

### Key updates from this quarter

- City Fund Accounts for 2020/21 and 2021/22 have been signed by auditors.
- Recruitment into key roles has continued, focusing on bringing in new talent as well as providing internal opportunities through lateral development and progression. Final vacant posts are out to advert with an external recruiter as well as being advertised internally.
- Permanent Chief Accountant now in post.
- 2024/25 MTFP finalised and prepared for formal approval in Q4.
- Approval of a funding strategy for £133m of Cyclical Works Programme (CWP) spend.
- Capital bids reviewed and 2024/25 programme updated to include those approved.
- Quarterly monitoring process completed for Q2 and reported to ELB and enhanced for Q3 with capital process initiated in December to ensure all areas had the opportunity to access additional support.
- FSD away day and town hall events took place which facilitated a broader discussion of ambitions and plans for the department.
- Chamberlain's and City Surveyor's work on major projects funding strategy - update to Investment Working Party was taken in October and informal RASC in November 2023.
- Appointment of ERP supplier, deep dive on budgets.

### Challenges faced over this quarter

- Delays in resolving prior year accounts has pushed back work on the 2022/23 accounts so original intention to achieve sign off for both City Fund and City's Estate in December was not met.
- Recruitment challenges across finance sector - employees market where the interim market is more lucrative (shift from permanent to interim market).
- Inflationary pressures need careful monitoring and risk management accounting continues.
- ERP programme delays have meant work on the new solution is yet to begin with the system integrator (SI).

### Plans for the next quarter (Q4)

- Financial Services Director continues to focus on 3 key priorities - 1) Well being of staff; 2) Recruitment; 3) Getting the basics done.
- Complete audit work for City Fund 2022/23 and City's Estate 2022/23.
- Initiate the closedown process for the 2023/24 year-end circulating key dates and tasks to the wider organisation. Take the lessons learned from the recent audits to inform where further work is required to ensure suitable control is achieved – including training and development.
- Ratepayers consultation – January 2024.
- Budget setting for 2024/25 is finalised and taken for approval.
- Continuation of recruitment campaign to fill remaining posts.
- Go-Live with new FSD matrix structure.
- Continued work on Operational Property Review and income generation.
- Chamberlain's and City Surveyor's work on major projects funding strategy continues to be developed and refined in line with the overall MTFP.
- Appointment of System Integrator to support the ERP implementation, deep dive on budget – to Digital Services Committee and Finance Committee, data cleansing strategy.
- Continue work with Corporate Treasury and new CIO function (Stanhope) in developing a longer term robust cashflow.

### Changes to our Business Plan priorities

- No changes to business plan priorities.

### Key updates from this quarter

- Collection rates have increased for Council Tax and Business Rates.
- A credit audit is underway to review historic credit notes.
- All power and gas invoices have now been fully automated reducing manual processing.
- Housing Benefit System conversion has been completed on time.
- New Property Management System has gone live.

### Challenges faced over this quarter

- Continued delay in third party solution to automate invoices due to internal system restrictions.
- Change to Members PAYE references and HMRC requirement to move to a monthly payroll has added additional challenges to delivering the Members Allowance Scheme.
- Change from DHLUC to NNDR Multipliers has created complexity in delivering Annual Billing for 2024/25.
- Identification of discrepancies with Visiting Music Teachers (VMT) Pensions.
- The Accounts Payable Team have lost two team members at short notice which has impacted performance.

### Plans for the next quarter (Q4)

- Continue to work with our supplier to deliver a solution to automate more invoices.
- Undertake 2024/25 Annual Billing for Business Rates and Council Tax.
- Launch of new Online Charitable Relief application form.
- Replacement Income Manager system go live (April 2024).
- Council Tax and Business Rates E-billing and DD automation (AUDDIS) projects underway.
- Instigate an external review of all VMT pension contributions.

