

Committee(s)	Dated:
Establishment	3 rd December 2018
Subject: Revenue Budgets 2019/20	Public
Report of: The Town Clerk, the Chamberlain, the Comptroller and City Solicitor	For Decision
Report Author: Laura Tuckey, Chamberlain's Department	

Summary

This report is the annual submission of the revenue budgets overseen by your Committee. In particular it seeks approval of the provisional revenue budget for 2019/20, for subsequent submission to Finance Committee. The budgets have been prepared within the resources allocated to the Town Clerk and the Comptroller and City Solicitor.

	Original Budget 2018/19 £000	Latest Approved Budget 2018/19 £000	Original Budget 2019/20 £000	Movement from 2018/19 to 2019/20 £000
Town Clerk				
Local Risk				
Expenditure	(7,144)	(7,604)	(7,541)	63
Income	615	612	593	(19)
Total Local Risk	(6,529)	(6,992)	(6,948)	44
Central Risk				
Expenditure	(110)	(812)	(509)	303
Income	(0)	26	26	(0)
Total Central Risk	(110)	(786)	(483)	303
Support Charges	(1,590)	(1,046)	(1,472)	(426)
Total Town Clerks	(8,229)	(8,824)	(8,903)	(79)
Comptroller and City Solicitor				
Local Risk				
Expenditure	(4,294)	(4,580)	(4,409)	171
Income	862	874	862	(12)
Total Local Risk	(3,432)	(3,706)	(3,547)	159
Central Risk				
Expenditure	(0)	(0)	(0)	(0)
Income	200	200	200	(0)
Total Central Risk	200	200	200	(0)
Support Charges	(561)	(575)	(575)	(0)
Total Comptroller and City Solicitor	(3,793)	(4,081)	(3,922)	159
Total Net Expenditure (recharged as support services across the City Corporations activities)	(12,022)	(12,905)	(12,825)	80

Expenditure and unfavourable variances are presented in brackets

Overall, the 2019/20 proposed revenue budget totals £12.825m, a decrease of £80,000 compared with the budget for 2018/19. The main reasons for this net decrease are: -

- the budget for 2018/19 includes one-off provisions for expenditure of £188,000 (Town Clerk £88,000 and Comptroller and City Solicitor £100,000) funded from underspends brought forward from 2017/18, as detailed to, and agreed by, the Chamberlain, the Chairman of Finance Committee and the Chairman of Policy & Resources Committee in June 2018;
- the budget for 2018/19 includes one-off provisions for expenditure of £116,000 to fund employees contribution pay in that year and backdated Holiday on Overtime pay;
- a net increase in employee costs due to increments, re-grading and pay-awards that total £602,000;
- the budget for 2018/19 includes a one-off provision of £503,000 for Transformation Fund Supplies and Services related spend and
- an unidentified savings target of £671,000.

There is a savings target of 2% of the original 2018/19 net local risk budget as agreed by Finance Committee and Court of Common Council of £196,000 (£131,000 Town Clerk's Department and £65,000 Comptroller and City Solicitor's Department). This is offset by a 2% inflationary increase of the original 2018/19 net local risk budget for the same amount.

The Town Clerk's and Comptroller and City Solicitor's budgets are prepared in line with the resource base.

The Town Clerk's business priorities for the forthcoming year will be set out in the 2019/20 business plan. Key priorities for the Comptroller and City Solicitor include providing governance and legal advice to support corporate projects and programmes, providing legal support to the City Surveyors to increase rental income, continue supporting the City of London Police, the provision of governance on data protection compliance and delivering a transformational department information management project.

Recommendations

The Committee is requested to:

- Critically review the provisional 2019/20 revenue budget to ensure that it reflects the Committee's objectives;
- note the unidentified savings lines for Town Clerk's Budgets of £311,000 and £360,000 for the Comptrollers and City Solicitor's Budgets;

- if the budget reflects the Committee's objectives, approve the budget for submission to the Finance Committee and
- authorise the Chamberlain to revise these budgets to reflect any further implications arising from the Service Based Reviews and other corporate efficiency projects.

Main Report

Introduction

1. This report sets out the proposed revenue budget for 2019/20 covering expenditures and incomes attributable to the Town Clerk's and the Comptroller and City Solicitor's Departments.
2. The Town Clerk's Office lies at the centre of the City Corporation's strategic management processes, helping to shape the development of corporate policy and strategy. It provides corporate leadership and co-ordination at officer level. The Town Clerk's Office is also responsible for promoting high standards of corporate governance and providing support to Members and Committees.
3. The Comptroller and City Solicitor is responsible for providing all legal services required by the City. This includes providing legal advice to Committees, Departments of the City, to the Commissioner of Police for the City, and to other organisations for whom the Comptroller and City Solicitor is required to act as legal adviser (e.g. the Museum of London).

Business Planning Priorities

4. The Town Clerk's draft business plan priorities for 2019/20 for the service areas covered by this committee will be shared as part of the Business Plan Member scrutiny process.
5. The Comptroller and City Solicitor's priorities include:
 - To provide governance and legal advice to support the delivery of corporate projects and programmes to enhance the City and London e.g. New Courts project, City of London sponsored Academy Trusts, Bridge House Estates Strategic Governance Review, increased affordable housing provision, implementation and delivery of the Philanthropy Strategy, on-going charities rationalisation and Centre for Music project.
 - Provide legal advice, and carry out a full range of transactional work to assist the City Surveyor in the management and development of the City's Investment portfolio to achieve increased rental income (or enable key projects) and of the Corporate property portfolio to achieve maximisation of use and to provide similar services to the Director of Community and Children's Services to assist in the management of the City's housing stock and to the Director of Open Spaces in the management of the City's open spaces, disposals and acquisitions.

