

Committee:	Date:
Policy and Resources Committee	19 September 2019
Subject: Revenue Outturn 2018/19	Public
Report of: The Town Clerk, the Chamberlain, the Remembrancer	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 £24.247m, against the budget of £28.269m representing an underspend of £4.022m (14% on revised budget), as summarised in the table below.

By Division of Service	Final Budget	Revenue Outturn	Variations Better/(Worse)
	£000	£000	£000
Community, Safety and Resilience	984	858	126
Communications	2,247	2,164	83
Economic Development	5,614	5,082	532
Grants and Contingencies	10,727	7,664	3,063
Remembrancer	6,893	7,029	(136)
Culture Mile	1,804	1,450	354
Division of Service Totals	28,269	24,247	4,022

The most significant of the reduced requirements were within Grants and Contingencies and related to; underspends on unused provisions and agreed items in the Policy Initiatives Fund (£429,000), Committee Contingency (£380,000) and the Brexit Contingency Fund (£1,970,000); underspends on salaries and professional fees within Economic Development (£466,000), and a delay in spending Culture Mile budgets (£354,000).

Your Committee has already agreed to carry forward the unspent balances on the Policy Initiatives Fund (£429,000), Committee Contingency (£380,000) and the Brexit Contingency Fund (£1,970,000). In addition, the Town Clerk put forward proposals to carry forward £595,000 as detailed in paragraph 10. These proposals have been agreed by the Chamberlain in consultation with the Chair and Deputy Chair of the Resource Allocation Sub Committee.

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 £21.559m as endorsed by the Court of Common Council in March 2018. This has subsequently been increased to a final budget of £28.269m. An analysis of the increase of £6.710m is provided in Appendix 1.

Revenue Outturn for 2018/19

2. The 2018/19 actual net expenditure for the services being reported to your Committee totalled £24.247m, an underspend of £4.022m compared to the budget of £28.269m. A comparison with the final budget for the year is set out in Appendix 2. The most significant variations were:
 3. Reduced net expenditure on Grants and Contingencies £3,063,000 primarily due to: -
 - Unspent central risk provisions within the Policy Initiatives Fund (£429,000), Committee Contingency (£380,000) and the Brexit Contingency Fund (£1,970,000) which your Committee, on 19 March 2019, agreed to carry forward; and
 - An underspend of £200,000 due to 'Future London' activities being delayed this financial year. Resource Allocation Sub Committee has agreed to reprofile the total budget relating to Future London over the next four financial years rather than the five that was originally agreed; and
 - Promoting the City underspent against budgets by £57,000 due to vacant posts not filled and lower than expected operational costs; and
 - Unspent local risk provisions relating to project Cyber Griffin of £35,000 which has been agreed to carry forward into 2019/20 as detailed in appendix 3.
 4. Reduced net expenditure by the Economic Development of £532,000 largely in respect of: -
 - Underspends of £274,000 relating to vacancies within the salaries budget. Vacant posts were budgeted for, but not filled due to the impending restructure of the department; and

- Underspends of £192,000 relating to professional fees. The vast majority of underspends are for the Enterprise line of work, which has now been reallocated to the department's work on ESG (Environmental, Social and Governance), a strategic change approved by the Policy & Resources Committee earlier this year. There was also less activity on employability than envisaged given the pause, pending publication of FS skills taskforce recommendations and the emphasis of the activity on Green Finance, hence less spend on other Policy & Innovation team work than envisaged. There was also an over optimistic forecast on end of year spend on consultancy services.

5. Reduced net expenditure on Culture Mile of £354,000 largely in respect of: -

- Unspent central risk provisions of £354,000 due to timing issues which have been agreed to carry forward into 2019/20 as detailed in appendix 3.

6. Increased net expenditure for the Remembrancer's Department of £136,000 largely in respect of: -

- Underspends of £263,000 against central risk due to lower expenditure than expected due to no State Banquets; and
- An overspend in support costs of £423,000 due to increases in support services and Admin building costs.

7. Reduced net expenditure on Community, Safety and Resilience activities of £126,000 mainly as a result of: -

- Local risk underspends totalling £76,000 relating to a vacancy of a post while a new post holder was appointed and receipt of a secondment reimbursement at the end of the financial year; and
- Unspent Security Initiatives contingency budgets of £50,000.

Budgets Carried Forward to 2019/20

8. Chief Officers can request local risk underspends of up to 10% or £500,000 whichever is the lesser, to be carried forward, so long as the underspend is not clearly 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. Overspending is carried forward and recovered through reductions in 2019/20 budgets. There has been no local risk overspends this financial year.
10. The Town Clerk has proposed to carry forward £241,000 local risk and £354,000 central risk underspend. Details of the use of the carry forwards are set out in Appendix 3.
11. These have been agreed by the Chamberlain in consultation with the Chair and Deputy Chair of the Resource Allocation Sub Committee and the 2019/20 budgets increased accordingly.
12. The revenue outturn for Cultural Services 2018/19 which falls within the responsibilities of the Culture, Heritage and Libraries Committee comprised of a £122,000 overspend. This overspend is to be met by underspends within the Town Clerk's Department as a whole but specifically from the Policy and Resources local risk underspend.

