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|---|-------------------------------------|
| Committee: Efficiency & Performance Sub Committee | Date: 23 November 2021 |
| Subject: Securing 'flightpath' savings and understanding service impacts: 2021/22 progress | Public |
| Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly? | All |
| Does this proposal require extra revenue and/or capital spending? | No |
| 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: Sonia Virdee, Interim Finance Services Director, Chamberlain's | |

Summary

On 4th March, the Court of Common Council approved a general budgetary reduction of 12% against 2021/22 departmental budgets (or 6% in case of social care and children services), continuing to protect the most vulnerable services. In addition to this the Corporation is committed to Fundamental Review (FR) savings approved in 2019/20 to be delivered across five years from 2020/21 to 2024/25.

This report updates on the identification of the permanent savings to meet the 12% budget reduction and FR savings already applied to 2021/22 budgets.

The Efficiency and Performance Sub Committee agreed to scrutinise the overall savings, with the Establishment Committee scrutinising achievement of Target Operating Model (TOM) Savings, the impact of flexible retirement policies and translation of vacancies into post permanent savings; alongside costs of the scheme.

Good progress has been made since October. As departments continue to work through their transformation programmes to comply with the TOM design principles and permanent savings required to meet the 12% budget reduction. The total savings unidentified has reduced to 17% (compared to 29% reported in October) - totalling £2.7m (see barometer in para16), as departments progress through the TOM organisational design phase and bilateral process timescales for achieving these savings permanently are being clarified. In the meantime, departments are seeking one off savings in 2021/22. At this stage, there are several departments flagging potential risks to the 2021/22 budget position (as reported to Finance Committee in

October) and the position is being explored in the bilateral meetings with Service Committee Chairmen.

Significant progress has been made on the FR proposals 84% profiled for 2021/22 have been achieved to date. Members will remember the Fundamental Review Savings were agreed in 2019/20 – prior to the pandemic and 12% budgetary reductions. The combination of COVID plus the pressure to deliver against the 12% savings has seen some departments under pressure to deliver the FR savings in line with agreed timescales. Progress with FR proposals and reasons for delays will be explored fully in the bilateral meetings with Service Committee Chairmen over the Autumn.

More widely the full range of permanent savings and profiling of FR proposals will be confirmed in the departmental Deep Dives reported to this Sub Committee.

Recommendation

- Members are asked to note the report.

Main Report

Background

1. To ensure the sustainability of the medium-term financial plan (MTFP), it is essential to ensure the flightpath savings remain on track, in particular:
 - 12% reductions already applied to 2021/22 budgets, totalling £16m ((£7m City Fund, £4m City's Cash and £5m Guildhall Admin): ensuring departments have identified permanent savings; part of which are savings from the TOM, with scrutiny of any overspending committees or departments/institutions;
 - Delivery of Fundamental Review savings approved by Policy & Resources Committee; and where proposals have been moved out of year due to delays caused by COVID impacts. £2.4m FR savings for 2021/22, with the savings profiled across the MTFP (2021/22 to 2024/25) total £10.1m (City Fund £5.6mm, City Cash £1.3m and Guildhall Admin £3.2m); and
 - COVID impacts on main income streams and service delivery, in particular from lower rental income and volatility on retained business rates.
2. As the new target operating model enters the second phase, departments are progressing under separate and staggered 'waves' to ensure a smooth transition across the City Corporation. During the period of transformation, Officers will be able to explore fully the opportunities for savings within the 12% budget reductions.
3. The purpose of the TOM is not just a cost saving exercise, but rather about effective and efficient running of the City Corporation, covering aspects such as process, people/skills, organisation, location, accountabilities, decisions, performance, technology - ensuring the TOM principles are adhered to in structural design. The TOM savings target agreed by Court of Common Council in

2020/21 was £4.5m (£3m City Fund and £1.5m City's Cash). Members will recall that the TOM programme was delayed by a year due to the pandemic.

