

Key updates from this quarter

- Completion of City Cash 2020/21 audit
- Commencement of 2021/22 year end closure in accordance with closing timetable
- Medium-term-financial-plan updated to RASC away day, including proposals for mitigations/efficiencies
- Key appointments to FSD include: Financial Services Director and Assistant Director, Strategic Finance, Head of Finance – GSMD, Chief Accountant and ERP Programme Director, first major steps to strengthen the strategic capacity. Recruitment inflight for tier 4
- Pause on the FSD TOM implementation, providing an opportunity to listen and act on feedback, working with officers to develop an effective enabling finance function. This also provides an opportunity for development and internal progression.
- Transformation programme commenced, including alignment of resources, process improvements and automation

Plans for the next quarter

- Continuation of recruitment plan, providing opportunities for internal progression complemented with external recruitment.
- Commencement of budget setting for 2023/24
- Review of capital programmes inflight/approved but not yet started
- Commencement of Star Chamber, led by the Chamberlain and Town Clerk, bedding down of 12%/FR savings
- Completion of draft accounts for City's Cash and City Fund
- Commencement of ERP implementation, finalising scope for tender
- Continuation of transformation programme, upskilling and professional development inside and outside of Chamberlain's department

Changes to our Business Plan priorities

- No changes to business plan priorities.

Challenges faced over this quarter

- Extent of inflationary pressures still unknown and need addressing through mitigations/efficiencies proposed to RASC
- 12%/fundamental review (FR) savings across several Chief Officers still to be confirmed
- Significant vacancies still to be addressed, with internal promotions across Chamberlain teams, FSD is holding 20 vacancies, with Assistant Director yet to join mid-August
- Pause on Enterprise Resource Planning (ERP) tender, loss of key officers and gaps identified in scope/requirements

The Corporate Plan outcomes we have a direct impact on are...

- *Outcome 5: Businesses are trusted and socially and environmentally responsible*
- *Outcome 8: We have access to the skills and talent we need*
- *Outcome 10: We inspire enterprise, excellence, creativity and collaboration*

Key updates from this quarter

- The new team structure as agreed within the Chamberlains TOM review has been adopted, recruitment to vacant posts has commenced.

Business Rates

- The City is administering the Covid Additional Restriction Relief (CARF) scheme during July. This will assist approximately 11,800 businesses including offices and public car parks with a rateable value of less than £750,000. This will provide a 20% business rates discount to businesses that have previously received no covid support.

Council Tax

- The Council Tax Team are currently dealing with the £150 Energy Rebate Grants on behalf of Central Government. The Team have administered 926 grants totalling £138,750.00.

Accounts Payable

- At the end of Q1, the number of invoices on hold stood at 2,885 with a gross value of £18.7m, which compares to 2,302 with a gross value of £29.9m at the start of the quarter. There were 204 outstanding credit notes with a gross value of £707.3k at the end of Q1 compared to 315 worth £803.9k at the start of the quarter.

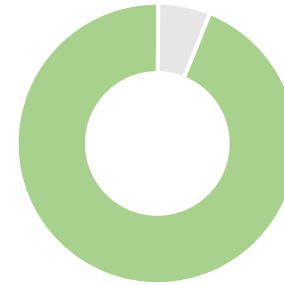
Property Income

- The Government Moratorium against taking Enforcement action for non-payment of rent and other related property arrears was extended until March 2022 with limitations on Covid related arrears in place until September 2022, making ongoing recovery challenging.
- The current arrears for Investment Property are £15.9m as at the end of Q1, £13.6m of this relates to rent. At the same point in 21/22 arrears were at £24.6m with 22.8m relating to rent. This shows a significant improvement and demonstrates that the deferral scheme was particularly effective.
- The Operational Portfolio has arrears of around £6.8m which includes the Smithfield Commercial Offices. The £5.4m relating to residential HRA properties including the service charges in dispute at Great Arthur House are excluded.
- The Chamberlain's Income Team continues to work closely with Asset Managers in City Surveyors to negotiate payment arrangements and agree repayment plans. This continues to work well but it is accepted that the full impact on property income may not be known until full enforcement action is permitted.

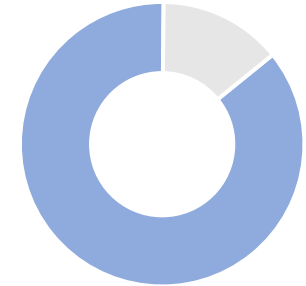
Sundry Debt Collection

- Debt levels across the Corporation remain relatively low with the total outstanding aged debt currently at around £11.6m. Of this around £913K is over 1 year old.
- Collection rates in each Department are high with most departments achieving 98% or above in their collection rates. Overall the City is achieving a 99.44% collection rate for Sundry Income.