Appendices

- Appendix 1 – Analysis of movements from the 2018/19 Original Budget to 2018/19 Final Budget
- Appendix 2 – Comparison of 2018/19 Revenue Outturn against Final Budget
- Appendix 3 – Carry forward requests

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APPENDIX 1

Analysis of movements 2018/19 Original Budget to Final Budget	£000
Original Local Risk Budget (Town Clerk)	6,968
Brussel's Office Budget Increase Committee Dec 2017	572
2% Inflation	144
Cyber Griffin	55
Local Risk carry forward from Town Clerk's underspend in 2017/18	50
Net other movements including Contribution Pay & Redundancy/Early Retirement Costs	53
Final Local Risk Budget (Town Clerk)	7,842
Original Local Risk Budget (Remembrancer)	1,173
Net other movements including contribution pay adjustment	37
Final Local Risk Budget (Remembrancer)	1,210
Original Central Risk Budget (Town Clerk)	4,788
Central Risk carry forward from Town Clerk's underspend in 2017/18	63
Central Risk carry forward from Policy Initiatives Fund 2017/18	335
Central Risk carry forward from Committee Contingency 2017/18	211
Increase of Supplementary Revenue Projects	2,818
Allocations from Policy Initiatives Fund to other Committees/areas	- 132
Priority Investment Pot Bid	188
CRM Business intelligence Unit from Contingency	185
Brexit Fund	2,000
Net other movements including Contribution Pay & Redundancy/Early Retirement Costs	51
Final Central Risk Budget (Town Clerk)	10,507
Original Central Risk Budget (Remembrancer)	1,308
Budget movement for Capital charges	-7
Final Central Risk Budget (Remembrancer)	1,301
Original Central Risk Budget (Culture Mile)	1430
Central Risk carry forward from underspend in 2017/18	223
Culture Mile Budget increase	150
salary	1
Final Central Risk Budget (Culture Mile)	1,804
Original Support Services and Capital Charges Budget	5,892
Net movements	-287
Final Support Services and Capital Charges Budget	5,605
Total Original Budget	21,559
Total increase	6,710
Total Final Budget	28,269

APPENDIX 2

Comparison of 2017/18 Revenue Outturn with Final Budget				
By Chief Officer	Original Budget	Final Budget	Revenue Outturn	Variations Better/ (Worse)
	£000	£000	£000	£000
Local Risk				
The Town Clerk	6,968	7,842	7,150	692
The Remembrancer	1,173	1,210	1,197	13
Culture Mile	0	0	0	0
Total Local Risk	8,141	9,052	8,347	705
Central Risk				
The Town Clerk	4,788	10,507	7,388	3,119
The Remembrancer	1,308	1,301	1,027	274
Culture Mile	1,430	1,804	1,450	354
Total Central Risk	7,526	13,612	9,865	3,747
Support Services & Capital Charges	5,892	5,605	6,035	(430)
Committee Totals	21,559	28,269	24,247	4,022
By Division of Service				
Community, Safety and Resilience	888	984	858	126
Communications	2,193	2,247	2,164	83
Economic Development	4,840	5,614	5,082	532
Grants and Contingencies	5,075	10,727	7,664	3,063
Remembrancer	7,133	6,893	7,029	(136)
Culture Mile	1,430	1,804	1,450	354
Division of Service Totals	21,559	28,269	24,247	4,022

APPENDIX 3

Carry forwards By Chief Officer	£000
<p><u>Town Clerk</u> Local Risk</p> <p>For project management support on a temporary basis (1 x FTE at a proposed Grade G) to cover contingency planning for a major State Occasion, for which the City of London is required to develop comprehensive plans for external stakeholders.</p> <p style="text-align: right;">86</p> <p>Funding ancillary cyber activities through research and consultancy for project Cyber Griffin which was delayed due to recruitment delays.</p> <p style="text-align: right;">35</p> <p>The Economic Development Office (EDO) are leading a cross-cutting corporate project to develop and implement a new Customer Relationship Management (CRM) system, bringing together strategic engagement and events across the City Corporation, in particular EDO, Mansion House, Remembrancer's, Corporate Affairs, and the Chair of Policy and Resources and the Town Clerk's offices. This requires bringing in new joined-up approaches to engagement and the implementation of a new software solution, being delivered by IT working with an external contractor. This project will enable better targeted engagement and more effective and efficient co-ordination, planning, information sharing, target setting and data analysis across the City Corporation. Whilst much of the functionality of the new IT system has been developed, full implementation has been delayed, primarily due to the loss of key expertise and capacity from the external software partner and technical difficulties in combining and reconciling engagement data across different departmental approaches. These delays have also had a knock-on effect on the ability of the Events teams to test the system development, given their existing commitments.</p> <p style="text-align: right;">120</p> <p>Central Risk <u>Culture Mile</u></p> <p>Continued funding of the development of the Culture Mile Property Strategy which has been pushed back due to extended complex conversations.</p> <p style="text-align: right;">14</p> <p>Carry forwards to be used for Jason Bruges paid campaign, Fusion Prize assets, Culture Mile design, Culture Mile brand assets printing and Culture Mile brand photography.</p> <p style="text-align: right;">40</p> <p>To pay for a Production Manager - new role 1-year Grade D contract running Feb 2019 to Feb 2020 to provide required additional support to the Culture Mile Programming team.</p> <p style="text-align: right;">40</p>	

Programming contribution to Sound Unbound, a classical music festival that took place in and around the Barbican, that was originally scheduled for March 2019 but was moved to May 2019.	50
Allocated funding for Culture Mile Partnerships research and events projects that extended into the 2019/20 financial year.	44
Funding to provide additional 0.5 FTE Producer to support Culture Mile Programming.	50
- This underspend is needed for public realm activity, public programming (A Beastly Street Party and Play the Mile), property strategy development and business modelling research. The research will enable the culture mile to identify alternative external funding models for future sustainability.	116
Total Town Clerk	595