4. It is not currently possible to estimate what the TOM savings will be and allocate a target to departments. Each department has a different cost base - some departments are overwhelmingly staff costs, other departments have proportionately much smaller staff costs within their overall spend. As each department progresses through the TOM, Chamberlain's are capturing the post savings under the TOM and non-pay savings separately (such as income and expenditure), building an overall snapshot of ongoing savings to date. At an officer level, securing TOM savings and outputs are challenged by the Design Authority Board and at Member level by this Sub Committee in the deep dives.
5. The TOM target is therefore a range, with a minimum value of £4.5m and is part of the overall 12% reduction totalling £16.171m.
6. Resource Allocation Sub Committee (RASC) is keen to understand:
 - The service changes that have happened as a result of the FR and what has been agreed for future years, potentially through a 'parity' lens of the proportional budget cut from the FR; and
 - Service changes that will happen as part of 2021/22 budget to stay within the 12% envelope allocated by RASC (approved by the Court of Common Council on 4 March), including likely post pandemic service impacts in the Square Mile and London more widely.
7. The Chamberlain's department is working with departmental management teams to ensure proposals are within budget envelopes; and compile an overview of the progress with Fundamental Review schemes and timeframes for securing TOM savings. Additionally, Officers will be building the picture of 2021/22 service impacts with Chief Officers and Heads of Finance as Service Committees and departments/institutions develop their thinking. The analysis will identify any proposed savings being put forward by Service Committees which would conflict with corporate priorities, could be disproportionately damaging, or could undermine the delivery of front-line services (for example, services to vulnerable people).

Update on composition of the 12% savings – TOM and other

8. Table 1 summarises progress on identification of TOM specific and other savings for the departments that have either gone through the initial organisational design process, where permanent year on year savings is achieved and delivered (full year implementation in 2021/22), against those departments yet to go through the organisational design process achieving one-off savings in year (2021/22) by holding vacancies. Permanent savings under the TOM total £0.9m, against the total £4.5m deliverable. Taking into account the cost of backfill £0.7m (as departments finalise their restructure), this report illustrates a snapshot in time delivering 121% net savings (up by 34% since October) of the original TOM target

in 2021/22. Overall, 12% savings achieved to date total 79% of overall target – further illustrated under section 16 of this report.

9. Key Points to Note - Table 1:

- Budgets top sliced for 12% savings (or 6% in case of social care and children services - continuing to protect the most vulnerable services) from 1st April 2021, equating to 16.171m (excludes CoLP and GSMD). The 12% reduction is shown by department in the table below in the third column from the right, 'total 12% (or 6%) savings to be achieved'.
- Savings confirmed are at a point in time – noting departments must deliver within the overall envelope.
- Departments are working on how they will deliver unidentified savings – to be reviewed under the bilateral meetings.
- The TOM target of £4.5m is part of the £16.171m to be achieved per annum as these are reoccurring savings. No specific TOM targets were or could be agreed with departments in advance of the TOM process.
- Savings maybe a combination of non-pay and headcount reduction. Non pay savings (examples of these - expenditure and income that does not relate to people costs), illustrated under the column – Non-Pay 12% (or 6%) delivered in 2021/22, whereas headcount reductions and staff savings by holding vacancies is illustrated in the first three columns.
- We are unable to quantify a permanent split between TOM and non-pay savings until all departments transition into their new structure.
- Due to COVID impact, the Barbican Centre was permitted to defer its 12% savings until after 2021/22 (an additional £7m of funding was included in the budget). Although partial implementation is planned in 2022/23, the Barbican Centre has flagged that it may be 2023/24 before full implementation is secured.
- Green shading denotes departments have had their proposals agreed by Committee/Members under the TOM process.
- CoLP and GSMD savings are ringfenced to the Police and School's reserves respectively under the funding agreement.
- The table has been updated to include the London Metropolitan Archives as a separate institution, removing this from under the Deputy Town Clerk (DTC) functions.

