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| <b>Committee(s):</b><br>Finance Committee   | <b>Date:</b><br>12 November 2024   |
| <b>Subject:</b><br>Chamberlain's Business Plan Quarter 2 2024/25 update   | <b>Public</b>  |
| <b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>                 | Chamberlain's Department as a support service aims to impact all six outcomes in the Corporate Plan. |
| <b>Does this proposal require extra revenue and/or capital spending?</b>  | N  |
| <b>If so, how much?</b>   | N/A  |
| <b>What is the source of Funding?</b>   | N/A  |
| <b>Has this Funding Source been agreed with the Chamberlain's Department?</b>   | N/A  |
| <b>Report of:</b> The Chamberlain   | <b>For information</b>   |
| <b>Report author:</b><br>Hayley Puhlhofer – Head of Chamberlain's Office<br>Leah Woodlock – Chamberlain's Project Manager |  |

### Summary

This report provides an update on the progress of Chamberlain's Department against Business Plan during quarter one of 2024/25.

Highlights from quarter two of 2024/25 include:

- The Chamberlain's Department successfully deployed a new Income Manager System. This provides better functionality for users, increased automation and more payment options for customers including, i an automatic telephone payment line which allows customers to make payments without any staff manual intervention.
- Undertook a recruitment campaign with the Commercial, Change and Portfolio delivery team to resource the new structure. Procured the new project management system. Internal Audit are on track to deliver the 600 audit days target for the 2024/25 year.
- The Chamberlain's transformation programme continues to gain momentum via the ERP Programme achieving Gateway 5, a draft Digital, Data, and Technology strategy for the City of London Corporation, launching the commercial and contract management review, and collaborating with stakeholders on income generation opportunities.

The details of the key updates, challenges and future priorities are detailed in Appendix 1.

### Recommendation

Members are asked to:

- note the report.

## **Main Report**

### **Background**

1. The Chamberlain's Department provides quarterly updates to Finance Committee on the activities and achievements against the approved business plan. This report provides an update on the department's performance during quarter two of 2024/25.
2. A new quarterly report template has been developed by the Corporate Strategy and Performance team, which has been used to bring this report together. This will also be used to provide an update to Executive Leadership Board.

### **Current Position**

#### **Financial Services Division & Corporate Treasury**

3. Significant effort from the Chamberlain's team and wider stakeholders to meet the statutory deadline for the 2023/24 City Fund and Pension Fund statement accounts, signed by the Chamberlain and Chair and Deputy Chair of Finance Committee on 27<sup>th</sup> September. However, due to unexcepted delays in the auditor final quality review the publication deadline was missed by a couple of weeks.
4. The draft deadline for the 2023/24 City's Estate statement of accounts achieved with the audit currently on track. Medium term cashflow modelling for City Fund and City's Estate now complete.
5. The Corporate Treasury Team in quarter two delivered the LGPS Annual Benefit Statements by the statutory deadline of 31 August 2024, completed the VAT Partial Exemption calculation for the 2023-24 year. Commenced collating data for the December insurance renewals. The Pensions team submitted a response to the MHCLG 'Pension Investment

#### **Financial Shared Services**

6. In year collection rates for Council Tax during Q2 2024/25 is at 54.88% which is a slight decrease of 0.3% when compared to Q2 23/24 collection.
7. In year collection rates for Business Rates during Q2 2024/25 is at 67.66% which is an increase of 1.3% when compared to Q2 23/24 collection.
8. Investment Property Income overall collection was 86% at the end of Q1 which is a decrease on the previous quarter at 94.47%.
9. The City's performance for the payment of invoices within 30 days has improved since Q4, however, was still a 4.2% shortfall of the target. See table at appendix 2.

## **Internal Audit**

10. The Internal Audit team is now on track to to achieve the baseline target of 600 audit days delivered in the current year and on target to achieve the longer term target of 1000 audit days per year by 31/03/2026. Additional funding has been provided for Internal Audit from 01/09/2024, (Finance Committee Contingency for remainder of 2024/25 and increase to the resource base from 2025/26).
11. The additional capacity within the team has supported the development of a more structured programme of Internal Audit work for the remainder of the year, adopting a more traditional format of Internal Audit Plan for Q3 and Q4.

## **Chamberlain's Transformation**

12. The dashboard is reviewed monthly by the Senior Leadership Team at the management team meeting.
13. In Q2 2024/25, significant advancements were made across various workstreams and programmes. The ERP Programme received Gateway 5 approval, allowing work to commence. The preferred bidder for the System Integrator partner was announced and appointed. Additionally, programme leads were successfully recruited for several roles.
14. The draft digital strategy was developed to establish a unified approach for Digital, Data, and Technology (DDaT) across the entire City of London Corporation. This DDaT strategy is scheduled to be presented to Policy and Resources as well as the Court of Common Council in Q3.
15. The initial phase of the Commercial and Contract Management strategic review began during the summer. The findings and the corresponding implementation plan are scheduled to be presented to the Projects and Procurement Sub-Committee in December.
16. Work continues on the Income Generation opportunities, enabling business areas to develop business cases and mobilise plans.
17. Draft Financial Improvement and Transformation (FIT) Strategy developed which will drive transforming operations and processes within FSD to align with modern and best practices, is essential for improving efficiency, accuracy, and accountability in financial management. This strategy is not only pivotal for current operations but also ensures that we are primed to embrace future innovations and advancements – i.e. the new ERP system. Moreover, the FIT Strategy will serve as a guiding framework, fostering a culture of continuous improvement and adaptability. By focusing on skill development, process optimisation, and strategic alignment, we are setting the stage for a finance function fit for the future.

## **Commercial, Change and Portfolio Delivery**

18. The Commercial service completed the recruitment campaign to recruit to vacancies within the team. The team initiated the project to update the current contracts system, due to go live in November.
19. The Responsible Business Team published the first annual Responsible Procurement Impact Report 2023-24 in June, highlighting the responsible procurement achievements delivered in the last financial year. The team were the only public sector nominee for Supplier Diversity Advocate of the Year at MSDUK's awards.
20. The Transformation team have recruited to the Commercial Project Manager and Transformation Project Manager roles.
21. The portfolio delivery team procured the project management system.

## **Conclusion**

22. The Chamberlain's Department will continue to build on the progress made in the first half of the year and work to deliver the 2024/25 departmental business plan and support the wider Corporate Plan and People Strategy.

## **Corporate & Strategic Implications**

Strategic implications – Strategic priorities and commitments are expressed in Appendix 1.

Financial implications – The 2024/25 Business Plan reflected a 3% inflationary increase on pay and prices against the departmental budget as agreed by Court of Common Council in March 2024.

Resource implications – The DITS structure is currently being reviewed and a light-touch restructure is expected. The recruitment campaign to fill the new roles in the Commercial, change and portfolio delivery division was undertaken in Q2.

Legal implications – None.

Risk implications – Key risks managed by the department are included in the Risk Update Report also received by this committee.

Equalities implications – The department has a separate Equalities and Inclusion Plan which aims to improve the department's Equalities position for employees. Where appropriate the department will complete Equality Impact Assessment for upcoming changes.

Climate Implications – Under the Climate action strategy the departments Corporate Treasury function is responsible for delivering Scope 3 emission actions related to our financial investments.

Security implications – None.

### **Background Papers**

Draft Chamberlain's Business Plan for 2024/25 – 23 January 2024

Draft Commercial Business Plan for 2024/25 – 23 January 2024

### **Appendices**

Appendix 1 – Chamberlain's Business Plan update

Appendix 2 – Payment performance YTD

Appendix 3 – Chamberlain's Transformation Dashboard

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