

<b>Committee:</b> Finance Committee	<b>Date:</b> 21 January 2020
<b>Subject:</b> Finance Committee Operational Services Budget Estimates and high-level summary Business Plan 2020/21	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Decision</b>
<b>Report author:</b> Steven Reynolds, Chamberlain's Department	

## Summary

This report presents for approval the revenue budget for 2020/21 in relation to the operational services directly overseen by your Committee and presents the high-level summary Business Plans for the Departments of the Chamberlain and City Surveyors for 2020/21.

Two new priorities were added for the Chamberlain's business plan: supporting the development of an organisation-wide operating model; and driving an ambitious programme of departmental change. In addition, the delivery and implementation of the new 2020 IT services contract will be a focus of the department. The City Surveyor has added a new priority relating to Property Projects to reflect the importance of the function and the contribution that it makes to the operation of the City Corporation. The Surveyor's business plan is considered in detail by the Property Investment Board for the investment property portfolio; and Corporate Asset Sub Committee for the operational property.

The proposed revenue budget for 2020/21 totals net expenditure of £70.270m as shown in the table below, representing an increase of £1.972m compared to the latest budget for 2019/20 of £68.298m (paragraph 8 of this report explains the movements).

<b>Table 1</b>	<b>Original Budget 2019-20</b>	<b>Latest Budget 2019-20</b>	<b>Movement 2019-20 Original to 2019-20 Latest</b>	<b>Original Budget 2020-21</b>	<b>Movement 2019-20 Original to 2020-21</b>
<b>Summary Revenue Budgets 2019/20 and 2020/21</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Net Expenditure</b>					
Chamberlain	(39,499)	(41,088)	(1,589)	(40,246)	(747)
Town Clerk	(460)	(460)	-	(460)	-
City Surveyor	(15,942)	(17,083)	(1,141)	(19,246)	(3,304)
Remembrancer	111	99	(12)	41	(70)
Executive Director Mansion House & Old Bailey	(8,079)	(9,705)	(1,626)	(10,298)	(2,219)
Director of Community and Children's Services	(62)	(61)	1	(61)	1
<b>Total Net Expenditure</b>	<b>(63,931)</b>	<b>(68,298)</b>	<b>(4,367)</b>	<b>(70,270)</b>	<b>(6,339)</b>

Expenditure and unfavourable variances are presented in brackets.

The latest budget for 2019/20 of £68.298m is £4.367m higher than the original budget of £63.931m mainly due to increases in repairs and maintenance budgets of £1.2m; carry forward requests for specific approved projects totalling £1m; and a significant capital charge of £1.3m in 2019/20 for the Central Criminal Court arising from an external revaluation. Paragraph 7 of this report explains the movements in detail.

The main variances on the original budgets 2019/20 to 2020/21 relate to the City Surveyor and the Mansion House

- City Surveyor- base budget adjustment of c£1m this year for service delivery, particularly in relation to maintenance of Guildhall; and rephasing of the cyclical works programme.
- Mansion House- due to the rephasing of the cyclical works and repairs & maintenance programmes.

## **Recommendations**

Members are asked to:

- i) review and approve the Finance Committee operational services proposed revenue budget for 2020/21 of £70.270m as set out in table 1;
- ii) note the approved capital and supplementary revenue projects budgets for 2020/21 (appendix 6);
- iii) authorise the Chamberlain to revise these budgets to allow for any further implications arising from Corporate Projects, other reviews and changes to the Cyclical Works Programme;
- iv) agree that minor amendments for 2019/20 and 2020/21 budgets arising during budget setting be delegated to the Chamberlain;
- v) note the factors taken into consideration in compiling the Chamberlain's Department's Business Plan, including efficiency measures; and
- vi) approve, subject to the incorporation of any changes sought by this Committee, the final high-level summary Business Plan of the Chamberlain's Department for 2020/21 detailed in appendix 7.