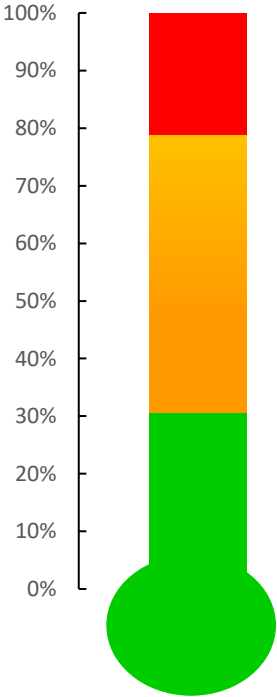
Table 1

| Department | Staff related savings delivered in 2021/22 - confirmed to date £000's | Of which: TOM - Permanent Savings £000's | TOM pending - In-year Vacancies held 2021/22 £000's | Full year implementation of Permanent Savings Year | Non-Pay 12% (or 6%) delivered in 2021/22 £000's | Total 12% (or 6%) savings to be achieved £000's | Savings still to be identified £000's | TOM Proposals to Estab. Cttee. Date |
|----------------------------------|--|---|--|---|--|--|--|--|
| Barbican | 0 | 0 | 0 | 2023/24 | 0 | 0 | 0 | 19-Jan-22 |
| Environment | 715 | 0 | 715 | 2022/23 | 2,065 | 4,456 | (1,676) | 19-Jan-22 |
| Chamberlains | 1,472 | 0 | 1,472 | 2022/23 | 288 | 1,324 | 436 | 19-Jan-22 |
| Chief Operating Officer | 2,141 | 0 | 2,141 | 2022/23 | -356 | 2,146 | (361) | 19-Jan-22 |
| Community & Children Services | 190 | 190 | 0 | 2021/22 | 960 | 1,451 | (301) | 23-Jun-21 |
| City of London Freeman's School | 0 | 0 | 0 | 2021/22 | 105 | 105 | 0 | 11-Nov-21 |
| City of London School | 0 | 0 | 0 | 2021/22 | 227 | 227 | 0 | 11-Nov-21 |
| City of London School for Girls | 0 | 0 | 0 | 2021/22 | 91 | 91 | 0 | 11-Nov-21 |
| City Surveyors | 471 | 471 | 0 | 2021/22 | 2,226 | 3,463 | (766) | 23-Jun-21 |
| Comptrollers and City Solicitors | 0 | 0 | 0 | 2021/22 | 101 | 101 | 0 | 19-Apr-21 |
| DTC Functions | 595 | 48 | 547 | 2022/23 | 501 | 1,126 | (30) | 11-Nov-21 |
| Innovation & Growth | 143 | 143 | 0 | 2021/22 | 815 | 950 | 8 | 22-Jul-21 |
| London Metropolitan Archives | 436 | 0 | 436 | 2022/23 | 95 | 531 | 0 | TBC in 2022/23 |
| Remembrancer | 0 | 0 | 0 | 2021/22 | 199 | 200 | (1) | 15-Oct-21 |
| Total TOM savings | 6,163 | 852 | 5,311 | | 7,317 | 16,171 | (2,691) | |
| Less cost of backfill | (724) | | | | | | | |
| Nett TOM Savings | 5,439 | | | | | | | |
| TOM Target | 4,500 | | | | | | | |
| GAP | 939 | | | | | | | |

| Department | Staff related savings delivered in 2021/22 | Of which: TOM Permanent Savings | TOM pending: In-year Vacancies held 2021/22 | Full year implementation | Remaining 12% delivered in 2021/22 | Overall TOM/12% savings to be achieved | Overachieved Savings | TOM Proposals to Estab. Cttee. |
|-----------------------|--|---------------------------------|---|--------------------------|------------------------------------|--|----------------------|--------------------------------|
| | £000's | £000's | £000's | Year | £000's | £000's | £000's | Date |
| GSMD | 443 | 147 | 296 | 2022/23 | 335 | 832 | (54) | |
| City of London Police | 0 | 0 | 0 | 2022/23 | 0 | 2,300 | 0 | 19-Jan-22 |
| Bridge House Estate | 0 | 0 | 0 | N/A | 0 | 0 | 0 | 15-Oct-21 |

