

Committee(s): Finance Committee	Date(s): 11 December 2018
Subject: Proposed 2019/20 Revenue Budgets for Operational Services	Public
Report of: The Chamberlain	For Decision
Report author: Philip Gregory, Deputy Financial Services Director	

Summary

1. This report seeks approval to the proposed revenue budget for 2019/20 in relation to the operational services directly overseen by your Committee. The overall budget is summarised in the following table, showing the items added from the original 2018/19 budget and the movement to the 2019/20 original budget.

Budget Summary	Expenditure £000	Income £000	Net £000
Original Budget 2018/19	(75,152)	13,580	(61,572)
Inflation 2018/19	(891)	-	(891)
Approved carry forwards from 2017/18	(854)	-	(854)
Change in insurance premiums	(736)	-	(736)
Staff contribution pay and backdated holiday pay	(320)	-	(320)
Transformation Fund budgets	(318)	-	(318)
Finance Committee contingency	(280)	-	(280)
Net movement in support services and capital charges	(164)	-	(164)
Net other movements	(17)	(61)	(78)
Change in City Surveyor's repairs and maintenance budgets	2,779	-	2,779
Latest Budget 2018/19	(75,953)	13,519	(62,434)
Change in City Surveyor's repairs and maintenance budgets	(1,637)	-	(1,637)
Change in insurance premiums	(1,291)	-	(1,291)
Net movement in support services and capital charges	(311)	-	(311)
One-off items in 2018/19	1,454	-	1,454
Net other movements	20	268	288
Proposed Budget 2019/20	(77,718)	13,787	(63,931)
Movement (Original 2018/19 to Latest 2018/19)	(801)	61	(862)
Movement (Latest 2018/19 to Proposed 2019/20)	(1,765)	268	(1,497)

Expenditure and unfavourable variances are presented in brackets

2. The latest approved budget for 2018/19 totals net expenditure of £62.434m, which is an increase of £862,000 (1%) compared with the original budget of £61.572m. The main increases relate to:

- Court approved uplifts for inflation and pay;
 - carry forward activities and funding allocations for unforeseen activities agreed by this Committee;
 - increases in insurance premium which are recharged to property owning departments/ service committees; and
 - changes in the timing of the City Surveyor's repairs and maintenance programme.
3. The forecast outturn for 2018/19 is in line with the latest approved budget of £62.434m.
 4. The 2019/20 proposed budget totals £63.931m, an increase of £1.497m (2%) compared with the latest budget for 2018/19. Main variations are caused by movements in insurance premium and timing of repairs and maintenance work as highlighted above; and one-off movements which are analysed in the main body of the report. It incorporates the 2% efficiency savings target.
 5. This report also provides a summary of the Committee's approved capital and supplementary revenue budgets, totalling £53.722m.

Recommendations

6. The Committee is requested to:
 - i) Review and approve the proposed 2019/20 revenue budgets;
 - ii) authorise the Chamberlain to revise these budgets, as set out in paragraph 16 for potential changes to central and departmental support service apportionments and decisions of the Resource Allocation Sub Committee in relation to the Additional Works Programme.
 - iii) note the approved capital and supplementary revenue budgets.

Main Report

Background

7. The variety and volume of services overseen by the Finance Committee contain a considerable amount of information and some complexity of presentation. This report endeavours to present the information as clearly as possible and additional financial details on individual items can be provided on request.
8. The Operational Services budgets cover expenditure and incomes attributable to the following areas;
 - i) **Chamberlain's Department** - the operational services including Cost of Collection (business rates and council tax), Chamberlain's Court, Chamberlain's 'General' (Financial Services, incorporating Insurance and City Revenues & Payment Services), Chamberlain's Business Support, City Procurement, IT and Internal Audit;
 - ii) **Director of Community Services** – operation of the Gresham Almshouses;
 - iii) **The Town Clerk** – Corporate Services (including catering for Committee lunches);
 - iv) **Executive Director of Mansion House and Old Bailey** – the Central Criminal Court, Shrieval Support, and the maintenance and running expenses of Mansion House;
 - v) **The City Surveyor** – the Guildhall Complex, Walbrook Wharf and the Mayor's Court;
 - vi) **The Remembrancer** – the letting of Guildhall areas for private functions and events and the cost of catering in respect of Committee Hospitality.
9. An overview of the services provided can be found at Annex A.
10. The Committee's corporate budgets, relating primarily to non-property investment incomes, capital charges and financing, contingencies and grants, will be included directly in the overall City Corporation budget setting report to the February Finance Committee.

