

<b>Committee:</b>	<b>Date:</b>
Establishment Committee	20 <sup>th</sup> September 2018
<b>Subject:</b> Revenue Outturn 2017/18	<b>Public</b>
<b>Report of:</b> The Town Clerk, the Chamberlain, the Comptroller and City Solicitor	<b>For Information</b>
<b>Report Author:</b> Laura Tuckey, Chamberlain's Department	

### Summary

This report compares the revenue outturn for the services overseen by your Committee in 2017/18 with the final budget for the year. Overall total net expenditure during the year was £11.925m whereas the budget was £12.030m representing an underspend of £105,000 as summarised below.

	<b>Final Budget</b> <b>£000</b>	<b>Revenue Outturn</b> <b>£000</b>	<b>Variations Worse/ (Better)</b> <b>£000</b>
<b>Chief Officer</b>			
Total Town Clerk	6,855	6,951	96
Total Comptroller and City Solicitor	3,288	3,209	(79)
<b>Total Chief Officer</b>	10,143	10,160	17
<b>Support Services</b>	1,887	1,765	(122)
<b>Net Expenditure</b>	12,030	11,925	(105)

The better than budget position mainly relates to underspends on Communications and Computing and Support Services (further details can be found in paragraphs 3 and 6 of the main report).

The Town Clerk proposed to carry forward £88,000 of the £107,000 local risk underspend and the Comptroller and City Solicitor proposed to carry forward £100,000 of the £142,000 local risk underspend. These proposals have been agreed by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee and have been added to budgets for 2018/19.

### Recommendations

It is recommended that this revenue outturn report for 2017/18 and the budgets carried forward to 2018/19 are noted.

## **Main Report**

### **Budget Position for 2017/18**

1. The 2017/18 original budget for the services overseen by your Committee was £10.851m as endorsed by the Court of Common Council in March 2017. This has subsequently been increased to a final budget of £12.030m. An analysis of the increase of £1.179m is provided in Appendix 1.

### **Revenue Outturn for 2017/18**

2. As indicated in the table in the summary, actual net expenditure for your Committee's services during 2017/18 totalled £11.925m compared to a budget of £12.030m, resulting in an underspend of £105,000.

#### *Town Clerk - £96,000 increased net requirement*

3. The increased requirement of £96,000 is comprised of underspends of £107,000 on local risk and overspends of £203,000 on central risk. A breakdown of local and central risk spend is shown in Appendix 2.
4. The reduced local risk requirement was largely due to:
  - The HR software Learning Pool's licence being budgeted in 2017/18 when the payment was due in 2018/19. This has resulted in an underspend against a budget of £88,000 of which £35,000 has been requested as a carry forward that relates to the licence for 2018/19.
  - City Learning Live had to be postponed from Autumn 2017 as it clashed with other Senior Management events as a result the event was deferred to combine with the launch of other initiatives in May 2018. This resulted in an underspend of £35,000 and has been requested as a carry forward.
  - Delays in refurbishing the Training Rooms resulted in underspends of £18,000 which has been requested as a carry forward.
5. The increased central risk requirement was due to:
  - New salary and other ancillary costs totalling £148,000 which had no associated budget increase.
    - The Union staffing and associated on costs had its budget reduced as it was agreed that the service for 2017/18 was going to be reduced to achieve savings. However, this was reviewed by Summit Group on 29<sup>th</sup> March 2017 where it was agreed that the service would be required to continue but at a reduced level to achieve wider cross departmental savings. This took into account the current employee relations climate which is positive, because we have experienced fixed release representatives in place with a sound understanding of Corporation practices. Moreover, a collaborative and solution focused approach to individual casework has been developed with the fixed release representatives. This has resulted in a relatively low level of formal disciplinary and grievance casework by dealing with matters at an early stage before they escalate. In addition the benefits of fixed release means that there is less time off required for departmental representatives to deal with matters which would require time away from

work. As a result, the total costs for Unions of £86,000 was not included in the budget, delivering £14,000 saving against the projected total £100,000 saving.

*Comptroller and City Solicitor - £79,000 reduced net requirement.*

6. The reduced net requirement of £79,000 was comprised of underspends of £142,000 on local risk and an under recovery of income against budget of £63,000 on central risk as shown in Appendix 2.
7. The local risk reduced requirement was mainly due to:
  - The planned replacement of the information management system was put out to tender as a fully hosted legal case management system in November 2017, however, licencing and hosting costs in tenders were found to be excessive so as a result specifications and requirements were amended to reduce costs which has delayed the purchasing of the system. This resulted in an underspend against budget of £100,000 of which £100,000 has been requested as a carry forward (see Appendix 2);
8. The central risk worse than budget outcome was due to:
  - A reduction in property related legal fee income that has resulted in a worse than budget position of £63,000. This was due to a reduced number of property transactions as a result of market conditions.

