

<b>Committee:</b> Establishment Committee – for information	<b>Date:</b> 3 December 2021
<b>Subject:</b> Securing target operating model savings: 2021/22 progress, update on	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>All</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> Sonia Virdee, Interim Financial Services Director, Chamberlain’s	

### Summary

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

A key focus is on the Target Operating Model (TOM) savings which form a sub-set of the 12% budget reductions. Some departments are more dependent than other departments on achieving their 12% savings through headcount reduction, for instance departments where costs are predominantly on staff. For such departments, one-off savings to manage 2021/22 budget pressures are largely through vacancies, pending permanent structures being agreed as they progress through the TOM.

The TOM savings target agreed by the Court of Common Council in 2020/21 was £4.5m, this report illustrates 121% (£5.4m – gross, excludes any additional costs approved to Chief Officer base) of the TOM target is achievable to date, of which 16% (£0.9m) are confirmed as permanent savings. This figure will increase as the remaining departments go through the TOM process.

More widely the full range of permanent savings will be confirmed in Deep Dives reported to Efficiency and Performance Sub Committee, following bilateral meetings with Service Committee Chairmen over the Autumn.

### Recommendation

- Members are asked to note the report.

## Main Report

### Background

1. To ensure the sustainability of the Medium-term Financial Plan, it is essential to ensure the 'flightpath' savings remain on track, in particular:
  - Delivery of the Fundamental Review savings approved by Policy and Resources Committee; and where proposals have been moved out of year due to delays caused by COVID impacts;
  - 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; and
  - COVID impacts on main income streams and service delivery, in particular from lower rental income and volatility on retained business rates.
2. Although overall scrutiny is being provided by the Efficiency and Performance Sub Committee, Establishment Committee will be scrutinising achievement of Target Operating Model (TOM) Savings predominately relating to: the impact of flexible retirement policies and translation of vacancies into post permanent savings; alongside costs of the scheme.
3. As the new TOM enters the second phase, departments are progressing under separate and staggered 'waves' to ensure a smooth transition across the City Corporation. 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 Advisory Board and at Member level by the Efficiency and Performance Sub Committee in the deep dives - the outcomes of which are reported to this Committee.
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. As departments go through the Design Advisory 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.

## Current

### Update on composition of the 12% savings- TOM and other

7. Table 1 summarises progress on identification of TOM specific savings for the departments that have either gone through the 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 process achieving one-off savings in year (2021/22) by holding vacancies. Permanent savings total £0.9m, against the total £5.4m deliverable to date (an overall increase of £1.5m since October). 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 40% since October) of the original TOM target in 2021/22.

#### 8. 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 fourth 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 / deep dives.
- 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%) savings 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, whereas amber shading denotes whilst departments have gone through the TOM process, some proposals are approved and some outstanding.
- CoLP and GSMD savings are ringfenced to the Police and School's reserves respectively under the funding agreement.
- Bridge House Estates is not required to make any savings against the 12%.
- The table has been updated to include the London Metropolitan Archives separately as this will be reviewed later than the Deputy Town Clerk (DTC) functions.
- The savings are gross and do not include any additional costs approved under Chief Officer's base budgets – please note additional costs are under review and will be addressed in future reports.

