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| Committee(s): Operational Property and Projects Sub-Committee Capital Buildings Board Finance Committee Policy and Resources Committee | Dated: 16 January 2023 18 January 2023 21 February 2023 23 February 2023 |
| Subject: Department of the Chief Operating Officer Business Plans 2023/24 | Public |
| Does this proposal require extra revenue and/or capital spending? | To be managed through budget estimates |
| What is the source of Funding? | N/A |
| Has this Funding Source been agreed with the Chamberlain's Department? | Yes |
| Report of: Emma Moore, Chief Operating Officer | For Decision |
| Report author: Emma Moore, Chief Operating Officer | |

Summary

This report presents Members with the Business Plan for the Department of the Chief Operating Officer (COO) for the 2023/24 Financial Year. It also presents those Divisional plans for COO teams within the scope of this Committee, which provide more detailed sub-plans underneath the overarching COO Plan and therefore form appendices to the COO-level Plan.

Recommendation(s)

Members are asked to:

- Note the direction of travel within the Department of the COO and the associated transformation planning within the team Business Plans.
- Approve the Department of the COO Business Plan for 2023/24 (**Appendix 1**).
- Approve the 2023/24 Business Plans for the following COO divisions:
 - Commercial Service (**Appendix 2**)
 - Project Governance (**Appendix 3**)

Main Report

Department of the COO Business Plan

1. The Department of the COO came into existence in summer 2021, as a result of the Target Operating Model (TOM) changes. This Department unites the following divisions under the COO:
 - a. Commercial Service

- b. Corporate Health and Safety (H&S)
- c. Digital and Information Technology Service (DITS)
- d. Equality, Diversity and Inclusion (ED&I)
- e. Human Resources (HR)
- f. Markets
- g. Project Governance

The focus for the COO in the 2021/22 and 2022/23 Financial Years has been on putting the right structures in place and building the team, particularly at the Senior Leadership level, and on completing TOM implementation.

2. Whilst the TOM gave the Corporation a strong platform for change, and much has been achieved this year, it is clear that there is more to do to support the Corporation's transformation journey and the necessary cultural shift which is required to continue improving the Corporation's agility, effectiveness and impact. COO functions are key to this shift, as our work reaches all parts of the organisation.
3. The plan for 2023/24 therefore marks the first year of our own multi-year transformation plan, structured around four key themes.
 - a. Transparency
 - b. Credibility
 - c. Partnership, and
 - d. Enablement.

The detail behind these themes is set out in the COO Business Plan. We consulted Chief Officers and Institution leads on these themes when setting our transformation agenda so that we were certain that they resonated, and that we are delivering what our clients expect from us.

4. These four themes provide the golden thread that runs through all of our COO Business Plans. We are united in pursuit of the key workstreams and aims in the Departmental Plan, and so these flow down into the more detailed divisional Business Plans for each team and promote cross-working. Each of the workstreams within these divisional Plans contributes to one of these four themes.
5. Key Performance Indicators (KPIs) can be found in each plan to ensure that we are able to track and report back on our progress. For many of our teams, this is the first time that structured KPIs have been put in place: therefore, these KPIs may need to evolve throughout the year, to ensure that we are measuring the right things and that our targets are appropriately stretching and delivering the right results. Over time, we will be moving to formalised service standards and "shared service" agreements to increase clarity and accountability.
6. The KPIs will also enable us to communicate our progress and achievements to our staff. The Business Plans have already all been shared in draft with our team and those undertaking similar roles in the wider Corporation family. We presented them at the COO Conference on 4 November so that our teams had a chance to discuss them and provide feedback, in line with our 'transparency' theme.

7. As well as achieving our KPIs, success will be evidenced by the following outcomes:
 - a. An improvement in our productivity and effectiveness
 - b. Our clients will feel supported and understood, will know the value of the services we provide, and trust us to deliver them
 - c. Our clients will involve us early enough for our advice to make a difference.

This will be reflected in positive feedback from our clients and other partners.

8. Our plans are ambitious, which we believe mirrors the ambition and vision of our Committee Members. Working together, internally and with key partners, we will drive the necessary changes that will future proof the Corporation, setting us up for long term, sustainable success.

Divisional Business Plans

9. As explained above, each division within the Department of the COO has its own Business Plan which tracks back to the overarching COO Plan. This enables us to have both a unifying transformation plan as well as more detailed team level plans. These plans will also support objective setting with our teams: every member of staff will be able to see how their work is contributing to our overall aims.
10. Each Plan also contains an assessment of the current maturity level of the function, as well as where we intend to be by the end of 2023/24 if we are successful in delivering the Plan.
11. Of relevance to this Committee's remit are those Plans for the Commercial Service and Project Governance.
12. **Commercial Service:** the Commercial Service Business Plan sets out the activity we will undertake to deliver on our vision for the Service: to provide professional expertise and leadership to ensure Corporation commercial relationships deliver innovative, high quality, value for money services and responsible outcomes. It is a transitional plan showing how we will move from the former City Procurement Service to establish the foundations for a new leading edge Commercial Service, via optimising our operations, ensuring strategic alignment and developing both individual and corporate capability.
13. To achieve this, our key workstreams next year will focus on the following themes:
 - Developing a customer focused service model that supports the team to become the Commercial service of 'choice'
 - Exploiting datasets to develop intelligence-led commercial strategies
 - Developing a low-value spend strategy that delivers best value for COL
 - Leveraging COL spending power to further diversify our supply chains
 - Developing COL commercial capabilities to support increased innovation and enterprise
 - Procurement Act implementation.

