

Committee(s)	Dated:
Resource Allocation Sub (Policy and Resources) Committee – For information	30 November 2023
Subject: City Surveyor’s Business Plan 2023-28 Quarter 2 2023/24 Update	Report – 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 310/23	For Information
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Summary

This report provides Members of Resource Allocation Sub (Policy and Resources) Committee (RASC) details of progress in quarter 2 (July to Sept) 2023/24 against the City Surveyor’s 2023-28 Business Plan.

Seven of the City Surveyor’s Department’s (CSD) performance measures are overseen by RASC. Of these, three were ahead on target (green) and three marginally behind (amber). One measure, Climate Action Strategy delivery, is reported a quarter in arrears. This measure was green for quarter 1.

Against a local risk budget of £30.9m, the City Surveyor is currently forecasting an estimated overspend of £541,000 (1.8%). This figure includes City Bridge Foundation (CBF) services. Excluding these services, the City Surveyor is forecasting a £485,000 overspend (1.8%) against a budget of £27.692m. The departmental budget line is the principal driver for the overspend, arising from lower than anticipated staff vacancies, and some residual 12% savings still to be achieved.

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 (CS 372/22). The City Surveyor's Department (CSD) reports performance quarterly to Resource Allocation Sub (Policy and Resources) Committee (RASC) and once every six months to Investment Committee.

2. The department's business plan outlines twelve Key Performance Indicators (KPIs). RASC oversee progress against seven of these measures, whilst Investment Committee oversee nine (four measures are reported to both Committees).
3. Performance is assessed on a traffic light basis (RAG), where red denotes a high risk of non-attainment, amber indicates some concern, whilst green denotes the measure being on/ahead of target.

Current Position

4. This report provides the latest budget information which is set out in Appendix A. Appendix B provides a detailed table of the department's KPIs.
5. A separate monitoring report on the risks within the department is also circulated for this meeting.

Financial Statement

6. The monitoring for quarter 2 (Appendix A) reveals that the City Surveyor was forecasting an overspend of £485,000 (1.8%) against total budget for the year of £27.7m for his City Fund and City's Cash Services.
7. When his City Bridge Foundation (CBF) services are included, this increases to an overspend of £541,000 (1.8%) against a total budget for the year of £30.9m.
8. The principal drivers for this forecast are an overspend on departmental salary budgets due to the vacancy factor not being met, and some residual 12% savings that need to be identified. Although energy costs also continue to be a budget pressure, much of the additional cost is either being passed onto third parties, such as our tenants, or being offset by Power Purchase Agreement credits, so the net impact is limited.
9. Several services are showing an overspend at quarter two. This predominately where expenditure is just running ahead of profile, or where overspends earlier in the year can be met by corrective action in the latter part of the year (by delaying cyclical projects for example). This will be closely monitored, and an update will be provided at quarter 3.

Quarter 2 2022/23 update

10. The table below provides an 'at a glance' assessment of the department's performance through the first half of the 2023/24 reporting year.

Status ¹	Green	Amber	Red	TBC	N/A
Resources Allocation Sub Committee	3	3		1	
Overall (including non-RASC measures)	5	5		1	1

11. Of the twelve departmental KPIs monitored, five were assessed as being on target (green), whilst five were behind target (amber). At the time of reporting, we are still awaiting confirmation of one further measure. One final measure is reported annually.

12. Of the seven measures reported to this Committee, three were on target, (green) and three were behind target (amber) one measure is not yet available and will be reported in quarter 3.

13. The amber KPIs relevant to RASC are as follows:

A. KPI. 4 Property Contract Performance Compliance

This indicator provides an overall assessment of our suppliers' performance against their contract measures. This is across eight criteria spanning both operational performance and key City of London objectives.

Target less than 80%
Performance 68%

The integrated Facilities Management (IFM) contract was mobilised in April 2023, and this is the second quarter since go-live. Performance across the IFM suppliers continues to improve as we move away from mobilisation and towards Business As Usual (BAU). It should be acknowledged that the IFM contracts have now been in place six months against a 10-year contract term, and performance is considered proportionate for this stage in the tenure.

B. KPI. 5 Budgetary Spend Profiles

This objective of this indicator is that the actual spend, plus spend that has been receipted, will fall between 95% and 105% of the revised budget. This would indicate that services and projects are being delivered, and they are being delivered within their anticipated budgets.

Estimated target at quarter 2 33%
Performance 28%

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

Spend is slightly more than anticipated on both the Guildhall Administration budget, and on the Cyclical Works Program (CWP).

The department has investigated the drivers of this higher than anticipated spend to September and is confident that this will reduce towards target in future months.

C. KPI. 6 – Capital Projects – Project Risk Status

This indicator assesses the proportion of projects which are red (which may be due to cost, time, or a combination of both) against the total number of projects.

Target – Less than 30%
Performance – 48%

Over 60% of the department's current projects were commenced in 2020 or before, meaning that their delivery has been impacted by COVID-19. These projects have been subject to extended periods of reduced site capacity/productivity and from subsequent 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 second quarter of 2023/24 has seen three on target and three measures 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)
- The City Surveyor Business Plan Progress Report – Quarter 1 2023/24 Update (CS 278/23)

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