Table 1

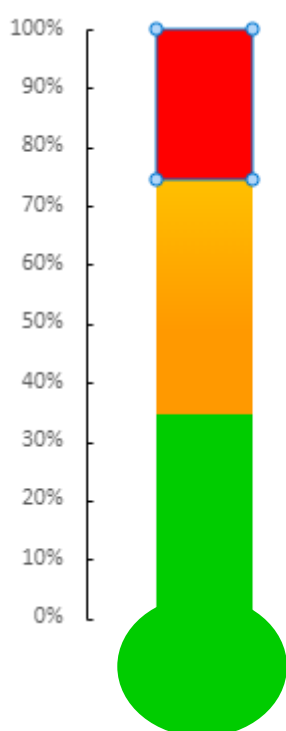
Department	Staff related savings delivered in 2021/22 - confirmed to date	Of which: TOM - Permanent Savings	TOM pending - In-year Vacancies held 2021/22	Full year implementation of Permanent Savings	Non-Pay 12% (or *6%) savings delivered in 2021/22	Total 12% (or 6%) savings to be achieved	Less cost of backfill	Savings still to be (identified) / overachieved	TOM Proposals to Estab. Cttee.
	£000's	£000's	£000's	Year	£000's	£000's	£000's	£000's	Date
Barbican	0	0	0	2023/24	0	0		0	19-Jan-22
Environment	715	0	715	2022/23	2,065	4,456	(62)	(1,738)	19-Jan-22
Chamberlains	1,472	0	1,472	2022/23	288	1,324	(261)	175	19-Jan-22
Chief Operating Officer	2,141	0	2,141	2022/23	(356)	2,146	(392)	(753)	19-Jan-22
Community & Children Services*	190	190	0	2021/22	960	1,451	(9)	(310)	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
<b>Total TOM savings</b>	<b>6,163</b>	<b>852</b>	<b>5,311</b>		<b>7,317</b>	<b>16,171</b>	<b>(724)</b>	<b>(3,415)</b>	
<b>Less cost of backfill</b>	<b>(724)</b>								
<b>Nett TOM Savings</b>	<b>5,439</b>								
<b>TOM Target</b>	<b>4,500</b>								
<b>GAP</b>	<b>939</b>								

Department	Staff related savings delivered in 2021/22 - confirmed to date	Of which: TOM - Permanent Savings	TOM pending - In-year Vacancies held 2021/22	Full year implementation of Permanent Savings	Non-Pay 12% (or *6%) savings delivered in 2021/22	Total 12% (or 6%) savings to be achieved	Less cost of backfill	Savings still to be (identified) / overachieved	TOM Proposals to Estab. Cttee.
	£000's	£000's	£000's	Year	£000's	£000's	£000's	£000's	Date
Bridge House Estates	0	0	0	2021/22	0	0	0	0	15-Oct-21
City of London Police	0	0	0	2022/23	0	2,300	0	0	19-Jan-22
GSMD	443	147	296	2022/23	335	832	(54)	(107)	19-Jan-22

9. 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. Chamberlain's together with Town Clerk and HR will review and comment on proposals prior to reports going to Design Advisory Board.

10. 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 Advisory 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 2 shows the composition of savings for each department that has progressed through the TOM. Of the vacancies held and flexible retirements, costs of £0.7 have been incurred through backfills, either short-term or fixed term contracts.

11. 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 Advisory Board.
12. 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.
13. The Design Advisory 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. Community and Children’s Services; City of London School; City of London School for Girls; City of London Freeman’s School; City Surveyor (excludes Central Criminal Court); Comptrollers & City Solicitors; and Remembrancer have completed the Committee process and either in consultation or implementation stage. DTC and Innovation Growth have also completed the Committee process on a majority of their proposals and are either in consultation or implementation stage. The TOM Programme Update report on today’s agenda provides further detail as to where each department are in the cycle. 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.
14. The savings barometer illustrates permanent savings against those one-off savings being delivered for this financial year:



- GREEN: 34% confirmed, permanent Savings
- AMBER: 40% one-off savings achieved for 2021/22
- RED: 26% savings yet to be identified and delivered.

## **Bilateral meetings in the Autumn**

15. 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.
16. Outputs from the bilateral meetings will be collated and consolidated into a single report, providing an overview of departmental challenges, opportunities and recommendations.
17. So far, 10 out of 17 - planned bilateral meetings have taken place, of which 5 departments have had their proposals either fully or partially agreed by Committee/Members under the TOM process – Community & Children Services, City of London Freeman’s School, City of London School, City of London Girls School, and Innovation Growth.

## **Progress against savings flightpath for Establishment Committee’s revenue budget**

18. For the departments that report to the Establishment Committee, £903k has been allocated against the 12%/TOM savings target (see appendix 2). These departments are yet to go through the TOM process and deep dives; however, the bilateral meetings will be an opportunity to further explore where these savings will be delivered, and the outcomes reported back to this Committee.

## **Conclusion**

This paper sets out, for Member information: progress on the identification of savings to meet the 12% budget reduction applied; and in particular highlights TOM savings achieved to date.

Appendix 1 – Summary of savings achieved for Community and Children’s Services; City of London School; City of London School for Girls; City of London Freeman’s School; City Surveyor; Comptrollers & City Solicitors; DTC; Innovation; and Remembrancer.