We are also responsible for delivering the Commercial workstream of the Resources and Priorities Refresh programme, and the actions related to Scope 3 emissions within the Corporation's Climate Action Strategy.

14. The activity in this plan supports our longer term ambition of becoming an industry/sector leader, with influence on the market and the ability to maximise internal and external commercial opportunities.
15. The financial position for the Commercial Service is relatively stable post TOM, and we have identified the opportunity to reshape existing vacancies to develop greater internal data and insight capacity. However, additional short-term funding may be required in 23/24 to meet the requirements of the new Procurement Bill. We have requested £35,000 to cover 6 months' resource to support this work, but this pressure is currently unfunded.
16. **Project Governance:** 22/23 represented a foundational year for the new Division and focussed on understanding existing issues and developing potential solutions. Following the Project Governance review, commissioned by Members to drive significant improvements to the way we manage and report on project and programmes, 23/24 will see the implementation of many of those solutions once put forward and approved by Members in March, and a focus on embedding change whilst building the capacity and capability to develop our strategic long-term ambitions.
17. Our activity in 23/24 will focus on developing our project governance maturity, centred around the following key themes:
 - Developing a refreshed and aligned project governance and assurance framework
 - Business change
 - Benefits management and realisation.
18. This activity will enable us to move forward with our vision of enabling the Corporation to achieve its strategic objectives, driving transformation and project excellence to deliver innovation and business change.
19. As we are anticipating much transformational activity in the Project Governance space, the financial position in the short term is challenging for the following reasons:
 - The Project Governance review may result in recommendations that require additional investment to deliver.
 - There is no funding in place for continued delivery of the Project management Academy, providing training to Project Managers and Senior Responsible Officers across the Corporation.
 - The anticipated approval of new major programmes will require additional capacity within the Major Programmes Management Office to ensure that the right support is available to provide assurance to Members.To manage these pressures, we will be requesting a placeholder funding figure of £180,000 for 23/24, subject to completion of the Project Governance review and properly scoped business cases for better MPMO capability and

capacity. Training for Project Managers would be an additional c.£50,000 on top of this. This is currently unfunded.

20. We would note that at present the Corporate PMO comprises 2 roles to cover the current 340 projects and the MPMO resource comprises 3 roles to cover over £1.5bn of Major Projects. This is not sustainable but will be addressed fully in the review for Member consideration.
21. In addition, it is expected that a recommendation within the Project Governance review be that the current temporary arrangement for the Commercial Director also acting as Project Governance Director continue in a formalised merged role of Commercial & Projects Director.
22. The Business Plans for the COO Department, and for the Commercial Service and Project Governance divisions, can be found at **Appendices 1-3**.

Corporate & Strategic Implications

23. Strategic implications – Strategic priorities and commitments are expressed in the Department of the COO Business Plan at **Appendix 1**.
24. Financial implications – Funding request will be put to RASC to cover the potential additional Project Governance costs noted in this report.
25. Risk implications – Each COO division's key risks are captured in the team business plans. The highest scoring risks across the Department have then been captured in the Departmental Business Plan. Risks will continue to be managed in line with Corporation policy.
26. Resource implications – None directly.
27. Equalities implications – The Department's EDI data is captured in the Departmental Business Plan. In addition, the ED&I Business Plan sets out our more detailed plans and approach to embedding ED&I across the whole Corporation.
28. Climate implications – The Commercial Service is responsible for delivering the commitments to reduce scope 3 carbon emissions in the Corporation's Climate Action Strategy. Our refreshed Responsible Procurement Policy provides a renewed focus on working with contractors to meet the targets set out in the strategy.
29. Security implications – There are no security implications to the proposals put forward in these business plans.
30. Operational property implications – All operational property in the Department of the Chief Operating Officer falls either into the Corporate Estate – i.e. Guildhall, or as market sites. There is a formal operational property plan and assessment in place for all works through City Surveyors for current market sites and the decision by Court to move two of the three markets from their

current sites to Barking and Dagenham sets out a timeline for vacating and then disposing/retaining those sites as part of the Market Co-location Programme (“Major Project”).

Proposals

31. We recommend that the Committee approves the COO Department Business Plans for 2023/24.

Appendices

- **Appendix 1** – Department of the Chief Operating Officer Business Plan 2023/24
 - **Appendix 2** – Commercial Service Business Plan 2023/24
 - **Appendix 3** – Project Governance Business Plan 2023/24

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