- Continue with the First Registration programme.
- Continue to deliver support to the City of London Police (CoLP) e.g. in the development of the Action and Know Fraud project with IBM.
- Deliver governance and expert advice to support departments in ensuring that the City of London is compliant with the General Data Protection Regulation, EU 2016/679 and Data Protection Act 2018.
- Provide governance advice, legal advice and support for changes related to the City's internal processes e.g. Standards Review; and for the City's statutory, charitable and other functions e.g. open spaces, planning, highways.
- Achieve re-accreditation with a high level of compliance to the Law Society's LEXCEL quality standard.
- Deliver a transformational departmental information management project which will facilitate paper light working, achieve process efficiencies and improve transparency and customer service.

Savings Target

6. The Finance Committee and the Court of Common Council agreed that a 2% savings target based on the Original 2018/19 net local risk budgets should be made by all departments in their 2019/20 local risk budgets. This amounts to £131,000 for the Town Clerk's Department and £65,000 for the Comptroller and City Solicitor's Department. However this is offset by a 2% inflationary increase of the original 2018/19 net local risk budget of £131,000 for the Town Clerk's Department and £65,000 for the Comptroller and City Solicitor's Department.
7. The Town Clerk's Department and Comptroller and City Solicitor's Department budgets have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees. The Town Clerk's budget is within the 2019/20 resource base allocated but with unidentified savings of £311,000. While the Comptroller and City Solicitor's budget is within the local risk resource base allocation with unidentified savings of £360,000.

Proposed Revenue Budget for 2019/20

8. The proposed Revenue Budget for 2019/20 is analysed between:
 - Local Risk budgets – these are budgets deemed to be largely within the Chief Officer's control.
 - Central Risk budgets – these are budgets comprising specific items where a Chief Officer manages the underlying service, but where the eventual financial outturn can be strongly influenced by external factors outside of his/her control or are budgets of a corporate nature (e.g. interest on balances and rent incomes from investment properties).

- Support Services and Capital Charges – these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk.
9. The provisional 2019/20 budgets have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees and are within the resources allocated to the Town Clerk's Department, which include a 2.0% savings target and 2% inflation.
 10. The overall budget for this Committee is set out in Appendix 1. Further details at a departmental level, including service overviews, are set out in Appendices 2 (Town Clerk) and 3 (Comptroller and City Solicitor). Expenditure and unfavourable variances are presented in brackets. Only significant variances (generally those greater than £100,000) are commented on.
 11. Overall there is a reduction of £80,000 between the 2018/19 latest approved budget and the 2019/20 original budget. This movement is explained by the variances set out in the following paragraphs.
 12. An increase in local risk employee expenditure of £718,000 (£424,000 Town Clerk & £294,000 Comptroller and City Solicitor) mainly a result of increasing salary costs such as yearly increments, estimated pay awards and re-gradings.
 13. There is a net decrease in the local risk budget for Supplies and Services of £263,000. The 2018/19 budget includes one-off items such as carry forwards from 2017/18 amounting to £188,000 (Town Clerk £88,000 and Comptroller and City Solicitor £100,000) with the remaining £75,000 (£70,000 Town Clerk & £5,000 Comptroller & City Solicitor) decrease being attributed to savings found within services.
 14. There are currently £311,000 unidentified savings to be found within the Town Clerk's Departmental budget and £360,000 within the Comptroller & City Solicitor's budget. These departments will be working towards finding these savings between now and into 2019/20.
 15. There is a net reduction in the central risk employee expenditure of £350,000 which is comprised of;
 - A reduction of £463,000 in the Town Clerk's Departmental budget relating to a one-off allocation to the Town Clerk's Office, from the Transformation Fund to implement the cross cutting changes needed for service transformation (there is also a corresponding reduction in income from other funds as this expenditure is recharged to all funds, see paragraph 16 below); and
 - an increase of £110,000 relating to increases in staffing costs.
 16. There is a decrease of £503,000 for the support service income directly related to the one-off allocation for the Transformation Fund (£463,000 on Employees and £40,000 on Supplies and Services, both on central risk) as detailed in paragraph 15 above.

17. A summary of employee related costs is shown in table below.

Staffing statement	Latest Approved Budget 2018/19		Proposed Original Budget 2019/20	
	Full-time equivalent	Estimated cost £0	Full-time equivalent	Estimated cost £0
Town Clerk	140.3	£ 7,389,000	133.3	£ 7,463,000
Comptroller and City Solicitor	59.2	£ 4,296,000	59.2	£ 4,590,000
TOTAL	199.5	£11,685,000	192.5	£12,053,000

Potential Further Budget Developments

18. The provisional nature of the revenue budgets particularly recognises that further revisions may arise from the necessary realignment of funds resulting from such items as:

- corporate efficiency projects;
- support service apportionments; and
- the roll out of the planned internal trading accounts for legal services.

Revenue Budget 2018/19

19. The Town Clerk's Department and Comptroller and City Solicitor's Departments forecast outturn for the current year is in line with the latest approved budget of £12.905m (£8.824m Town Clerk and £4.081m Comptroller and City Solicitor).

Appendices

- Appendix 1 – Committee budgets.
- Appendix 2 – Town Clerk's budgets and service overview.
- Appendix 3 – Comptroller and City Solicitor's budgets and service overview.

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