Appendix 2 – 12%/TOM savings deliverables for departments reporting to Establishment Committee.

Appendix 3 - Costs incurred in delivering the target operating model

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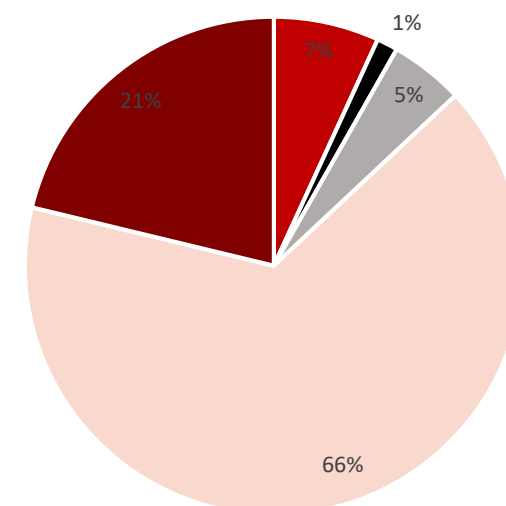
## Appendix 1 – Summary of Savings per Department

### 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
<b>Total Savings</b>	<b>2,041,000</b>	<b>1,912,000</b>	<b>1,912,000</b>	<b>1,912,000</b>	<b>1,912,000</b>
<b>FR savings</b>					
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
<b>TOTAL</b>	<b>395,000</b>	<b>471,000</b>	<b>471,000</b>	<b>471,000</b>	<b>436,000</b>
<b>Total Unidentified (or Overachieved) FR Savings</b>	<b>195,000</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>25,000</b>
<b>TOM/12% saving delivered</b>					
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
<b>Total Unidentified (or Overachieved) Savings</b>	<b>310,000</b>	<b>411,000</b>	<b>381,000</b>	<b>381,000</b>	<b>381,000</b>
Cost incurred via backfill	(9,000)	0	0	0	0
<b>Total Savings</b>	<b>1,141,000</b>	<b>1,040,000</b>	<b>1,070,000</b>	<b>1,070,000</b>	<b>1,070,000</b>

### Breakdown of 21/22 Savings

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

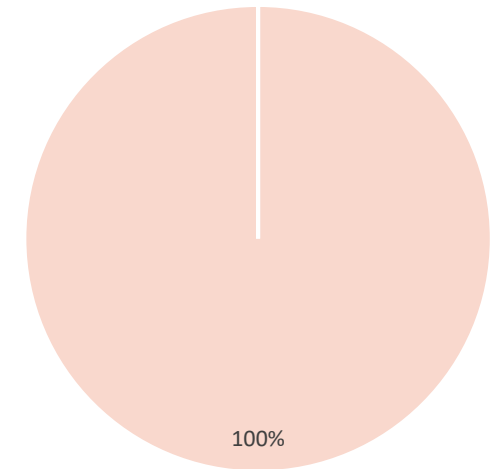


City of London School

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	0	0	0	0	0
Savings - TOM/12%	227,000	227,000	227,000	227,000	227,000
Other Unidentified Savings	0	0	0	0	0
<b>Total Savings</b>	<b>227,000</b>	<b>227,000</b>	<b>227,000</b>	<b>227,000</b>	<b>227,000</b>
FR savings					
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Unidentified (or Overachieved) FR Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOM/12% saving delivered</b>					
Vacancies	0	0	0	0	0
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	0	0	0	0	0
Non-pay initiatives	227,000	227,000	227,000	227,000	227,000
Total Unidentified (or Overachieved) Savings	0	0	0	0	0
Cost incurred via backfill	0	0	0	0	0
<b>Total Savings</b>	<b>227,000</b>	<b>227,000</b>	<b>227,000</b>	<b>227,000</b>	<b>227,000</b>