10. Good progress has been made since October. Departments continue to work through their transformation programmes to comply with the TOM design principles and permanent savings required. As mentioned under paragraph four of this report, it is not currently possible to estimate what the TOM savings will be achieved as each department has a different cost base. It is therefore vital savings are reviewed against the overall programme (12%/TOM savings) and not in isolation.
11. Whilst some departments have achieved their savings, the majority have achieved these through one off measures such as holding vacancies and flexible retirement. These vacancies and flexible retirements are not necessarily permanent year on year post savings, until departments are able to confirm future structures through the TOM process. As departments go through the Design and Authority Board, Chamberlain's are translating what is achieved for this financial year (2021/22) and future years, presenting the information via deep dives to the Efficiency and Performance Sub Committee. Appendix 1 shows the composition of savings for each department that has progressed through the TOM. Of the vacancies held and flexible retirements, costs of £0.7m have been incurred through backfills through either short-term or fixed-term contracts

- 12. Other pay initiatives include savings from normal retirements, post reductions, and or changes in grades and are likely to be more permanent savings. However, as with all savings, these will be finalised through the deep dives and as departments go through the Design and Authority Board.
- 13. Non-pay initiatives include one-off savings as well as permanent on-going savings. The deep dives will be an opportunity to explore these further to ensure permanent savings are sustainable, through challenge and scrutiny. Also, an opportunity to identify changes in practice, new innovative ways of working.
- 14. The Design and Authority Board and where necessary the TOM steering group if any deviation from design principles have been proposed, recommended that proposals for design and delivery progress are fit to progress to Committee. Comptrollers & City Solicitors; Community and Children’s Services; City Surveyor; and Innovation & Growth have completed the Committee process and subsequent consultation Chamberlain’s have worked closely with the departments to translate the delivery of savings for this financial year (2021/22) and future years (see appendix 1). It is clear from the financial review, further work is still required to ensure full delivery of 2021/22 savings and subsequent years. Deep dive reports will be presented to the Efficiency and Performance Sub Committee with further information in accordance with the timetable. Departments that have gone through the deep dives and not delivered the full savings will be required to bring back an update at a later stage.
- 15. The savings barometer illustrates permanent savings against those one-off savings being delivered for this financial year:



- GREEN: 31% confirmed, permanent Savings
- AMBER: 48% one-off savings achieved for 2021/22
- RED: 21% savings yet to be identified and delivered.

Update on Fundamental Review Savings

16. Table 2 below provides progress against the Fundamental Review (FR) Savings totalling £2.4m. With 12% top slicing of budgets and FR savings to be achieved some departments are expected to make in excess of 20% savings against their local risk budgets in this financial year – 2021/22. This is over and above dealing with the repercussion of COVID on income and ability to push forward with proposals. Whilst the Court of Common agreed (March 2021) to reprofile FR proposals relating to income generation, the table below demonstrates 84% is achieved to date. Progress with FR proposals will continue to be explored in the bilateral meetings with Service Committee Chairmen.

Table 2 – 2021/22 Fundamental Review

| Department | Total Fundamental Review Savings Agreed £000's | Total Fundamental Review Savings Achieved £000's | Savings still to be identified £000's |
|----------------------------------|---|---|--|
| Barbican | 0 | 0 | 0 |
| Bridge House Estate | 0 | 0 | 0 |
| Environment | 332 | 332 | 0 |
| Chamberlains | 300 | 205 | (95) |
| Chief Operating Officer | 462 | 384 | (78) |
| Community & Children Services | 590 | 395 | (195) |
| City of London Freeman's School | 0 | 0 | 0 |
| City of London School | 0 | 0 | 0 |
| City of London School for Girls | 0 | 0 | 0 |
| City Surveyors | 601 | 601 | 0 |
| Comptrollers and City Solicitors | 0 | 0 | 0 |
| DTC Functions | 20 | 20 | 0 |
| Innovation & Growth | 69 | 69 | 0 |
| Remembrancer | 0 | 0 | 0 |
| Total FR savings | 2,374 | 2,006 | (368) |

Other Unidentified Savings

17. As departments prepare for their deep dives Chamberlain's are capturing any other unidentified savings that departments are yet to achieve. Other unidentified savings have predominately arisen from a series of flat cash budgets approved over several years – 2% uplift assumptions matched by 2% efficiencies, where departments have had to absorb inflationary pressures within their current base budget. This now includes income losses where departments are struggling to

meet their current targets. To date £2.2m (an increase of £1m since October) has been identified under other unidentified savings.

