

Committee:	Date:
Establishment Committee	5 th September 2019
Subject: Revenue Outturn 2018-19	Public
Report of: The Town Clerk, the Chamberlain, the Comptroller and City Solicitor	For Information
Report Author: Laura Tuckey, Chamberlain's Department	

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2018-19 with the final budget for the year. Overall total net expenditure during the year was £13.010m whereas the budget was £12.741m representing an overspend of £269,000 as summarised below.

	Final Budget £000	Revenue Outturn £000	Variations Worse/ (Better) £000
Chief Officer			
Total Town Clerk	7,326	7,362	36
Total Comptroller and City Solicitor	3,514	3,642	128
Total Chief Officer	10,840	11,004	164
Support Services	1,901	2,006	105
Net Expenditure	12,741	13,010	269

The worse than budget position mainly relates to overspends on central risk and support services (further details can be found in paragraphs 3 and 6 of the main report).

The Town Clerk proposed to carry forward £77,000 of the £167,000 local risk underspend and the Comptroller and City Solicitor will not be requesting any carry forward due to the department having a local risk underspend of only £5,000. 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 2019-20.

Recommendations

It is recommended that this revenue outturn report for 2018-19 and the budgets carried forward to 2019-20 are noted.

Main Report

Budget Position for 2018-19

1. The 2018-19 original budget for the services overseen by your Committee was £11.699m as endorsed by the Court of Common Council in March 2018. This has subsequently been increased to a final budget of £12.741m. An analysis of the increase of £1.042m is provided in Appendix 1.

Revenue Outturn for 2018-19

2. As indicated in the table in the summary, actual net expenditure for your Committee's services during 2018-19 totalled £13.010m compared to a budget of £12.741m, resulting in an overspend of £269,000.

Town Clerk - £36,000 increased net requirement

3. The increased requirement of £36,000 is comprised of underspends of £167,000 on local risk and overspends of £203,000 on central risk. A breakdown of local and central risk spend is shown in Appendix 2. Although the overspend in this committee relates to central risk, the Town Clerk's Department as a whole are underspent.
4. The reduced local risk requirement of £167,000 was largely due to:
 - HR was £37,000 under budget due to the Learning Pool licence being underspent due to timing differences and is to be carried forward into 2019-20.
 - There were vacancies within the Graduate posts which resulted in an underspend of £17,000.
 - Vacancies within Committee & Member Services due to timing issues in filling posts resulted in underspends of £53,000.
 - Printing costs were £39,000 under budget due to a change in contract and uncertainty of the final cost due which resulted in more budget being allocated than required.
5. The increased central risk requirement was due to:
 - Salary and other ancillary costs totalling £120,000 which had no associated budget increase.
 - Union staffing and the associated on costs were over budget due to a redundancy cost of £27,000 as well as an additional over spend against budget of £27,000 for a pension payment relating to the same redundancy. The remaining £16,000 difference is due to variations in substantive posts salaries compared to the union staffing budget.

Comptroller and City Solicitor - £128,000 increased net requirement.

6. The increased net requirement of £128,000 was comprised of minor underspends of £5,000 on local risk and an under recovery of income against budget of £133,000 on central risk as shown in Appendix 2.

7. 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 £133,000. This was due to a reduced number of property transactions as a result of market conditions. The income target on central risk will be looked at in the budget setting process.

Carry Forwards to 2019-20

8. 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.
9. Local Risk overspends are carried forward in full to be met from agreed 2019-20 budgets. However, there are no such overspends in relation to the services overseen by the Establishment Committee.
10. The Town Clerk has proposed to carry forward £77,000 of their underspends. Details of the use of the carry forwards are set out in Appendix 3.
11. 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 2018-19 Original Budget to 2018-19 Final Budget
- Appendix 2 – Local & Central Risk Breakdown
- Appendix 3 – Carry Forwards

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APPENDIX 1

Analysis of movements 2018-19 Original Budget to Final Budget	£000
Original Local Risk Budget (Town Clerk)	6,529
Contribution Pay & Pension Increases	57
Local Risk carry forward from Town Clerk's underspend in 2017-18	88
2% Inflation	124
Apprentice costs met from central allocations	83
Committee and Member Service Team additional resources	111
Diversity & Business Engagement	36
Chauffeur vehicles moved from Finance Committee	15
Final Local Risk Budget (Town Clerk)	7,043
Original Local Risk Budget (Comptroller and City Solicitor)	3,263
Contribution Pay & Pension Increases	59
Local Risk carry forward from Comptrollers underspend in 2017-18	100
Increase above Base Resource Allocation as per Court Common Council approval	169
Apprentice costs met from central allocations	8
Senior Research Officer posts moved from Surveyors	115
Final Local Risk Budget (Comptroller and City Solicitor)	3,714
Original Central Risk Budget (Town Clerk)	131
Union Costs	80
Pensioners Lunch & Annual Staff Meal moved from Grants	72
Final Central Risk Budget (Town Clerk)	283
Original Central Risk Budget (Comptroller and City Solicitor)	-200
No change to budget	0
Final Central Risk Budget (Comptroller and City Solicitor)	-200
Original Support Services and Capital Charges Budget	1,976
Net movements	-89
Final Support Services and Capital Charges Budget	1,887
Total Original Budget	11,699
Total increase	1,042
Total Final Budget	12,741

APPENDIX 2

	Original Budget £000	Final Budget £000	Revenue Outturn £000	Variations Worse/(Better) £000
Chief Officer				
Local Risk				
The Town Clerk	6,529	7,043	6,876	(167)
The Comptroller and City Solicitor	3,263	3,714	3,709	(5)
Total Local Risk	9,792	10,757	10,585	(172)
Central Risk				
The Town Clerk	131	283	486	203
The Comptroller and City Solicitor	(200)	(200)	(67)	133
Total Central Risk	(69)	83	419	336
Total Town Clerk	6,660	7,326	7,362	36
Total Comptroller and City Solicitor	3,063	3,514	3,642	128
Total Chief Officer	9,723	10,840	11,004	164
Support Services	1,976	1,901	2,006	105
Net Expenditure	11,699	12,741	13,010	269

APPENDIX 3

To Be Approved Carry Forwards	£000
<p><u>The Town Clerk</u></p> <p>The second instalment of the Learning Pool license was due on 31st March 2019, but the full cost could not be charged to 18/19 as only one day fell in the financial year 18/19. In addition, due to an increase in demand for mandatory training, the City of London Corporation exceeded its allocation of users. Mandatory training applies to almost all staff including FTCs and other short term employees. Each account, which could potentially only have been used once, had to be open for 12 months. This led to an increased amount of users resulting in an increased cost of £4,000.</p> <p>The contract for the leasing of the chauffeur vehicles was due to expire in the financial year 18-19, but this was extended pending agreement by Members of the Corporation's ULEZ strategy and funding arrangements . The intention is to either source a new contract or consider purchasing new vehicles, subject to working with procurement to source the best available option. The intention is to pay a large deposit, which will drive down the overall cost.</p>	<p>37</p> <p>40</p>
Total Town Clerk	77