Breakdown of 21/22 Savings

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

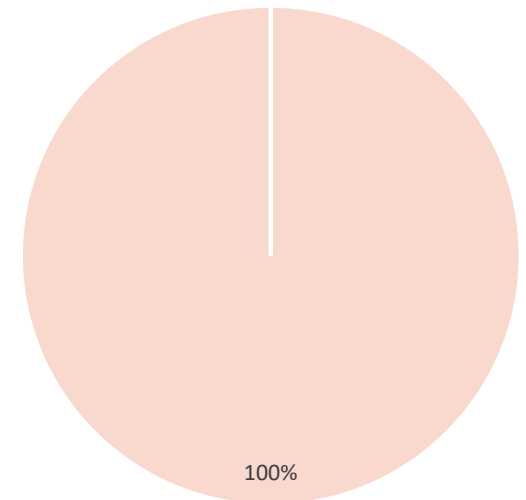


City of London Girls School

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	0	0	0	0	0
Savings - TOM/12%	91,000	91,000	91,000	91,000	91,000
Other Unidentified Savings	0	0	0	0	0
<b>Total Savings</b>	<b>91,000</b>	<b>91,000</b>	<b>91,000</b>	<b>91,000</b>	<b>91,000</b>
FR savings					
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Unidentified (or Overachieved) FR Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOM/12% saving delivered</b>					
Vacancies	0	0	0	0	0
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	0	0	0	0	0
Non-pay initiatives	91,000	91,000	91,000	91,000	91,000
<b>Total Unidentified (or Overachieved) Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cost incurred via backfill	0	0	0	0	0
<b>Total Savings</b>	<b>91,000</b>	<b>91,000</b>	<b>91,000</b>	<b>91,000</b>	<b>91,000</b>

Breakdown of 21/22 Savings

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

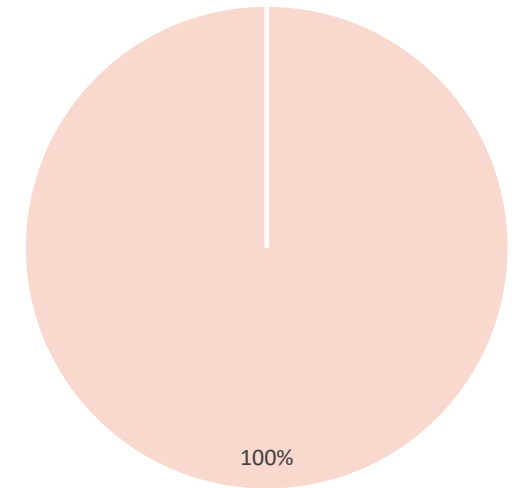


## City of London Freeman's School

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	0	0	0	0	0
Savings - TOM/12%	105,000	105,000	105,000	105,000	105,000
Other Unidentified Savings	0	0	0	0	0
<b>Total Savings</b>	<b>105,000</b>	<b>105,000</b>	<b>105,000</b>	<b>105,000</b>	<b>105,000</b>
FR savings					
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Unidentified (or Overachieved) FR Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOM/12% saving delivered</b>					
Vacancies	0	0	0	0	0
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	0	0	0	0	0
Non-pay initiatives	105,000	105,000	105,000	105,000	105,000
<b>Total Unidentified (or Overachieved) Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cost incurred via backfill	0	0	0	0	0
<b>Total Savings</b>	<b>105,000</b>	<b>105,000</b>	<b>105,000</b>	<b>105,000</b>	<b>105,000</b>

### Breakdown of 21/22 Savings

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

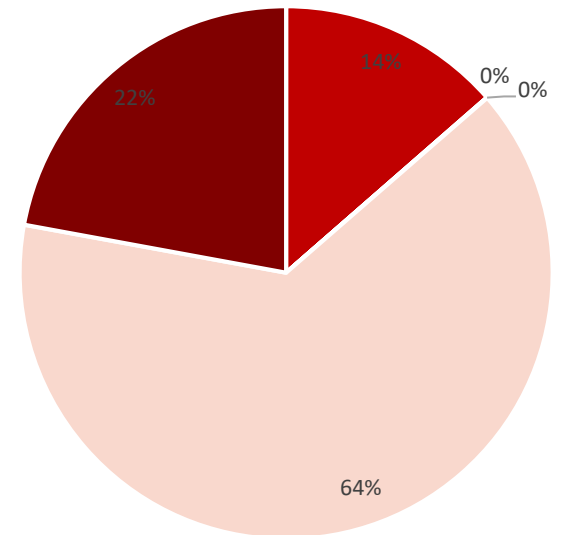


## City Surveyors

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
<b>Total Savings</b>	<b>4,064,000</b>	<b>4,064,430</b>	<b>4,064,430</b>	<b>4,064,430</b>	<b>4,064,430</b>
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
<b>TOTAL</b>	<b>601,000</b>	<b>601,000</b>	<b>601,000</b>	<b>601,000</b>	<b>601,000</b>
Total Unidentified (or Overachieved) FR Savings	0	430	430	430	430
<b>TOM/12% saving delivered</b>					
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
<b>Total Savings</b>	<b>2,697,163</b>	<b>2,697,163</b>	<b>2,697,163</b>	<b>2,697,163</b>	<b>2,697,163</b>