18. As the Chamberlain highlighted at the RASC away day – part 2, the continuation of a flat cash is no longer feasible especially with current and future inflationary pressures and proposals are being worked up as part of the medium-term financial plan. However, in the interim departments continue to review the overall savings to be achieved taking into account - the 12% budget reduction, FR savings and any other unidentified savings when reviewing the savings needed to be delivered.

Bilateral meetings in the Autumn

19. Bilateral meetings between Service Committee Chairmen and the Chair(men) of Policy and Resources and Finance and their Deputies commenced in September and will run through to beginning of December. It is expected that conversations will cover the following 5 key areas:

- i. 2021/22 and 2022/23 budget setting:
 - a. Progress in securing the 12% savings– measures for 2021/22 and full delivery for 2022/23.
 - b. Progress with the TOM and capturing savings secured through post reduction.
- ii. Medium term outlook- key political initiatives, service direction and progress with fundamental review.
- iii. What these savings mean on the ground for service delivery and assurance that efficiencies have actively been secured before any reduction in service delivery.
- iv. Using the opportunity to improve service outcomes within a reduced financial envelope- to what extent are departments and Service Committees doing things differently?
- v. Capital needs and latest thinking on use of Corporation assets.

20. Outputs from the bilateral meetings will be collated and consolidated into a single report, providing an overview of departmental challenges, opportunities and recommendations.

Deep Dives

21. Although overall scrutiny is being provided by the Efficiency and Performance Sub Committee, information for the delivery of savings is being requested by members from other committees, including Establishment Committee. In order to accommodate such requests and avoid duplication in work, Chamberlain's has taken the opportunity to review the information needed collectively with Town Clerk's and City Surveyors. An overarching and expanded information capture template is being completed by departments, analysing the following:

- Progress of delivery of 12%, fundamental review and TOM
 - Including vacancies, post savings, flexible retirement;
 - Differentiating between one off savings and permanent changes.

- Impact on 21/22 budget, 23/23 budget and capturing key changes across the medium term; and
- Progress against the Departmental Business Plan, highlighting initiatives for increasing collaborative working.

22. The information return will provide a rounded view for the Deep Dives. Currently departments have all submitted their 2021/22 impacts, work on the medium-term assumptions has commenced in line with budget setting and business planning timetable.

23. Deep dives will be delivered as per the revised timetable in appendix 1. Revisions have been made to reflect:

- Risk: departments that have been more dependent on one off savings for 21/22; struggling to achieve the savings 'flightpath' or fundamental review proposals; pressures in delivering services on ground; or are experiencing delays through the TOM process;
- Timing of departments progressing through the TOM process and recruitment of Chief Officers; and
- Scrutiny provided elsewhere e.g. in-depth discussion at Policy and Resources on funding allocations between Academies and the three independent schools.

Conclusion

Good progress has been made since October. Departments continue to work through their transformation programmes to comply with the TOM design principles and permanent savings required to meet the 12% budget reduction. Whilst 21% of required savings are currently unidentified, totalling £3m, as departments progress through the TOM and bilateral process timescales for achieving these savings permanently are being clarified. In the meantime, departments are seeking one off savings in 2021/22.

Significant progress made with the Fundamental Review (FR) proposals - 84% profiled for 2021/22 have been achieved to date. The combination of COVID plus the pressure to deliver against the 12% savings has seen some departments under pressure to deliver the FR savings in line with agreed timescales. However, progress with FR proposals have been made and any reasons for delays will be explored fully in the bilateral meetings with Service Committee Chairmen over the Autumn.

Appendix 1 – Summary of savings achieved for Community and Children's Services, City Surveyor, Comptrollers & City Solicitors and Innovation and Growth.