**Carry Forwards to 2018/19**

9. In relation to their cash limited budgets, Chief Officers can request up to 10% of the total underspend or £500,000 (whichever is the lesser amount) to be carried forward provided the underspending is not fortuitous and the resources are required for a planned purpose. Such requests are considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee.
10. Overspendings are carried forward in full to be met from agreed 2018/19 budgets. However, there are no such overspends in relation to the services overseen by the Establishment Committee.
11. The Town Clerk and the Comptroller and City Solicitor proposed to carry forward £88,000 and £100,000 of their respective underspends. Details of the use of the carry forwards are set out in Appendix 3.
12. These proposals have been agreed by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee and the 2018/19 budgets increased accordingly.

**Appendices**

- Appendix 1 – Analysis of movements from 2017/18 Original Budget to 2017/18 Final Budget
- Appendix 2 – Local & Central Risk Breakdown

- Appendix 3 – Carry Forwards

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## APPENDIX 1

<b>Analysis of movements 2017/18 Original Budget to Final Budget</b>	<b>£000</b>
<b>Original Local Risk Budget (Town Clerk)</b>	<b>6,298</b>
Contribution Pay & Pension Increases	218
Local Risk carry forward from Town Clerk's underspend in 2016/17	120
Budget transfer from Culture Heritage and Libraries	103
New staffing approved from Finance Contingency supporting Committee Chair	56
Apprenticeship budget uplift	44
FOI staff transferring to Comptrollers	-115
<b>Final Local Risk Budget (Town Clerk)</b>	<b>6,724</b>
<b>Original Local Risk Budget (Comptroller and City Solicitor)</b>	<b>2,981</b>
Contribution Pay & Pension Increases	142
3 Additional staff for Corporate and Public Law division	140
FOI staff transferring from Town Clerks	115
Local Risk carry forward from Comptrollers underspend in 2016/17	110
<b>Final Local Risk Budget (Comptroller and City Solicitor)</b>	<b>3,488</b>
<b>Original Central Risk Budget (Town Clerk)</b>	<b>122</b>
Increases to Computer Licences costs	6
Contribution Pay & Pension Increases	3
<b>Final Central Risk Budget (Town Clerk)</b>	<b>131</b>
<b>Original Central Risk Budget (Comptroller and City Solicitor)</b>	<b>-200</b>
No change to budget	0
<b>Final Central Risk Budget (Comptroller and City Solicitor)</b>	<b>-200</b>
<b>Original Support Services and Capital Charges Budget</b>	<b>1,650</b>
Net movements	237
<b>Final Support Services and Capital Charges Budget</b>	<b>1,887</b>
<b>Total Original Budget</b>	<b>10,851</b>
Total increase	1,179
<b>Total Final Budget</b>	<b>12,030</b>

## APPENDIX 2

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Revenue Outturn</b>	<b>Variations Worse/(Better)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Chief Officer</b>				
<b>Local Risk</b>				
The Town Clerk	6,298	6,724	6,617	(107)
The Comptroller and City Solicitor	2,981	3,488	3,346	(142)
<b>Total Local Risk</b>	9,279	10,212	9,963	(249)
<b>Central Risk</b>				
The Town Clerk	122	131	334	203
The Comptroller and City Solicitor	-200	-200	-137	63
<b>Total Central Risk</b>	-78	-69	197	266
Total Town Clerk	6,420	6,855	6,951	96
Total Comptroller and City Solicitor	2,781	3,288	3,209	(79)
<b>Total Chief Officer</b>	9,201	10,143	10,160	17
<b>Support Services</b>	1,650	1,887	1,765	(122)
<b>Net Expenditure</b>	10,851	12,030	11,925	(105)

## APPENDIX 3

To Be Approved Carry Forwards	£000
<p><u>The Town Clerk</u></p> <p>The HR software 'Learning Pool' licence was previously budgeted for 2 years in advance in 2017/18 when the payment was due in 2018/19 and 2019/20. As per accounting regulations expenditure should be recognised in the financial year the services are received, as a result £35k will need to be carried forward to 2018/19.</p> <p>City Learning Live is typically held in Autumn but was deferred from Autumn 2017 as it clashed with other Senior Management events and as HR have recently recruited a new Learning &amp; Development manager the event was deferred to combine with the launch of other initiatives such as a new leadership programme in May 2018.</p> <p>Delays of 6 months in receiving a quote to refurbishing the Training Rooms has resulted in the works not yet being started. This work will now be expected to be carried out in 2018/19.</p>	<p>35</p> <p>35</p> <p>18</p>
<b>Total Town Clerk</b>	<b>88</b>
<p><u>The Comptroller and City Solicitor</u></p> <p>C&amp;CS has an objective in its 2018/19 Business Plan to 'Complete a major Information Management Project'. On 4 February 2016, the Corporate Projects Board approved a C&amp;CS proposal to implement a replacement information case management system. The project was paused at the procurement stage in January 2017 to ensure that the system procured achieves a good technical fit with the new corporate IT infrastructure deployed in 2017. The requirement was put out to market as a fully hosted legal case management system in November 2017. Licencing and hosting costs in the tenders were found to be excessive and therefore the specification/requirements have been revised to reduce the cost to be within budget which has been reduced to £90k with a £10k contingency while retaining the system functionality required to deliver the required business process improvements.</p>	<p>100</p>
<b>Total Comptroller and City Solicitor</b>	<b>100</b>