Proposed Budget 2019/20

11. This report seeks approval to the proposed revenue budget for 2019/20 in relation to the operational services directly overseen by your Committee. The overall budget is summarised in the following table, including detail of the original and latest budgets for the current financial year. The proposed 2019/20 budget includes a 2% savings target based on the original 2018/19 net local risk budget as agreed by your Committee and the Court of Common Council; however this is offset by a 2% inflationary increase of the same amounts.

Budget Summary	Expenditure £000	Income £000	Net £000
Original Budget 2018/19	(75,152)	13,580	(61,572)
Inflation 2018/19	(891)	-	(891)
Approved carry forwards from 2017/18	(854)	-	(854)
Change in insurance premiums	(736)	-	(736)
Staff contribution pay and backdated holiday pay	(320)	-	(320)
Transformation Fund budgets	(318)	-	(318)
Finance Committee contingency	(280)	-	(280)
Net movement in support services and capital charges	(164)	-	(164)
Net other movements	(17)	(61)	(78)
Change in City Surveyor's repairs and maintenance budgets	2,779	-	2,779
Latest Budget 2018/19	(75,953)	13,519	(62,434)
Change in City Surveyor's repairs and maintenance budgets	(1,637)	-	(1,637)
Change in insurance premiums	(1,291)	-	(1,291)
Net movement in support services and capital charges	(311)	-	(311)
Removal of one-off provisions	1,454	-	1,454
Net other movements	20	268	288
Proposed Budget 2019/20	(77,718)	13,787	(63,931)
Movement (Original 2018/19 to Latest 2018/19)	(801)	61	(862)
Movement (Latest 2018/19 to Proposed 2019/20)	(1,765)	268	(1,497)

Expenditure and unfavourable variances are presented in brackets

12. The latest approved budget for 2018/19 totals net expenditure of £62.434m, which is an increase of £862,000 (1%) compared with the original budget of £61.572m. The main reasons for this increase are:
- i) Inflation of £891,000 – this has been applied to local risk budgets at 2% and was not included in the original budget, as was agreed by this Committee in February 2018;
 - ii) underspends carried forward from 2017/18 to 2018/19 of £854,000 – consisting of £500,000 for IT, £150,000 for the City Surveyor and £204,000 relating to other services;

- iii) insurance premiums – an increase of £736,000 due to changes in the property portfolio and valuations. This amount will be apportioned to property holding departments;
- iv) staff contribution pay and backdated holiday pay on overtime – totalling £320,000;
- v) inclusion of funding of £318,000 for Information Management Consulting (£99,000), Customer Relationship Management (£55,000), e-invoicing (£100,000), Robotics Process Automation (£60,000) and Head of Finance Projects (£4,000); and
- vi) £280,000 transferred from the Finance Committee contingency consisting of £150,000 for IT strategy work, £80,000 to fund a Fire Safety Officer at the Central Criminal Court and £50,000 for the server works at Guildhall Club.

Partly offset by:

- vii) £2.779m in repairs and maintenance works that were included in the original budget but which have now been re-phased. This consists of £1.664m against the Guildhall Complex, £610k for Mansion House, £301k for Walbrook Wharf and £204k across other areas.

13. It should be noted that for the current financial year, the forecast outturn for this Committee is in line with the latest approved budget of £62.434m. An analysis of the movement by service from the original budget to the latest budget is included in Annex E.

14. The 2019/20 proposed budget totals £63.931m, an increase of £1.497m (2%) compared with the latest budget for 2018/19. The main reasons for this increase are:

- i) An increase of £1.637m in the Cyclical Works Programme largely due to the rephasing of Guildhall Complex cyclical works from 2018/19 to 2019/20 as noted in 12.vii.
- ii) An increase in insurance premiums of £1.291m due to changes in the property portfolio and valuations.

Partly offset by:

- iii) One-off items of expenditure in 2018-19 amounting to £1.454m no longer included in the budget for 2019-20. This consists of the £854,000 of underspends carried forward from 2017/18 to 2018/19, Finance Committee contingency budgets of £280,000 and £320,000 for backdated holiday pay on overtime costs and staff contribution pay. These amounts are detailed in paragraph 12.
- iv) An increase in net income of £268,000 largely due to £155,000 additional income from the Central Criminal Court, £59,000 of service charge income from Walbrook Wharf and £39,000 from the letting of Guildhall.

