

Committee(s)	Dated:
Resource Allocation Sub (Policy and Resources) Committee – For information	05 October 2023
Subject: City Surveyor’s Business Plan 2023-28 Quarter 1 2023/24 Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	4, 7, 11, 12
Does this proposal require extra revenue and/or capital spending? N/A	N
If so, how much? N/A	N/A
What is the source of Funding? N/A	N/A
Has this Funding Source been agreed with the Chamberlain’s Department? N/A	N/A
Report of: The City Surveyor CS 278/23	For Information
Report author: John Galvin / Faith Bowman City Surveyor’s Department	

Summary

This report provides Members of Resource Allocation Sub (Policy and Resources) Committee (RASC) details of progress in quarter 1 (April to June) 2023/24 against the City Surveyor’s 2023-28 Business Plan.

Performance relating to activities overseen by RASC was positive. Of the seven measures, four were ahead of target (green) and one marginally behind (amber). One measure is reported bi-annually, and the final measure will be reported from quarter 2 to allow the ‘bedding in’ of the new Integrated Facilities Management (IFM) contracts.

Against a local risk budget of £30.8m, the City Surveyor is currently forecasting an estimated overspend of £825,000 (2.7%). This figure includes Bridge House Estates (BHE). Excluding BHE services, the City Surveyor £674,000 overspend (2.4%) against a budget of £27.722m.

The department is working to mitigate this forecast overspend.

Recommendation(s)

- That Members note the content of this report.

Main Report

Background

1. In line with the City Corporation’s performance management approach this is a regular update report on the progress made against the department’s 2023-28 Business Plan. Departmental performance is reported quarterly to RASC and once every six months to Investment Committee.

Current Position

2. This report provides the latest budget information which is set out in Appendix A. Appendix B provides a detailed table of the department's Key Performance Indicators (KPIs).
3. A separate monitoring report on the risks within the department is also circulated for this meeting.

Financial Statement

4. Appendix A reveals that the City Surveyor was forecasting a £674,000 overspend (2.4%) against a budget of £27.722m for his City Fund and City's Cash services. If Bridge House Estates services are considered, then the forecast overspend deteriorates to £825,000 overspend (2.7%) against the overall budget of £30.833m.
5. The overspend on City's Cash and City Fund services principally comprises a negative variance on departmental employee budgets due to vacancy factor not being achieved. Further there is an increase in energy costs, particularly at the Guildhall (these uplifts were covered centrally in 2022/23), and the residual savings target for 2023/24. The City Surveyor is planning to meet the residual savings by recovering some costs for staff working on the City's major programmes such as Markets Colocation Programme, and he is examining his other budgets with a view to making further savings to bring his overall budget into balance by year-end.
6. The Bridge Hose Estates overspend comprises additional energy costs and a shortfall on anticipated dilapidations income. This is, in part, offset by savings on employees, security and water rates. Budgets are being reviewed to see if savings can be made to achieve a breakeven position by year-end.

Quarter 1 2022/23 update

7. A RAG status is used to summarise the progress of the performance indicators we are measuring on a quarterly basis. The table below provides an 'at a glance' status report for the City Surveyor's KPIs at the end of quarter 1.

Status ¹	Green	Amber	Red	TBC	N/A
Resources Allocation Sub Committee	4	1			2
Overall (including non-RASC measures)	5	1			6

¹ Red = High Risk of Failure or Not Achieved; Amber = Some Concern; Green = On Target or Achieved.

8. Of the twelve departmental KPIs monitored, five were assessed as being on target (green), and one was marginally behind target (amber). Five further measures are reported either bi-annually or at the end of the reporting year. One final measure, on contractor performance (KPI. 4) will be reported from quarter 2, allowing mobilisation of the new contract before management comes into effect.
9. Of the seven measures reported to this Committee, four were ahead of target, two not yet available (one is bi-annual and KPI. 4 as noted above). There was one measure behind target for the period.
10. The amber KPI is as follows:

- A. KPI. 6 – Capital Projects – Project Risk Status (RASC and Investment Committee)
Target – Less than 20%
Performance – 50%

Over 60% of the department's current projects were commenced in 2020 or before. This means that their delivery has been impacted by COVID-19 through extended periods of reduced site capacity/productivity, and from high levels of construction price inflation. This has resulted in a greater number of projects falling outside of time and/or price expectations. Whilst performance on current projects is positive, the volume of older projects will continue to provide a drag on performance overall.

Conclusion

The first quarter of 2023/24 was positive in terms of performance, with only one measure marginally behind target for the period.

Appendices

- Appendix A Budget Monitoring Statement
- Appendix B Key Performance Indicator Table

Background Papers

- The City Surveyor The City Surveyor's Business Plan 2023-28 (CS 372/22)

Faith Bowman

John Galvin

Departmental Performance & Services
City Surveyor's Department

E: john.galvin@cityoflondon.gov.uk