## Breakdown of 21/22 Savings

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

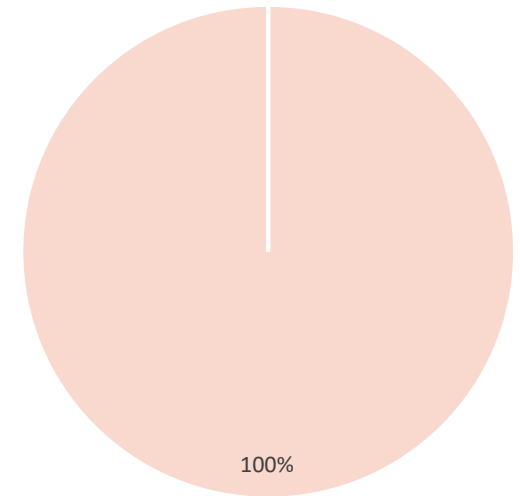


## Comptroller and City Solicitor

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
<b>Total Savings</b>	<b>476,000</b>	<b>476,000</b>	<b>476,000</b>	<b>476,000</b>	<b>476,000</b>
FR savings					
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Unidentified (or Overachieved) FR Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOM/12% saving delivered</b>					
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
<b>Total Savings</b>	<b>101,000</b>	<b>101,000</b>	<b>101,000</b>	<b>101,000</b>	<b>101,000</b>

### Breakdown of 21/22 Savings

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

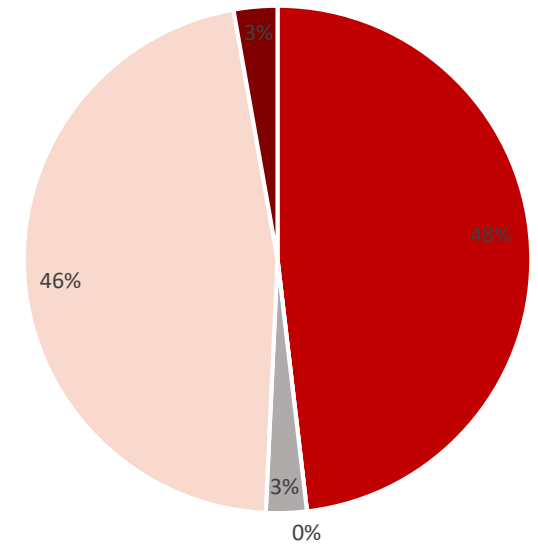


## Deputy Town Clerk

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	20,000	0	0	0	0
Savings - TOM/12%	1,078,000	1,078,000	1,078,000	1,078,000	1,078,000
Other Unidentified Savings	91,000	0	0	0	0
<b>Total Savings</b>	<b>1,189,000</b>	<b>1,078,000</b>	<b>1,078,000</b>	<b>1,078,000</b>	<b>1,078,000</b>
<b>FR savings</b>					
Mansion House Premises: reduction in utilities	13,000	13,000	13,000	13,000	13,000
Mansion House Premises: reduction in fees	7,000	7,000	7,000	7,000	7,000
<b>TOTAL</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
Total Unidentified (or Overachieved) FR Savings	0	(20,000)	(20,000)	(20,000)	(20,000)
<b>TOM/12% saving delivered</b>					
Vacancies	519,000	519,000	519,000	519,000	519,000
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	28,000	28,000	28,000	28,000	28,000
Non-pay initiatives	501,000	501,000	501,000	501,000	501,000
Total Unidentified (or Overachieved) Savings	30,000	30,000	30,000	30,000	30,000
Cost incurred via backfill	0	0	0	0	0
<b>Total Savings</b>	<b>1,048,000</b>	<b>1,048,000</b>	<b>1,048,000</b>	<b>1,048,000</b>	<b>1,048,000</b>

