing a City Corporation approach to the UN SDGs.

Overview of progress against action plan in 2019-20

5. Each of the priority areas has an accompanying action plan which directs our work. The combined Responsible Business action plan contains 218 actions across the eight priority areas. The redirection of resources to Covid-19 response and predominance of homeworking had a significant impact on the achievement on 46 of these, especially in relation to waste and single use plastic ambitions. 13 of those impacted actions are now back on track.
6. At the end of Year 2, 69 actions were completed and a further 100 actions are on track to complete by the end of Year 5, which together represent 78% of planned actions. 22% of our actions are behind schedule, predominantly due to Covid-19 impact, but only 4 actions (2%) are classified as a red risk. Mitigation plans are in place to manage these risks and course correct in the action plan.

Tracking Impact

7. 69 key performance indicators (KPIs) that cover the eight primary themes have been selected to help track progress. This is an expansion on the 53 identified in the Year 1 report, primarily due to additional data becoming available and additional impact areas identified as needing measurement.
8. Half of these indicators are embedded in our corporate performance framework, which enables us to clearly demonstrate our impact against our Corporate Plan for 2018-23. The remainder are strategy-specific indicators linked to our action plans to aid in demonstrating the outcomes and impact of this strategy.
9. Of the 69 identified performance indicators, data was able to be collected this year on 51. Seven of the new indicators will not have available data until next year, two were not measured this year due to Covid. For nine indicators, the approach and data capture mechanisms are still being developed. A summary of the indicators is presented in the Report in Appendix 1. For the performance indicators where there was historical data to track progress against for, 86% showed improvement this year, with the negative performance of 11% linked to Covid-19 impacts.

Proposed Year 3 priority actions

10. While acting responsibly towards our staff, residents, businesses and wider society during the on-going Covid-19 pandemic remains the top priority, the proposed priorities for Responsible Business Year 3 are as follows:
 - Building back better as an organisation and the Square Mile, working towards a green and fair recovery.
 - Embedding the UN SDGs into strategy development, implementation and reporting processes and use our influence to encourage other businesses to similarly engage.
 - Implementing the recommendations of our Tackling Racism Taskforce.

- Increasing responsible investment by co-hosting the UK's Green Horizons summit and developing a new responsible investment policy that reflects our climate ambitions.
- Engaging the City Corporation's supply chain and working closely with the top 25 suppliers on improve carbon reduction, circular economy, modern slavery performance.
- Addressing health inequalities by convening high-profile visibility on this subject to encourage firms to consider the health and wellbeing needs of routine and manual ("hidden") workers within their recovery plans.
- Working across all operational sites to meet the City Corporation's plastic free commitment in 2021.
- Continuing on-going work to implement the associated corporate strategies including Climate Action, Social Mobility and Air Quality; and developing updated strategies for Circular Economy and Biodiversity.

Corporate & Strategic Implications

14. The Responsible Business Strategy is one of the City Corporation's corporate strategies and directly referenced in the Corporate Plan. Thus, continued delivery of the Strategy is important to meeting corporate objectives.

Implications

Equalities, Inclusion and Diversity Implications:

15. Positive implications – the Strategy aims to make both the City Corporation and the wider Square Mile and Financial and Professional Services sector more inclusive and diverse with equal opportunities for all.

Security Implications:

16. There are no security implications from this Strategy.

Resource and Financial Implications:

17. The lead for the Strategy delivery and monitoring is undertaken by the Responsible Business Strategy Officer (RBSO) that currently sits within the Chamberlain's Department. Members should note that the RSBO post is currently only funded through March 2021 and is not explicitly mentioned in the Tier 1 Target Operating Model. Ongoing funding and the future location of the role will depend on the implementation of the Tier 2 Target Operating Model. This is a key risk for the ongoing delivery of this successful and priority strategy.
18. The resources for delivering the Strategy have been embedded in departmental business plans for the first two years. For Strategy delivery to continue successfully, it is important that this provision of resources remain in the rollout of the new Target Operating Model and 2021-22 budgets allocation.

£10k per annum from the Policy Initiative Fund has been committed to cover the memberships cost of the UN Global Compact for years 3, 4 and 5 of the Strategy.

Conclusion

19. The Responsible Business Strategy continued to be delivered successfully during its second year with performance primarily on track and the performance indicators showing good progress has been made due to the collaborative effort of Officers from across the City Corporation. The priority areas for action have been identified for Year 3, which will help the City Corporation continue to expand its positive impact.

Appendices

- Appendix 1 – Responsible Business Annual Report – Year 2

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