Appendix 2 - Costs incurred in delivering the target operating model

Appendix 3 – Revised Deep Dive Timetable

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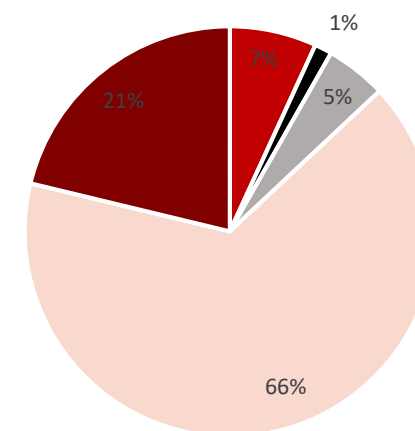
Appendix 1

Community & Children's Services (including libraries, education board and Barbican residential)

| Summary Table | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
|--|------------------|------------------|------------------|------------------|------------------|
| Savings - FR | 590,000 | 461,000 | 461,000 | 461,000 | 461,000 |
| Savings - TOM/12% | 1,451,000 | 1,451,000 | 1,451,000 | 1,451,000 | 1,451,000 |
| Other Unidentified Savings | 0 | 0 | 0 | 0 | 0 |
| Total Savings | 2,041,000 | 1,912,000 | 1,912,000 | 1,912,000 | 1,912,000 |
| FR savings | | | | | |
| Education Board FR savings | 0 | 140,000 | 140,000 | 140,000 | 140,000 |
| DCCS CF: 6% TOM | 350,000 | 286,000 | 286,000 | 286,000 | 286,000 |
| DCCS CF: 6% TOM | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Supporting people: remove software purchase budget | 35,000 | 35,000 | 35,000 | 35,000 | 0 |
| TOTAL | 395,000 | 471,000 | 471,000 | 471,000 | 436,000 |
| Total Unidentified (or Overachieved) FR Savings | 195,000 | (10,000) | (10,000) | (10,000) | 25,000 |
| TOM/12% saving delivered | | | | | |
| Vacancies | 100,000 | 110,000 | 110,000 | 110,000 | 110,000 |
| Flexible Retirement | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Other Pay Initiatives | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Non-pay initiatives | 960,000 | 840,000 | 870,000 | 870,000 | 870,000 |
| Total Unidentified (or Overachieved) Savings | 310,000 | 411,000 | 381,000 | 381,000 | 381,000 |
| Cost incurred via backfill | (9,000) | 0 | 0 | 0 | 0 |
| Total Savings | 1,141,000 | 1,040,000 | 1,070,000 | 1,070,000 | 1,070,000 |

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings

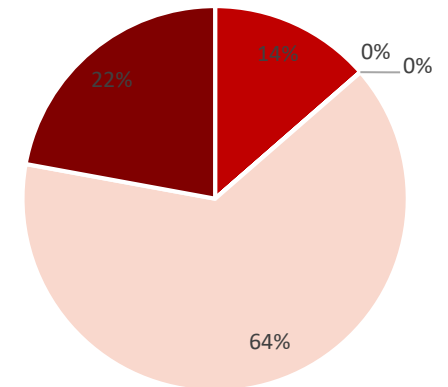


City Surveyors

| Summary Table | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
|--|------------------|------------------|------------------|------------------|------------------|
| Savings - FR | 601,000 | 601,430 | 601,430 | 601,430 | 601,430 |
| Savings - TOM/12% | 3,463,000 | 3,463,000 | 3,463,000 | 3,463,000 | 3,463,000 |
| Other Unidentified Savings | 0 | 0 | 0 | 0 | 0 |
| Total Savings | 4,064,000 | 4,064,430 | 4,064,430 | 4,064,430 | 4,064,430 |
| FR savings | | | | | |
| IT and Supplies and Services | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| FM reorganisation | 526,000 | 526,000 | 526,000 | 526,000 | 526,000 |
| | | | | | |
| TOTAL | 601,000 | 601,000 | 601,000 | 601,000 | 601,000 |
| Total Unidentified (or Overachieved) FR Savings | 0 | 430 | 430 | 430 | 430 |
| | | | | | |
| TOM/12% saving delivered | | | | | |
| Vacancies | 470,163 | 470,163 | 470,163 | 470,163 | 470,163 |
| Flexible Retirement | 0 | 0 | 0 | 0 | 0 |
| Other Pay Initiatives | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Non-pay initiatives | 2,226,000 | 2,226,000 | 2,226,000 | 2,226,000 | 2,226,000 |
| Total Unidentified (or Overachieved) Savings | 765,837 | 765,837 | 765,837 | 765,837 | 765,837 |
| Cost incurred via backfill | 0 | 0 | 0 | 0 | 0 |
| Total Savings | 2,697,163 | 2,697,163 | 2,697,163 | 2,697,163 | 2,697,163 |