## **Main Report**

### **Background**

1. As part of the new framework for corporate and business planning, departments were asked to produce standardised high-level Business Plans for the first time in 2017 for the 2018/19 year. Members generally welcomed these high-level plans for being brief, concise, focused and consistent statements of the key ambitions and objectives for every department.
2. For 2020/21, the high-level summary Business Plan has been further developed to make use of the information now available and give a better overview of how the department's work contributes to the Corporate Plan. It provides an overview of

departmental activity and resources, mainly but not limited to the forthcoming 12 months, including capital and revenue projects. As a high-level summary, this document does not capture the granularity of departmental work but gives the overall picture of departmental activity, customer feedback, trends where applicable and direction of travel.

- For the first time in 2020/21, high-level summary Business Plans are being brought forward alongside budget estimates, pending full integration of the processes for 2021/22, to inform medium-term financial planning and the development of spending priorities. This report therefore presents the budget estimates and high-level summary Business Plan together as appendices.

### Proposed Revenue Budget for 2020/21

- This report seeks approval to the proposed revenue budget for 2020/21 of £70.270m in relation to the operational services directly overseen by your Committee and under control of the Departments as set out in table 2 below. Further detailed analysis is set out in appendices 1 and 2.

<b>Table 2</b>	<b>Original Budget 2019-20 £000</b>	<b>Latest Budget 2019-20 £000</b>	<b>Original Budget 2020-21 £000</b>	<b>Movement 2019-20 to 2020-21 £000</b>
<b>Summary Revenue Budgets 2019/20 and 2020/21</b>				
<b>Net Expenditure</b>				
Chamberlain	(39,499)	(41,088)	(40,246)	842
Town Clerk	(460)	(460)	(460)	-
City Surveyor	(15,942)	(17,083)	(19,246)	(2,163)
Remembrancer	111	99	41	(58)
Executive Director Mansion House & Old Bailey	(8,079)	(9,705)	(10,298)	(593)
Director of Community and Children's Services	(62)	(61)	(61)	-
<b>Total Net Expenditure</b>	<b>(63,931)</b>	<b>(68,298)</b>	<b>(70,270)</b>	<b>(1,972)</b>

Expenditure and unfavourable variances are presented in brackets.

- The proposed 2020/21 budget has been prepared within the resources allocated to each Chief Officer. It incorporates a 2% inflation allowance on local risk to cover inflationary increases, pay award and contract price increases. A 2% efficiency squeeze (excluding Bridge House Estates) has also been applied to local risk budgets. The budget also includes items agreed by the Resource Allocation Sub Committee in January 2019 and green flagged fundamental review savings or income items where these impact in 2020/21.
- Overall, the 2019/20 latest budget is net expenditure of £68.298m, an increase in net expenditure of £4.367m compared to the 2019/20 original budget of £63.931m. The proposed 2020/21 budget is net expenditure of £70.270m, an increase of £1.972m in net expenditure compared to the 2019/20 latest budget of £68.298m.

7. Appendix 3 provides details on budget movements between the 2019/20 original budget and 2019/20 latest budget. The main reasons for the overall increase in net expenditure of £4.367m are:

i. **The Executive Director Mansion House and Old Bailey £1.626m increase in net expenditure**

- Central Criminal Court – an increase in capital charge depreciation of £1.300m arising from an external revaluation of the Court.
- Mansion House Premises – an increase of £0.286m due to phasing changes in repairs and maintenance at Mansion House.

ii. **Chamberlain £1.589m increase in net expenditure**

- Carry forward of £0.500m for the IT transformation programme.
- Faster Closing of accounts £0.300m.
- Internal legal fees £0.200m.
- Insurance premiums increase £0.121m.
- Investment and borrowing team – additional staff funding £0.070m.
- Subscription to London Counter Fraud Hub £0.070m.
- Other carry forwards of £0.177m.

iii. **City Surveyor £1.141m increase in net expenditure**

- RASC approved funding of £0.946m to maintain and improve the current level of service and support delivery of the Corporate Plan.
- Asset Verification Review funding of £0.218m.