### Breakdown of 21/22 Savings

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



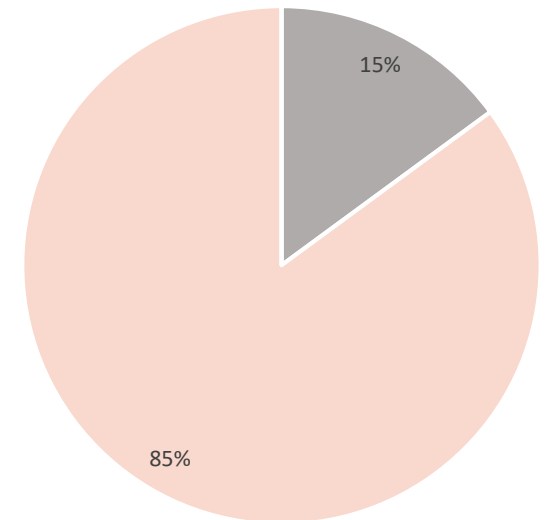


## Innovation Growth

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
<b>Total Savings</b>	<b>1,007,000</b>	<b>1,033,000</b>	<b>1,063,000</b>	<b>1,083,000</b>	<b>1,083,000</b>
<b>FR savings</b>					
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
<b>TOTAL</b>	<b>69,000</b>	<b>95,000</b>	<b>125,000</b>	<b>145,000</b>	<b>145,000</b>
Total Unidentified (or Overachieved) FR Savings	0	0	0	0	0
<b>TOM/12% saving delivered</b>					
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
<b>Total Savings</b>	<b>958,000</b>	<b>958,000</b>	<b>958,000</b>	<b>958,000</b>	<b>958,000</b>

### Breakdown of 21/22 Savings

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

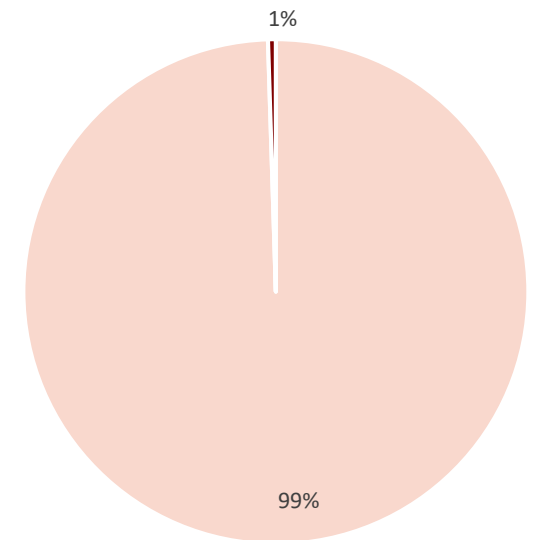


## Remembrancer

Summary Table	21/22	22/23	23/24	24/25	25/26
Savings - FR	0	0	0	0	0
Savings - TOM/12%	200,000	200,000	200,000	200,000	200,000
Other Unidentified Savings	0	0	0	0	0
<b>Total Savings</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
FR savings					
	0	0	0	0	0
	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Unidentified (or Overachieved) FR Savings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOM/12% saving delivered</b>					
Vacancies	0	0	0	0	0
Flexible Retirement	0	0	0	0	0
Other Pay Initiatives	0	0	0	0	0
Non-pay initiatives	199,000	199,000	199,000	199,000	199,000
<b>Total Unidentified (or Overachieved) Savings</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
Cost incurred via backfill	0	0	0	0	0
<b>Total Savings</b>	<b>199,000</b>	<b>199,000</b>	<b>199,000</b>	<b>199,000</b>	<b>199,000</b>

### Breakdown of 21/22 Savings

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



**Appendix 2 - 12%/TOM savings deliverables for departments reporting to Establishment Committee**

<b>Establishment Committee</b>	<b>Overall 12% savings £000's</b>
Corporate HR	326
HR Training	23
Occupational Health	37
Project Management Office	33
Establishment	101
Town Clerk's Office	358
Corporate Services	25
<b>Total TOM/12% savings</b>	<b>903</b>

*Note: Whilst the overall 12% savings target is confirmed, as departments confirm their restructure allocation of savings will be reallocated appropriately.*

## Appendix 3

### 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**

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