### Changes to our Business Plan priorities

- No changes to business plan priorities

### Key updates from this quarter

- Production and distribution of the 2023 Pension Scheme Savings Statements in respect of the Annual Allowance.
- Implementation of the 'McCloud Remedy' for both the Local Government and Police Pension Schemes.
- Final user acceptance testing of Member Self Service for the Pension Administration system.
- GL Testing completed on the new Property Management system (Horizon).
- Finalisation of the strategic asset allocation for the Pension Fund.
- Pension Fund Annual Report and Financial Statements for 2020/21 and 2021/22 signed off by the external auditors.
- Completion of the December 2023 insurance renewals.

### Challenges faced over this quarter

- Maintaining appropriate liquidity in light of the pace of potential spend on the major projects.
- Dealing with last minute additional audit queries around the 2022/23 accounts (City Fund).

### Plans for the next quarter (Q4)

- Continuing the implementation of the many facets of the 'McCloud Remedy' for both the Local Government and Police Pension Schemes.
- Roll out of Member Self Service for the Pension Administration system.
- Preparing for year-end data collection to allow the production of the 2024 Annual Benefit Statements for both the Local Government and Police Pension Schemes.
- Commence exposure data collation for the June 2024 Insurance renewals.
- Continue user acceptance testing followed by implementation of the new Income Manager system (Go-live April 2024).
- Continuing collaboration with Corporate Accountancy and Stanhope (CIO function) in developing a longer term robust cashflow in light of the spend on Major Projects.
- Continued liaison with the external auditors in relation to the 2022/23 accounts
- Finalisation of the Treasury Management Strategy (TMSS) for 2024/25.
- Preparation of reports for various Committees/Boards.
- Continue to develop quarterly climate reporting and the Climate Action Strategy (CAS) Year 4 Plan for financial Investments.
- Attendance at LGC Investment Seminar (Pensions) in March 2024.

### Changes to our Business Plan priorities

- No changes to business plan priorities

**Key updates from this quarter**

- Internal Audit Apprentices made excellent progress.
- Delivery against anticipated programme of work for 2023/24 is good.
- Corporate Risk Assurance reviews reinstated at a more aggressive pace, on-track to complete all planned reviews for current year.

**Challenges faced over this quarter**

- Of the 2 Senior Auditors recruited in Q2, one did not complete probationary period, therefore, currently one vacancy in the team.
- Long term sickness absence has further impacted available resources, but impact largely managed within the team.
- High profile work continues to require significant time commitment from Head of Internal Audit.

**Plans for the next quarter (Q4)**

- Launch recruitment for Senior Auditor.
- Completion of planned Internal Audit Reviews.
- In-depth review of outstanding and overdue Internal Audit recommendations.
- Audit Planning for 2024/25.

**Changes to our Business Plan priorities**

No changes to business plan priorities.

**Key updates from this quarter**

- Gross profit generated by the CHB Court shop from Q1 to Q3 has increased by 30% compared to the same period in 2022/23.
- Number of freedom ceremonies from Q1 – Q3 have increased by 33% compared to 2022/23.
- Continuously received very positive feedback from guests and participants of freedom ceremonies and throughout the application period.
- Hosted successful reception after the Silent Ceremony for key stakeholders, Freemen and the Chamberlain.
- Significantly reduced the backlog of ceremonies as a result of COVID-19 by encouraging the Livery to have group ceremonies. The Court is now booking 11 weeks ahead, instead of 15 weeks in Q2.
- Finalising plans with Mansion House regarding "en masse" Freedoms for the Lord Mayor and invitations have been sent out.
- Continued testing of the freedom application system.
- Appointment of new Court apprentice to support Court capacity challenges.
- Completed draft of CHB 2024/25 Business plans in consultation with key stakeholders.
- PIF/Contingency VFM Fund Bid Review 22/23 and policy refresh completed and ratified by Policy and Resources Committee in December.
- Developed CHB strategic approach to DSE assessments.
- Progression of the development of finance training for non-financial managers workstream.
- Updated /published content on COLNET pages.

**Challenges faced over this quarter**

- The Chamberlain's Court continues to have capacity challenges to meet pressing deadlines and last-minute stakeholder requests when staff are absent.
- Delay on freedom application system (Agenda) implementation due to testing.
- The transfer of DITS and Commercial to the Chamberlain's Department has increased the workload of the Business Support team.