Invoices paid within 30 days



Invoices paid to SMEs within 10 days



Challenges faced over this quarter

- Working with limited resources within the team as we transition to the new structure and integrate and train new team members.

Plans for the next quarter

- The team continue to work in the Transformation project to simplify processes, digitalise and bring about more automation.
- The Covid Additional Restriction Relief is being applied shortly and revised rates bills will be required. This is expected to bring an increase in work volumes due to the claiming of any resultant credits.

Changes to our Business Plan priorities

- No changes to business plan priorities.

The Corporate Plan outcomes we have a direct impact on are...

- Outcome 5: Businesses are trusted and socially and environmentally responsible*
- Outcome 8: We have access to the skills and talent we need*
- Outcome 10: We inspire enterprise, excellence, creativity and collaboration*

Key updates from this quarter

- The insurance team have completed the successful renewal of the June insurance policies.
- Following a successful recruitment campaign, a new Responsible Investment & Engagement Manager has been appointed.
- Recruitment adverts for three Senior Accountant roles (as part of the new TOM Structure) and also for the Group Accountant (Treasury & Pensions) role.

Plans for the next quarter

- Formatting work will begin on Income Manager to prepare for interfaces to the new Property Management system (Horizon).
- Processing and issuing of Annual Benefit Statements (ABSs) for deferred and active Members of the LGPS and Police Pension Scheme
- On board new colleagues
- Re advertise for one of the Senior Accountant posts

Changes to our Business Plan priorities

- No changes to business plan priorities.

Challenges faced over this quarter

- Working with limited resources within the team as we transition to the new structure and recruit individuals.
- Meeting a high volume of demand for reports for Committees.
- Closing the accounts.

The Corporate Plan outcomes we have a direct impact on are...

- *Outcome 5: Businesses are trusted and socially and environmentally responsible*
- *Outcome 8: We have access to the skills and talent we need*
- *Outcome 10: We inspire enterprise, excellence, creativity and collaboration*

Key updates from this quarter

- A new Deputy Clerk of the Chamberlain's Court has been appointed following a successful recruitment campaign and the role of Court Assistant is now in the process of being advertised.
- The PA to Financial Services Director has also been appointed.
- The Chamberlain's Court team are progressing with testing of the new Freedom applications system. The new software will manage freedoms administration providing the ability for statistical analysis as well as digitalising formerly manual processes.
- The Freedom Fee has now been increased to £150 to allow the Chamberlain's Court to better cover the cost of running.
- The E,D & I representatives have reviewed the Staff Survey results and made recommendations to SLT to improve inclusivity across the department.

Plans for the next quarter

- Train new colleagues so they are better equipped to fulfil their roles.
- Continue to work on E, D & I plans in conjunction with the newly incoming E, D & I team.
- Continue work on the new Freedoms Application Management system to ensure it is fit for purpose before launch.
- Working with Surveyors on further plans for the Guildhall refurbishment project, providing input at the Workplace Steering Group.
- Continue to support the Chamberlain's Transformation project.

Changes to our Business Plan priorities

- No changes to business plan priorities.

Challenges faced over this quarter

- Working with limited resources within the team as we transition to the new structure.
- The Chamberlain's Court are now seeing pre COVID-19 levels of applications, whilst team are working to reduce the build-up of ceremonies that were not able to be carried out in person due to COVID-19. This work continues to be completed by attending Livery Halls whereby more Freemen are admitted together in a single ceremony. The team are working on plans to reduce the backlog further alongside managing capacity challenges due to turnover of staff.

The Corporate Plan outcomes we have a direct impact on are...

- *Outcome 3: People have equal opportunities to enrich their lives and reach their full potential.*
- *Outcome 8: We have access to the skills and talent we need*
- *Outcome 10: We inspire enterprise, excellence, creativity and collaboration.*

Key updates from this quarter

- The new team structure as agreed within the Chamberlains TOM review has been adopted, recruitment to the position of Auditor was successful, the Principal Auditor recruitment was not.
- Internal Audit work is progressing well, with good engagement from across the organization.
- 11 separate Committee updates have been provided in Q1, including the Annual Head of Internal Audit Opinion.
- Good engagement with Chief Officers at ELB in relation to completed and planned Audit work.
- Fraud prosecution cases are progressing through the Courts now, after some delay as a result of the COVID-19 pandemic, a recent case saw the City awarded £13k from the perpetrator of a housing tenancy fraud, deemed un-lawful profit.
- Internal Audit has been working closely with the Corporate Strategy and Performance Team to review and enhance the deep-dive process for examination of Corporate Risks.

Plans for the next quarter

- Recruitment to the Apprentice Auditor position.
- Continued delivery of Internal Audit Reviews.
- Deep Dive reviews of at least 2 Corporate Risks.
- Identification and mapping of the City's main 2nd line of defense functions.