15. An analysis of the movement by service from the latest budget for 2018/19 to the proposed budget for 2019/20 is included in Annex F and this is the format that will be adopted in the budget book.

Potential Further Budget Adjustments

16. The provisional nature of the revenue budgets recognises that further revisions may be required to realign funds for:

- i) central and departmental support service apportionments; and
- ii) decisions of the Resource Allocation Sub Committee in relation to the Additional Works Programme.

Staffing

17. A summary staffing statement is set out in the following table. Further detail is presented in Annex C.

Staffing statement	Latest Budget 2018/19		Proposed Budget 2019/20	
	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000
Chamberlain's ¹	304.1	16,911	280.8	16,672
Executive Director of Mansion House and Old Bailey	106.2	4,272	105.2	4,324
Surveyor	82.0	3,950	94.0	4,173
Remembrancer	16.5	1,213	16.5	1,218
Community & Children's Services	0.7	33	0.7	30
TOTAL FINANCE COMMITTEE	509.5	26,379	497.2	26,417

¹The decrease in full time equivalent posts reflects the fact that there was a staff restructure across Cost of Collection and IT.

Approved Capital and Supplementary Revenue Budgets

18. The latest estimated costs of the Committee's approved capital and supplementary revenue projects total £53.722m, with further detail presented in Annex D.

19. Pre-implementation costs comprise feasibility and option appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work.

20. It should be noted that the capital and supplementary revenue budgets exclude the implementation costs of those schemes which have yet to receive authority to start work.

21. Recharges between funds reflect contributions from City Fund and Bridge House Estates towards the cost of corporate Guildhall Complex and IT schemes which are initially borne by City's Cash.

22. The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2019.

Appendices

- i) Annex A – Operational Service Overview.
- ii) Annex B – Finance Committee Summary Budget – by Risk, Fund and Chief Officer.
- iii) Annex C – Staffing Statement.
- iv) Annex D – Approved Capital and Supplementary Revenue Budgets.
- v) Annex E – Movement from 2018/19 Original Budget to 2018/19 Latest Budget – Analysed by Service
- vi) Annex F – Movement from 2018/19 Latest Approved Budget to Proposed 2019/20 Budget – Analysed by Service

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OPERATIONAL SERVICE OVERVIEW

Chamberlain

City Fund

Cost of Collection

The Cost of Collection reflects the expenditure incurred in the administration and collection of the Non-Domestic Rates and the Council Tax. As of 4 October 2014 this became a fully in-house service after the contract with Liberata (UK) Ltd expired.

City's Cash

Chamberlain's Court

The main duties of the Chamberlain's Court include assisting the Chamberlain to admit persons to the Freedom of the City; to help in the formation of new Livery Companies; and to maintain the Mansion House Plate Inventory.

Gresham - City Moiety

This includes the City's share of the income from the Royal Exchange, 89/91 Gresham Street and Gresham House annuity. It also shows the City's share of the expenses of running the Gresham Estate.

Gresham - Discretionary Expenditure

This principally consists of the grant to Gresham College, the non-mandatory elements of the Lecturer's fees and administrative costs.

Guildhall Administration

Within Guildhall Administration the Chamberlain's Department provides a wide range of financial and IT services.

The department is organised into the Financial Services Division, Information Technology Division, City Procurement, Internal Audit and Business Support.

The work of the department (except for Cost of Collection and the Chamberlain's Court which are summarised in the notes above) are explained below.

Chamberlain's Department – General

The range of services provided by the Financial Services Division:

- revenue and capital budget preparation and financing
- budget monitoring and financial advice
- accounting and final accounts
- business partnering
- financial investment and cash management
- financial planning and technical analysis
- VAT/tax planning
- banking
- capital project appraisal
- financial appraisal of organisations
- Oracle System Team

- revenue collection
- support to corporate governance
- payroll and pension

Chamberlain's Department – City Procurement

City Procurement is a key component in the transformation of how the City procures and pays for the goods and services it needs. City Procurement is responsible for the full requisition to pay cycle, and covers the functions of Category Management, Policy and Compliance, Accounts Payable, Sourcing, Procurement Operations and key Supplier Performance monitoring.

Chamberlain's Department – IT

Following the partnership with Agilisys which began in August 2013 the role of the Information Systems Division of the Chamberlain's Department has changed from a provider to a commissioner of services. The role of the IT Division is now:-

- to manage the delivery of services provided by our suppliers;
- adding value through understanding our customers and the City of London, ensuring requirements are delivered;
- exploring new technology and innovation to maintain a leading edge in technology on behalf of the City of London; and
- working with key stakeholders to drive and enable transformational change within the Corporation.