**Plans for the next quarter (Q4)**

- Further testing on the new freedoms application system and meetings with supplier to ensure that the system is fit for purpose.
- Managing an increase in Freedom applications – it is anticipated with the Lord Mayor's special Freedoms will generate an additional 150-200 applications from his office for this mayoral year.
- Further work to support the smooth transfer of DITS and Commercial.
- Continue to progress and monitor Chamberlain's Transformation projects/workstream.
- Draft CHB Health & Safety Business Plan 2024/25.
- Deliver new PIF/Contingency policy briefings.
- Planning/scoping CHB customer survey.

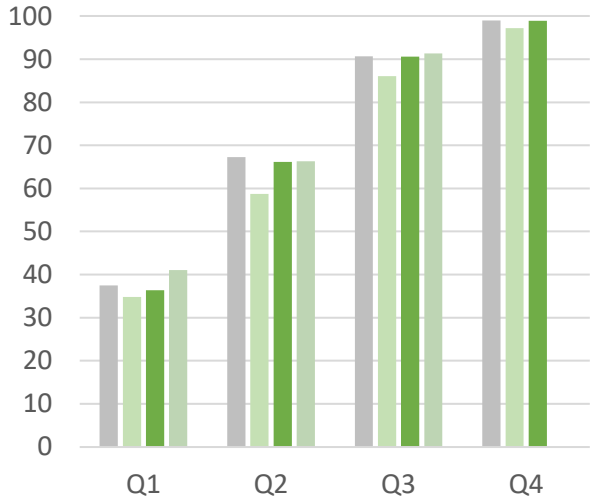
**Changes to our Business Plan priorities**

No changes to business plan priorities.

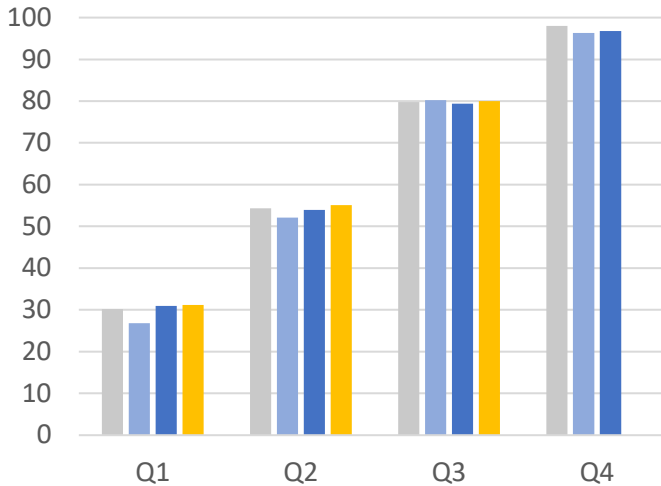


# Key Performance Indicators

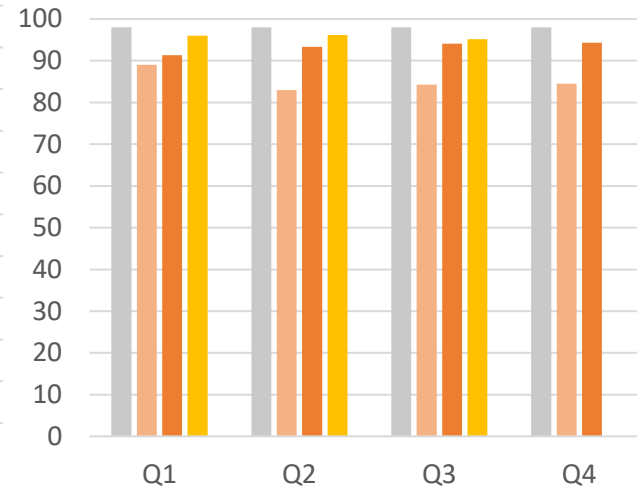
### Business rates in year collection 23-24 % collected



### Council tax in year collection 23-24 % collected



### Commercial rent collection 23-24 % collected



■ Target 23/24\* ■ 2021/22 ■ 2022/23 ■ 2023/24

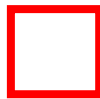
\*The target in the 23/24 business plan agreed by Members was 98%, however, following the 22/23 outturn a stretch target of 99% has been set.