Changes to our Business Plan priorities

- No changes to business plan priorities.

Challenges faced over this quarter

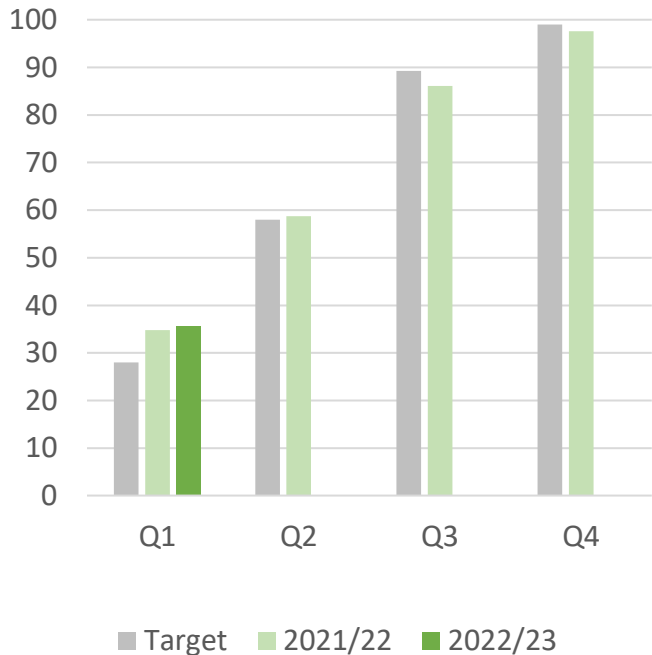
- Working with limited resources within the team as we transition to the new structure.
- Meeting a high volume of demand for Committee reports.

The Corporate Plan outcomes we have a direct impact on are...

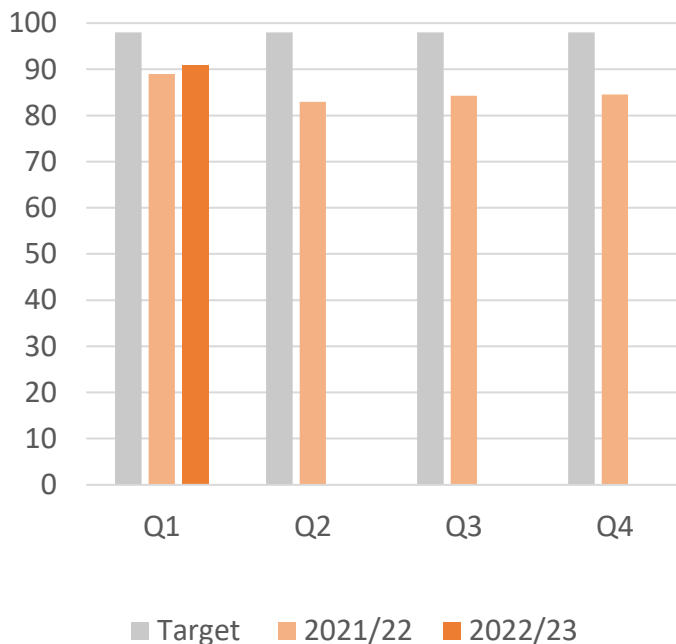
- *Outcome 5: Businesses are trusted and socially and environmentally responsible*
- *Outcome 8: We have access to the skills and talent we need*

Key Performance Indicators

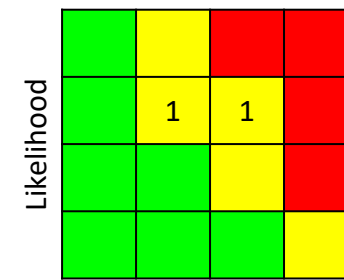
Business Rates collection 22-23
% collected (cumulative)



Commercial Rent Collection 22-23
% collected



Key Risks



| Risk Title | Score |
|--|-------|
| CR35 Unsustainable Medium Term Finances | 12 |
| CHB 001 Chamberlain's department transformation and knowledge transfer | 6 |



Professionally qualified accountancy staff as a % of total finance staff undertaking reporting, controls and decision support processes (measured annually)
TARGET 25%

- Publication of the Draft City Fund Accounts within Statutory Deadline of 31st July
ON TRACK
- Publication of Audited accounts on 30th September
City's Cash completed in December City fund is still in progress
- Publication of City's Cash and BHE Accounts
ON TRACK

COMPLETE

Effective financial management: expenditure against departmental local risk budgets +/- 5% at year end

IN PROGRESS FOR 23/24

Delivery of a balanced budget and Medium-Term Financial Plan for City Fund, approved by Court of Common Council by 31 March