Chamberlain's Department – Insurance

Part of the Financial Services Division but included in a separate cost centre, the Insurance Section is responsible for undertaking risk assessments and securing the required insurance cover.

Strategic Aims

The strategic aims of the Chamberlain's Department are to:

- i) **secure sound financial management** by leading on the delivery of medium and long term financial planning and facilitating effective financial management across the City Corporation.
- ii) **ensure operational excellence** through focussing on the effectiveness of operations to deliver the best possible service at an appropriate cost. This is achieved by investing in the department's technical skills to ensure that all stakeholders can be supported in the delivery of innovative and effective services.
- iii) **enable transformation across the City Corporation** by embracing change and exploring new ways of working to ensure that appropriately innovative business solutions are provided to partners.

Executive Director of Mansion House and Old Bailey

City Fund

Central Criminal Court

The City provides the premises of the Central Criminal Court for the Court Service of the Lord Chancellor's Department and accommodates not only the eighteen courts, but also offices for the List Office for the SE of England, the City of London Police, HM Prison Services, Serco Prisoner Handling Services, Crown Prosecution Service, Probation Service, Treasury Council and the Crown Court Witness Service.

The eighteen Courts are made ready for use on Monday to Friday and also may be required to sit on public holidays and weekends.

The City is responsible for the care of the building and the provision of its facilities which includes the maintenance of the fabric of the Central Criminal Court, its furnishings, fittings and all of the mechanical and electrical equipment, the daily cleaning of the building and the provision of security services.

A proportion of the employee costs and 95% of other running costs are reimbursed by the Lord Chancellor's Department.

City's Cash

Central Criminal Court

This consists of the salaries, pensions and national insurance contributions for the posts of City Recorder and Common Serjeant.

Shrieval Support

This budget contains the salaries and office expenses of the Shrieval Support at the Central Criminal Court.

Mansion House Premises

This budget includes the maintenance and running expenses of the Mansion House which is a Grade 1 Listed Building incorporating working offices, function rooms, Mayoral accommodation and staff accommodation. The budget is used for the fabric of the building both internal and external.

Town Clerk

City's Cash

Corporate Services – This includes:

- the cost of catering in respect of Committee lunches;
- the Sheriff's election allowances;
- the cost of Shrieval mementos; and
- a proportion of ward and election expenses.

City Surveyor

City Fund

Mayors and City of London Court

The provision of the present court, which is an amalgamation of the Mayor's Court and the City of London Court, is covered by the Courts Act 1971. The City Surveyor is responsible for repairing and maintaining the building and its services for use as a court. This is achieved through a combination of direct ordering, and supervision and management of contractors. Occupational issues are dealt with in consultation with the Court Service.

Walbrook Wharf

This budget relates to the operational management of Walbrook Wharf including repairing, maintaining and renewing the building and services.

Guildhall Complex

The Guildhall Manager has overall responsibility for security, facilities and contracted services at the Guildhall complex and is responsible for operating, repairing, maintaining and renewing buildings and services throughout the Guildhall complex. This is achieved through a combination of direct operations, and supervision and management of contractors. The emphasis is on value for money, quality and safety, with precise arrangements being regularly reviewed and refined to optimise performance. Capital projects are undertaken for significant Guildhall complex improvements

Remembrancer

City's Cash

Corporate Services

This includes the cost of catering in respect of Committee Hospitality Allowances. The purpose is to enable Committees, by means of hospitality, to establish and maintain contact with leading outside organisations that have been or could be of assistance to the City of London Corporation in its work, and to pay tribute to the past Chairman. These estimates also include expenditure relating to fees for parliamentary work.

Guildhall Complex

This contains the expenditure and income relating to the letting of Guildhall function areas for private events such as banquets, receptions or conferences. The areas available for hire currently are the Great Hall (subject to the concurrence of the Common Council), the Old Library, the Livery Hall, the Crypts, the Print Room, the Chief Commoners Parlour, Guildhall Art Gallery, the Basinghall Suite and occasionally, Guildhall Yard.

As the Guildhall is a Grade 1 Listed Building, use is limited and subject to strict terms and conditions. Permission to hire is granted following Officer recommendation and Member approval. Applications are considered directly by the Policy and Resources Committee for the hire of the Great Hall and by the Chief Commoner and Deputy Chairman for other areas. The Guildhall complex hosts approximately 300 private events per annum and charges are reviewed annually by committee.