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings

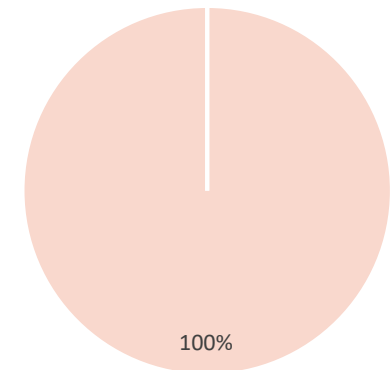


Comptroller and City Solicitor

| Summary Table | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
|--|----------------|----------------|----------------|----------------|----------------|
| Savings - FR | 0 | 0 | 0 | 0 | 0 |
| Savings - TOM/12% | 101,000 | 101,000 | 101,000 | 101,000 | 101,000 |
| Other Unidentified Savings | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 |
| Total Savings | 476,000 | 476,000 | 476,000 | 476,000 | 476,000 |
| FR savings | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | 0 | 0 | 0 | 0 | 0 |
| Total Unidentified (or Overachieved) FR Savings | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| TOM/12% saving delivered | | | | | |
| Vacancies | 0 | 0 | 0 | 0 | 0 |
| Flexible Retirement | 0 | 0 | 0 | 0 | 0 |
| Other Pay Initiatives | 0 | 0 | 0 | 0 | 0 |
| Non-pay initiatives | 101,000 | 101,000 | 101,000 | 101,000 | 101,000 |
| Total Unidentified (or Overachieved) Savings | 0 | 0 | 0 | 0 | 0 |
| Cost incurred via backfill | 0 | 0 | 0 | 0 | 0 |
| Total Savings | 101,000 | 101,000 | 101,000 | 101,000 | 101,000 |

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings

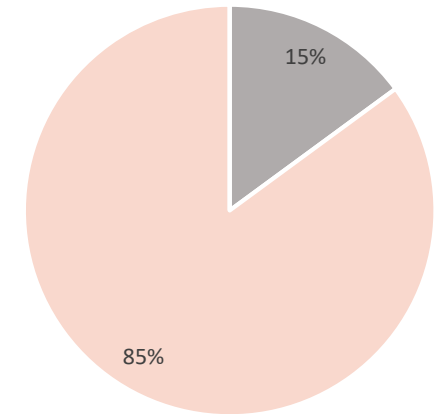


Innovation and Growth

| Summary Table | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
|---|------------------|------------------|------------------|------------------|------------------|
| Savings - FR | 69,000 | 95,000 | 125,000 | 145,000 | 145,000 |
| Savings - TOM/12% | 938,000 | 938,000 | 938,000 | 938,000 | 938,000 |
| Other Unidentified Savings | 0 | 0 | 0 | 0 | 0 |
| Total Savings | 1,007,000 | 1,033,000 | 1,063,000 | 1,083,000 | 1,083,000 |
| FR savings | | | | | |
| Sponsorship income specifically within the Green Finance Summit | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Guildhall Gallery rental of space Income | 3,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| Formerly related to Commercial Manager Net Income Targets | 16,000 | 36,000 | 66,000 | 86,000 | 86,000 |
| | | | | | |
| TOTAL | 69,000 | 95,000 | 125,000 | 145,000 | 145,000 |
| Total Unidentified (or Overachieved) FR Savings | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| TOM/12% saving delivered | | | | | |
| Vacancies | 0 | 0 | 0 | 0 | 0 |
| Flexible Retirement | 0 | 0 | 0 | 0 | 0 |
| Other Pay Initiatives | 143,000 | 188,000 | 188,000 | 188,000 | 188,000 |
| Non-pay initiatives | 815,000 | 770,000 | 770,000 | 770,000 | 770,000 |
| Total Unidentified (or Overachieved) Savings | 0 | 0 | 0 | 0 | 0 |
| Cost incurred via backfill | 0 | 0 | 0 | 0 | 0 |
| Total Savings | 958,000 | 958,000 | 958,000 | 958,000 | 958,000 |

Breakdown of 21/22 Savings

- Vacancies
- Flexible Retirement
- Other Pay Initiatives
- Non-pay initiatives
- Total Unidentified (or Over Achieved) Savings



Appendix 2

Costs incurred in delivering the target operating model

Table 3 below provides a breakdown of one-off costs relating to the target operating model totalling £6.623m, of which is spent or committed to date against budget. There has been no change since the October report to Establishment Committee.

