

Committee(s): Finance Committee – For information	Dated: 18 February 2025
Subject: Chamberlain’s Business Plan Quarter 3 2024/25 update	Public report: For information
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties • provides business enabling functions 	Chamberlain’s Department as a support service aims to impact all six outcomes in the Corporate Plan directly or indirectly.
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	Budgets already agreed by this committee for 2024/25
Has this Funding Source been agreed with the Chamberlain’s Department?	Yes, within budget estimate and capital funding already agreed
Report of:	The Chamberlain
Report author:	Hayley Puhlhofer, Head of Chamberlain’s Office

Summary

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

Highlights from quarter three of 2024/25 include:

- The Systems Team (in Financial Shared Services) have upgraded the ‘Information@Work’ document management system. This will enable the Housing and Council Tax Benefit Team to become fully digital. Go live is scheduled for Q1 25/26 but the team are ahead of schedule and a Q4 go live remains a possibility.
- Successful recruitment campaign with the Commercial, Change and Portfolio delivery team to resource the new structure.
- 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 (Programme SAPphire) 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.

- Audited 2023/24 City Fund accounts were published.

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 three 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. In Quarter 3 this has been adjusted slightly in line with feedback received by the team.

Current Position

Financial Services Division & Corporate Treasury

3. As mentioned in the last update, significant effort was made by the Chamberlain's team and wider stakeholders to meet the statutory deadline for the 2023/24 City Fund and Pension Fund statement accounts. These were signed by the Chamberlain and Chair and Deputy Chair of Finance Committee on 27th September. However, due to unexcepted delays in the auditor final quality review the publication deadline was missed by a couple of weeks. The auditors signed off on 17th October and the accounts were published on 18th October.
4. The 2023/24 City's Estate statement of accounts were signed ahead of the expected deadline of 26th December, with the accounts published on 6th December.
5. The 5 year cashflow forecast for City Fund and City's Estate was presented to the December Investment Committees, but was only noted at this meeting due to Court decision regarding the markets which meant there was significant work to rework the numbers in the paper. With over £2bn committed to major projects, the forecast will be crucial for strategic asset disposal decisions, alignment with the investment strategies for both funds and managing cash flow to sustain operations and achieve growth.

Financial Shared Services

6. In-year collection rates for Council Tax during Q3 2024/25 is at 81.6% which is an increase of 1.6% when compared to Q3 23/24 collection which was at 80%. This is the best in-year collection performance since 2019/20 (82.2%).

7. In-year collection rates for Business Rates during Q3 2024/25 is at 92.57% which is a decrease of 1.34% when compared to Q2 23/24 collection. The decrease is due to high values bills being dispatched during the quarter for the new 8 Bishopsgate Building which have increased the collectable debit for the year.
8. Investment Property Income overall collection was 94.65% at the end of Q3 which equates to £8.8m of arrears. Circa £1m of which relates former tenant arrears.
9. The City's performance for the payment of invoices within 30 days has improved since Q2, with 95.35% paid within 30 days, however this is still 1.65% shortfall of the target.
10. Housing and Council Tax Benefit claim processing performance has improved from Q2. Days to assess new claims has improved from 24.17 days to 12.44 days and changes of circumstance have been assessed in 3.05 days, which is down from 3.82 days in Q2.

Internal Audit

11. The Internal Audit team remains on track 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. The team is fully resourced going into Q4, including the appointment to the Deputy Head of Internal Audit position.

Chamberlain's Transformation

12. The SAPphire programme team was fully mobilised over the last quarter and the team completed the first wave of fit-to-standard workshops in readiness for Wave 1 go live (Learning Management Solution (LMS), Recruitment & Goal Setting) in Quarter 1 next year. Highlights included:
 - Statement of works approved by Board / Committee and signed with system integrator which covers the scope of work and delivery plan with the system integrator (HCL).
 - Joint kick-off meeting completed with system integrator led by SRO and programme leadership team.
 - Wave 1 detailed plans completed and 90-day plan for all waves.
 - Completion of all Wave 1 (LMS, Goal Setting, Recruitment) fit-to-standard workshops and sign-off for the solution design document.
- Trial data migration completed for LMS.
13. The draft digital strategy was developed to establish a unified approach for Digital, Data, and Technology (DDaT) across the entire City of London Corporation and has been approved by the Court of Common Council.
14. The initial phase of the Commercial and Contract Management strategic review began during the summer. The findings and the corresponding implementation plan were presented to the Projects and Procurement Sub-Committee in December.
15. Work continues the Income Generation opportunities, enabling business areas to develop business cases and mobilise plans.

16. As part of the Financial Improvement and Transformation (FIT) Strategy, budget manager training workshops have commenced. These workshops are initial steps toward a self-service monitoring process. The initial workshop had 11 attendees December, a further session was held in January with 13 budget managers in attendance with further 2 training sessions planned in quarter 4. There will be a pause on training during March and April 2025 due to prioritising year-end closing with a view to increase training with multiple sessions per month starting from May. The training is still on track to reach all 450 budget managers by December 2025. Initial feedback responses have been positive and continue to be evaluated to help shape the training. The strategy aims to transform operations and processes within FSD to align with modern and best practices, enhancing efficiency, accuracy, and accountability in financial management. This strategy is important for current operations and prepares for future innovations and advancements, such as the new ERP system. Additionally, the FIT Strategy will provide a framework for continuous improvement and adaptability. By focusing on skill development, process optimisation, and strategic alignment, we aim to create a finance function that is prepared for future needs.

Commercial, Change and Portfolio Delivery

17. The Commercial service completed the recruitment campaign to recruit to vacancies within the team. This recruitment addresses the significant resourcing issue flagged in previous reports. The team are more or less resourced pending a restructure of the Commercial Team. The team initiated the project to update the current contracts system, due to go live in November.
18. 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.
19. The Transformation team have recruited to the Commercial Project Manager and Transformation Project Manager roles.
20. The portfolio delivery team procured the project management system.

Corporate & Strategic Implications

22. Strategic implications – Strategic priorities and commitments are expressed in Appendix 1.
23. 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.
24. 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.
25. Legal implications – None.
26. Risk implications – Key risks managed by the department are included in the Risk Update Report also received by this committee.

27. 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.
28. 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.
29. Security implications – None.

Conclusion

30. The Chamberlain’s Department will continue to build on the progress made in the first 3 quarters and work to deliver the 2024/25 departmental business plan and support the wider Corporate Plan and People Strategy.

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 progress report
Appendix 2 – Payment Performance stats YTD
Appendix 3 – Transformation Dashboard

Hayley Puhlhofer

Head of Chamberlain’s Office

T: 0207 332 1033

Hayley.Puhlhofer@cityoflondon.gov.uk