■ Target 23/24 ■ 2021/22 ■ 2022/23 ■ 2023/24

■ Target 23/24 ■ 2021/22 ■ 2022/23 ■ 2023/24



Publication of the Draft City Fund Accounts within Statutory Deadline of 31st May. The authority has been unable to comply with this requirement due to the additional workload from the delayed audit of 2020/21 and 2021/22 statements. This is partly due to a national issue on the accounting for infrastructure assets, and also due to the pensions triennial valuations impacting 2021/22 accounts. 2022/23 Draft City Fund accounts were published on 12<sup>th</sup> July. Final City Fund accounts 2020/21 and 2021/22 were signed and published in November and December.



Publication of City Fund Audited accounts on 30<sup>th</sup> September. Impacted by the above and delay to auditing of accounts with just 2022/23 now outstanding.



Publication of draft CBF Accounts end of July and Publication of draft City's Cash Accounts end of August.

**IN PROGRESS**

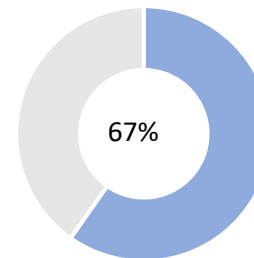
**Effective financial management: expenditure against departmental local risk budgets (Target < 1%)**

**IN PROGRESS FOR 24/25**

**Delivery of a balanced budget and Medium-Term Financial Plan for City Fund, approved by Court of Common Council by 7 March**

Appendix 1

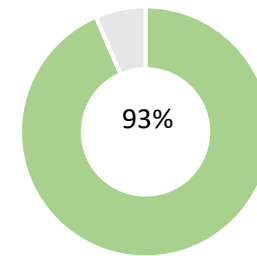
### Invoices paid to SMEs within 10 days Q3 23-24



Target 88%

10 Day SME transactions 11,349, 3,703 paid after 10 days

### Invoices paid within 30 days Q3 23-24



Target 97%

16,860 transactions, 1,213 paid after 30 days

## Payment of invoices

- In Q3 the City's performance for the payment of invoices within 30 days was 93% representing a 4% shortfall of the target but an improvement on Q2. The quantity of supplier invoices paid has increased by 2.14% which has placed slightly more pressure on the Accounts Payable team who lost two team members at very short notice.

| Month  | All transactions Qty | Paid after 30 days Qty | 30 days on time % |
|--------|----------------------|------------------------|-------------------|
| Apr-23 | 4,927                | 243                    | 95%               |
| May-23 | 5,214                | 438                    | 92%               |
| Jun-23 | 5,296                | 389                    | 93%               |
| Q1     | 15,437               | 1070                   | 93%               |
| Jul-23 | 5,326                | 446                    | 92%               |
| Aug-23 | 5,904                | 550                    | 91%               |
| Sep-23 | 5,277                | 483                    | 91%               |
| Q2     | 16,507               | 1479                   | 91%               |
| Oct-23 | 5,749                | 405                    | 93%               |
| Nov-23 | 5,906                | 486                    | 92%               |
| Dec-23 | 5,205                | 322                    | 94%               |
| Q3     | 16,860               | 1,213                  | 93%               |

- The team continue to focus on clearing the invoice processing backlog as well as progress the Invoice Automation Project with a third-party provider to reduce manual invoice processing conducted by the AP team by using data extraction and e-invoicing routes. It is anticipated further improvements will be seen in future quarters.
- Delivery of a data cleansing plan is underway to tackle long outstanding POs, invoices on hold and outstanding credit notes in preparation for the ERP implementation.
- New self-service reports were developed for Open Orders and AP Holds to enable all Oracle users to show who is responsible for taking action to resolve them. An overview dashboard was developed to show high level summary statistics, analysing this information by department, age and person responsible to allow the resolution progress to be easily monitored
- Training to Oracle users across all departments continues to ensure awareness of the actions they need to take for both PO and AP open items and how to use these new reports.