Table 3

| TOM costs | 2019/20 £m | 2020/21 £m | 2021/22 £m | Total £m |
|-----------------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Budgets | 0.155 | 6.42 | 5.39 | 11.963 |
| TOM Programme Team | 0.094 | 1.390 | 1.212 | 2.696 |
| Termination costs | - | 0.313 | 0.547 | 0.860 |
| Flexible retirements | - | 2.800 | - | 2.800 |
| Other non-pay | 0.040 | 0.131 | 0.096 | 0.267 |
| Total Costs | 0.134 | 4.634 | 1.855 | 6.623 |
| Underspend | 0.021 | 1.787 | 3.532 | 5.340 |

£3.9m and £1m budget was set aside for redundancy costs and flexible retirement respectively for 2020/21, with an underspend of £1.787m. Approval to carry forward this sum into the 2021/22 budget has been granted and is included in the analysis above. It is expected that these sums will be committed as and when departments go through their transition.

For the financial year 2021/22 the costs remain within budget.

Appendix 3

Revised Deep Dive Timetable

| Category | Item | Committee Date | Paper deadline to Sonia Virdee | Paper deadline for Committee Papers |
|--------------------------|---|------------------|--------------------------------|-------------------------------------|
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Overall Figures to be presented</i> | <i>16-Jun-21</i> | <i>Completed</i> | <i>Completed</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Comptroller</i> | <i>16-Jun-21</i> | <i>Completed</i> | <i>Completed</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - City Surveyors</i> | <i>16-Jul-21</i> | <i>Completed</i> | <i>Completed</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Overall Figures (all departments)</i> | <i>25-Oct-21</i> | <i>07-Oct-21</i> | <i>18-Oct-21</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Innovation & Growth</i> | <i>25-Oct-21</i> | <i>07-Oct-21</i> | <i>18-Oct-21</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - GSMD</i> | <i>25-Oct-21</i> | <i>07-Oct-21</i> | <i>18-Oct-21</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Overall Figures (all departments)</i> | <i>23-Nov-21</i> | <i>05-Nov-21</i> | <i>12-Nov-21</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Environment</i> | <i>23-Nov-21</i> | <i>05-Nov-21</i> | <i>12-Nov-21</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Overall Figures (all departments)</i> | <i>21-Jan-22</i> | <i>05-Jan-22</i> | <i>13-Jan-22</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Deputy Town Clerk</i> | <i>21-Jan-22</i> | <i>05-Jan-22</i> | <i>13-Jan-22</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Barbican Centre</i> | <i>21-Jan-22</i> | <i>05-Jan-22</i> | <i>13-Jan-22</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report -Community and Children's Services</i> | <i>21-Jan-22</i> | <i>05-Jan-22</i> | <i>13-Jan-22</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - COLP</i> | <i>21-Jan-22</i> | <i>05-Jan-22</i> | <i>13-Jan-22</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Overall Figures (all departments)</i> | <i>22-Feb-22</i> | <i>02-Feb-22</i> | <i>10-Feb-22</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Chamberlain's</i> | <i>22-Feb-22</i> | <i>02-Feb-22</i> | <i>10-Feb-22</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Chief Operating Officer</i> | <i>22-Feb-22</i> | <i>02-Feb-22</i> | <i>10-Feb-22</i> |
| <i>E&P Deep Dive</i> | <i>E&P Deep Dive Savings Report - Comptroller - Update</i> | <i>22-Feb-22</i> | <i>02-Feb-22</i> | <i>10-Feb-22</i> |

Changes to the Deep Dive Timetable

- 1) City of London Police has been moved to January to allow for Home Office funding to be incorporated following announcement in December 2021.