Director of Community and Children's Services

City's Cash

Gresham - Mandatory Expenses

This service is part of the Gresham Estates and shows the cost of maintaining the Almshouses and paying the Almsfolk allowances, together with the mandatory element of the City of London Corporation's four Lecturers' fees (£400).

ANNEX B

FINANCE COMMITTEE SUMMARY - BY RISK AND FUND				
Analysis of Service Expenditure by Risk	Original Budget 2018-19 £000	Latest Approved Budget 2018-19 £000	Proposed Budget 2019-20 £000	Movement 2018-19 to 2019-20 £000
LOCAL RISK <i>(budgets largely within direct control of Chief Officer)</i>				
EXPENDITURE				
Employees	(24,976)	(25,707)*	(25,751)*	(44)
Premises Related Expenses (note i)	(5,182)	(5,366)	(5,950)	(584)
Transport Related Expenses	(60)	(45)	(43)	2
Supplies & Services (note ii)	(8,700)	(9,690)	(9,259)	431
Savings to be applied	672	213	1,570	1,357
Total Expenditure	(38,246)	(40,595)	(39,433)	1,162
INCOME				
Grants, Reimbursements & Contributions (note iii)	3,815	3,829	3,984	155
Customer, Client Receipts (note iv)	2,848	2,962	3,061	99
Total Income	6,663	6,791	7,045	254
TOTAL LOCAL RISK (excl. R&M City Surveyor)	(31,583)	(33,804)	(32,388)	1,416
Repairs & Maintenance (City Surveyor)	(5,920)	(3,141)	(4,778)	(1,637)
TOTAL LOCAL RISK	(37,503)	(36,945)	(37,166)	(221)
CENTRAL RISK <i>(managed by Chief Officer but outturn can be strongly influenced by factors outside his/her control or are budgets of a corporate nature)</i>				
EXPENDITURE				
Employees	(669)	(672)	(666)	6
Premises Related Expenses (note v)	(19,601)	(20,981)	(22,251)	(1,270)
Transport Related Expenses (note vi)	(104)	(57)	(57)	0
Supplies & Services (note vii)	(3,038)	(3,169)	(2,884)	285
Council Tax reduction scheme	(247)	(247)	(247)	0
Contingency	(410)	(10)	(10)	0
Transfer Payments	(9)	(9)	(9)	0
Total Expenditure	(24,078)	(25,145)	(26,124)	(979)
INCOME				
Government Grants - Collection of NNDR	1,729	1,729	1,729	0
Other Grants, Reimbursements & Contributions (note viii)	1,860	1,863	1,868	5
Customer, Client Receipts (note ix)	3,328	3,136	3,145	9
Total Income	6,917	6,728	6,742	14
TOTAL CENTRAL RISK	(17,161)	(18,417)	(19,382)	(965)
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES	(54,664)	(55,362)	(56,548)	(1,186)
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ANNEX B

Analysis of Service Expenditure by Risk	Original Budget 2018-19 £000	Latest Approved Budget 2018-19 £000	Proposed Budget 2019-20 £000	Movement 2018-19 to 2019-20 £000
CONTINUED FROM PREVIOUS PAGE				
SUPPORT SERVICES AND CAPITAL CHARGES				
Central Support Services	(5,634)	(5,714)	(5,763)	(49)
Capital Charges	(3,652)	(3,381)	(3,786)	(405)
Recharges Within Fund	2,742	2,069	2,489	420
Recharges Across Funds	(364)	(46)	(323)	(277)
Total Support Services and Capital Charges	(6,908)	(7,072)	(7,383)	(311)
TOTAL NET EXPENDITURE	(61,572)	(62,434)	(63,931)	(1,497)

ANALYSIS BY FUND				
City Fund	(7,298)	(7,259)	(7,330)	(71)
City's Cash	(4,640)	(3,705)	(3,805)	(100)
Guildhall Administration	(49,634)	(51,470)	(52,796)	(1,326)
TOTAL NET EXPENDITURE	(61,572)	(62,434)	(63,931)	(1,497)

ANALYSIS BY CHIEF OFFICER				
The Chamberlain	(36,868)	(39,138)	(39,499)	(361)
The Town Clerk	(859)	(460)	(460)	0
The City Surveyor	(15,851)	(15,197)	(15,942)	(745)
The Remembrancer	125	71	111	40
Executive Director of Mansion House and Old Bailey	(8,003)	(7,579)	(8,079)	(500)
Director of Community & Children's Services	(116)	(131)	(62)	69
TOTAL NET EXPENDITURE	(61,572)	(62,434)	(63,931)	(1,497)

* Annex C includes total employee expenditure on local and central risk.

Notes

- (i) Premises Related Expenses (local risk) – operational costs of Central Criminal Court, Walbrook Wharf, Guildhall Complex, Mansion House and Mayor's Court.
- (ii) Supplies and Services (local risk) – equipment, furniture, materials, printing, professional fees, grants, subscriptions, communications and computing.
- (iii) Grants, Reimbursements and Contributions – primarily funding for the Central Criminal Court and the Mayor's Court from Her Majesty's Courts and Tribunals Service and Mansion House.
- (iv) Customer, Client Receipts (local risk) – letting of Guildhall function areas, recovery of court costs, services to London Councils, Chamberlain's Court merchandising, and other fees and charges.
- (v) Premises Related Expenses (central risk) – primarily premises insurance premiums together with the cost of national non domestic rates for the Guildhall Complex and Central Criminal Court.
- (vi) Transport Related Expenses (central risk) – vehicle insurance.
- (vii) Supplies and Services (central risk) – primarily insurances other than premises and transport.
- (viii) Other Grants, Reimbursements and Contributions (central risk) – funding for the Central Criminal Court from Her Majesty's Courts and Tribunals Service.
- (ix) Customer, Client Receipts (central risk) – income received from the letting of Guildhall function areas, insurance commission, dividend income from the City's Reinsurance Captive Company and Gresham Estate income.

STAFFING STATEMENT

Staffing Statement	Latest Budget 2018/19		Proposed Budget 2019/20	
	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000
Cost of Collection	35.7	1,565	26.0	1,297
Chamberlain's Court	4.4	207	4.4	213
Chamberlain's – General	130.3	7,154	129.1	7,363
Chamberlain's – General (Central Risk)	1.0	4	-	-
Chamberlain's – Business Support	8.8	649	8.2	652
Chamberlain's – Internal Audit	10.8	601	10.8	601
Chamberlain's – City Procurement	55.5	2,988	55.5	3,168
Chamberlain's – IT	57.6	3,743	46.8	3,378
TOTAL CHAMBERLAIN'S	304.1	16,911	280.8	16,672
Central Criminal Court (local risk)	96.9	3,395	96.9	3,518
Central Criminal Court – Judges' Pensions (central risk)	-	200	-	200
Central Criminal Court – Common Serjeant and Recorder (central risk)	2.0	366	2.0	366
Shrieval Support	7.3	311	6.3	240
TOTAL EXECUTIVE DIRECTOR OF MANSION HOUSE AND OLD BAILEY	106.2	4,272	105.2	4,324
Walbrook Wharf	2.0	111	2.0	85
Guildhall Complex	80.0	3,839	92.0	4,088
TOTAL SURVEYOR (local risk)	82.0	3,950	94.0	4,173
Corporate Services – Parliamentary	1.0	69	1.0	70
Guildhall Complex (local risk) (Administration & Attendants)	15.5	743	15.5	751
Guildhall Complex (local risk) (Event Related)	-	401	-	397
TOTAL REMEMBRANCER	16.5	1,213	16.5	1,218
Gresham	0.7	33	0.7	30
TOTAL COMMUNITY & CHILDREN'S SERVICES (central risk)	0.7	33	0.7	30
TOTAL FINANCE COMMITTEE	509.5	26,379	497.2	26,417

APPROVED CAPITAL AND SUPPLEMENTARY REVENUE BUDGETS

	Exp. Pre 01/04/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Later Years £'000	Total £'000
CITY'S CASH							
Recharges between Funds							
Contribution from other Funds re corporate capital schemes	(22,536)	(2,943)	(19)				(25,498)
Guildhall Complex schemes:							
<u>Pre-implementation</u>							
- 20/21 Aldermanbury opportunities	0	81					81
- Guildhall switchroom	0	22					22
- West Wing mezzanine level improvements	0	0	20				20
- Sub metering	0	0	1				1
<u>Authority to start work granted</u>							
- 20/21 Aldermanbury acquisition	2,101	20,099					22,200
- Guildhall West Wing staircase	236	12					248
- Guildhall Great Hall stonework	166	2					168
Security schemes:							
<u>Pre-implementation</u>							
- CCTV & intruder alarms	0	4					4
<u>Authority to start work granted</u>							
- Access control	75	436					511
- Bomb blast mitigation	0	357					357
- Hostile vehicle mitigation	0	973					973
IT schemes:							
<u>Authority to start work granted</u>							
- IT Transformation Programme *	7,183	1,098					8,281
- HR & Payroll system	177	7	26	27	7		244
- Superfast City	249	0	67				316
- Customer Relationship Management	93	250					343
- Security Assurance testing	188	0	267				455
TOTAL CITY'S CASH	(12,068)	20,398	362	27	7	0	8,726

* These figures do not include the Police element

ANNEX D

	Exp. Pre 01/04/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Later Years £'000	Total £'000
CITY FUND							
Recharges between Funds							
Contribution to City's Cash re corporate capital schemes	21,452	2,741	17				24,210
Central Criminal Court:							
<u>Pre-implementation</u>							
- Fire alarm & PA system	0	76					76
<u>Authority to start work granted</u>							
- Plant replacement	12,516	3,482	2,263				18,261
- Fire doors	0	65					65
- Courts refurbishment	1,197	184	20				1,401
- 1907 Jury rooms	0	199					199
Other schemes:							
<u>Pre-implementation</u>							
65 Basinghall Street opportunities	21	56	42				119
TOTAL CITY FUND	35,186	6,803	2,342	0	0	0	44,331
BRIDGE HOUSE ESTATES							
Recharges between Funds							
Contribution to City's Cash re corporate capital schemes	461	202	2				665
TOTAL BRIDGE HOUSE ESTATES	461	202	2	0	0	0	665
TOTAL FINANCE	23,579	27,403	2,706	27	7	0	53,722

Movement from 2018/19 Original Budget to 2018/19 Latest Budget – Analysed by Service

The original 2018/19 and latest 2018/19 budgets are set out in the table below. Overall there is an increase of £0.862m between the original 2018/19 and latest 2018/19 budgets.

Analysis by Service (please see Annex A for a summary of each service)	Original Budget 2018/19 £000	Movement (Original 2018/19 to Latest 2018/19) £000	Latest Budget 2018/19 £000	Notes
Cost of Collection	(1,137)	134	(1,003)	
Chamberlain's Court	(192)	4	(188)	
Gresham	(232)	(45)	(277)	
Chamberlain's – General	(19,727)	(914)	(20,641)	i
Chamberlain's Internal Audit	(802)	6	(796)	
Chamberlain's – Business Support	(795)	(906)	(1,701)	ii
Chamberlain's – City Procurement	(3,554)	80	(3,474)	
Chamberlain's – IT	(10,545)	(644)	(11,189)	iii
Central Criminal Court – City Fund	(4,955)	(173)	(5,128)	iv
Central Criminal Court – City's Cash	(366)	0	(366)	
Corporate Services – Town Clerk	(859)	399	(460)	v
Shrieval Support	(447)	49	(398)	
Mayor's Court	(61)	(31)	(92)	
Walbrook Wharf	(1,145)	109	(1,036)	
Guildhall Complex – City Surveyor	(14,645)	576	(14,069)	vi
Corporate Services – Remembrancer	(309)	(20)	(329)	
Guildhall Complex – Remembrancer	434	(34)	400	
Mansion House Premises	(2,235)	548	(1,687)	vii
Total Net Expenditure	(61,572)	(862)	(62,434)	

Expenditure and unfavourable variances are presented in brackets

The main variations between the increase of £0.862m between the original 2018/19 and latest 2018/19 budgets are:

- i) Chamberlain's General – increase in net expenditure of £914,000 largely relating to an increase in insurance premiums of £736,000 due to changes in the property portfolio and valuations, leading to higher overall premiums being due.
- ii) Chamberlain's Business Support – increase in net expenditure of £906,000, of which £459,000 relates to the application of the Chamberlain's 2% inflation allowance towards the savings targets which were budgeted for within Business Support. In addition, the Chamberlain's department vacancy allowance of £400,000, which was originally budgeted for within Business Support, has now been reapportioned across individual Chamberlain's service areas.

ANNEX E

- iii) Chamberlain's IT – increase in net expenditure of £644,000 being £500,000 carry forward from underspends in 2017/18 for network and installation works and £150,000 from Finance Committee contingency for IT strategy work.
- iv) Central Criminal Court (City Fund) – increase in net expenditure of £173,000 largely due to £80,000 from Finance Committee contingency for the funding of a Fire Safety officer and £40,000 carried forward from underspends in 2017/18.
- v) Corporate Services (Town Clerk) – the removal of one-off budgets carried forward from 2017/18 of £400,000 towards the creation of a 'Cultural Hub'.
- vi) Guildhall Complex (City Surveyor) – decrease in net expenditure of £576,000 largely due to re-phasing of Cyclical Works Programme budgets, partly offset by a £228,000 increase in business rates for Guildhall complex, a £150,000 approved carry forward from 2017/18 and £50,000 from Finance Committee contingency for work to be undertaken at Guildhall Club.
- vii) Mansion House Premises – decrease in net expenditure of £548,000 which largely relates to a rephrasing of the Cyclical Works Programme, partly offset by carry forwards from underspends in 2017/18 of £50,000 for work on the Lord Mayor's coach.

Movement from 2018/19 Latest Approved Budget to Proposed 2019/20 Budget – Analysed by Service

The proposed 2019/20 budget includes:

- i) A 2% savings target based on the original 2018/19 net local risk budget as agreed by your Committee and the Court of Common Council; however this is offset by a 2% inflationary increase of the same amounts.
- ii) The latest 2018/19 and original 2019/20 budgets are set out in the table below. Overall, the proposed 2019/20 net revenue budget totals £63.931m, an increase of £1.497m (2%) compared with the latest budget of £62.434m for 2018/19.

Analysis by Service <i>(please see Annex A for a summary of each service)</i>	Latest Budget 2018/19 £000	Movement (Latest 2018/19 to Original 2019/20) £000	Proposed Budget 2019/20 £000	Notes
Cost of Collection	(1,003)	198	(805)	i
Chamberlain's Court	(188)	0	(188)	
Gresham	(277)	74	(203)	
Chamberlain's – General	(20,641)	(1,516)	(22,157)	ii
Chamberlain's Internal Audit	(796)	9	(787)	
Chamberlain's – Business Support	(1,701)	34	(1,667)	
Chamberlain's – City Procurement	(3,474)	0	(3,474)	
Chamberlain's – IT	(11,189)	909	(10,280)	iii
Central Criminal Court – City Fund	(5,128)	(324)	(5,452)	iv
Central Criminal Court – City's Cash	(366)	0	(366)	
Corporate Services – Town Clerk	(460)	0	(460)	
Shrieval Support	(398)	82	(316)	
Mayor's Court	(92)	(52)	(144)	
Walbrook Wharf	(1,036)	107	(929)	
Guildhall Complex – City Surveyor	(14,069)	(800)	(14,869)	v
Corporate Services – Remembrancer	(329)	2	(327)	
Guildhall Complex – Remembrancer	400	38	438	
Mansion House Premises	(1,687)	(258)	(1,945)	vi
Total Net Expenditure	(62,434)	(1,497)	(63,931)	

Expenditure and unfavourable variances are presented in brackets

The main variations between the increase of £1.497m between the latest 2018/19 and the proposed 2019/20 budgets are:

- i) Cost of Collection - decrease in net expenditure of £198,000 mainly resulting from staff savings of £268,000 due to a staffing restructure across Cost of Collection, partly offset by a slight increase in supplies and services costs of £65,000 resulting from entering a new contract for the collection of council tax and business rates.
- ii) Chamberlain's General – increase in net expenditure of £1.516m which largely relates to increased insurance premiums of £1.291m due to changes in the property portfolio and valuations, leading to higher overall premiums being due. There are also higher employee costs of £209,000 resulting from yearly salary increments and the pay award
- iii) Chamberlain's IT – decrease in net expenditure of £909,000 largely due to the inclusion of one-off items in the 2018/19 budget that are no longer included in 2019/20 (£500,000 carried forward from underspends in 2017/18 and an allocation of £150,000 from the Finance Committee contingency). The decrease also reflects an invest to save project, which resulted in a saving of £240,000 on storage costs.
- iv) Central Criminal Court (City Fund) – increase in net expenditure of £324,000 due to increased capital charges, being depreciation charged on additional capital expenditure on a plant replacement project at the Court.
- v) Guildhall Complex (City Surveyor) – increase in net expenditure of £800,000, which largely relates to a higher level of planned expenditure on repairs, maintenance and improvements projects in the Cyclical Works Programme.
- vi) Mansion House Premises – increase in net expenditure of £258,000, largely relating to an increase in repairs, maintenance and improvements projects in the Cyclical Works Programme offset against the removal of £50,000 carried forward from 2017/18.