8. Appendix 4 provides details on budget movements between the 2019/20 latest budget and 2020/21 proposed budget. The main reasons for the overall increase in net expenditure of £1.972m are:

i. **City Surveyor £2.163m increase in net expenditure**

- Rephasing of the cyclical works programme £1.300m.
- Additional repairs and maintenance at Walbrook Wharf of £0.567m and at the Mayor's Court of £0.119m.

ii. **The Executive Director Mansion House and Old Bailey £0.593m increase in net expenditure**

- Rephasing of the cyclical works programme £0.629m.

iii. **Chamberlain £0.842m decrease in net expenditure**

- Removal of carry forwards from prior year £0.677m.
- City Procurement approved Fundamental Review savings £0.380m.
- Removal of faster closing of accounts funding £0.300m.
- Additional income £0.05m; partly offset by:
- Fundamental Review funding of £0.340m.
- Increase in insurance premiums £0.197m.

## Staffing Statement

9. A summary staffing statement is set out in the following table. Further detail is presented in Appendix 5.

Table 2 Finance Committee Operational Services staffing statement by Chief Officer	Latest Budget 2019-20		Original Budget 2020-21	
	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000
Chamberlain	286.6	16,899	290.5	17,173
Executive Director of Mansion House and Old Bailey	102.6	4,506	100.7	4,397
City Surveyor	65.0	3,981	65.0	3,741
Remembrancer	16.5	1,199	16.5	1,250
Community & Children's Services	0.7	30	0.7	30
<b>Total</b>	<b>471.4</b>	<b>26,615</b>	<b>473.4</b>	<b>26,591</b>

### Draft Capital and Supplementary Revenue Project budgets for 2020/21

10. The latest estimated costs of the Committee's approved capital and supplementary revenue projects total £52.320m, with a breakdown presented at appendix 6.

### Draft high-level summary Business Plan for 2020/21 - Chamberlain's Department

11. This report presents, at Appendix 7, the draft high-level summary Business Plan for 2020/21 for the Chamberlain's Department.
12. The Business Plan was developed in line with the overall vision of the Chamberlain's Department to support and enable the City of London Corporation and its partner organisations to achieve their aims and aspirations, driving transformation to ensure that the City thrives. As a key supporting service, the high-level objectives contained within the Business Plan support the successful achievement of the Corporate Plan both directly and indirectly through supporting service and institutional departments to deliver front line services.
13. In 2020/21, two new priorities were added to the Business Plan to reflect the department's commitment to delivering the fundamental review: a) supporting the development of the organisation-wide operating model; and b) driving an ambitious programme of departmental change. In addition, the delivery and implementation of the new 2020 IT services contract will be a focus of the department.
14. Work is currently underway to develop a change programme for the department, based on the options developed through the fundamental review. This programme will focus on customers, processes and staff and will aim to enhance our customer experience, ensure that all our processes are as efficient as possible, and embed the 'Chamberlain's Person' ethos across the department.

15. The RASC-approved Fundamental Review proposals that will inform departmental change, include:
- Changing the way in which we manage financial appraisals in the procurement process through moving to a risk-based approach.
  - Increasing our income generation potential through; increasing freedom fees, commercial contract management, not in scope change variations charges, waiver levies, charging for external speaking engagements for key staff, and a contract specification writing service.
  - Decreasing our IT expenditure through; rationalising licences, replacing visitor WiFi, and removing Citrix and unnecessary storage.
16. Other proposals identified under the Fundamental Review that were not considered by RASC that will be implemented in 2020/21 to help reach departmental savings targets include:
- Review of the 10-day SME payment policy and the uptake of City Accelerate
  - Increasing income through the Chamberlain's Court shop
  - Reducing our expenditure on transactional finance through moving to a Cloud-based system.
17. The agreed savings targets and income generation targets have been accounted for in the Estimates Report and will be delivered through; the fundamental review proposals detailed above, a 2.5% vacancy allowance, ensuring that costs are recharged to project codes as necessary, and a one-off royalty payment linked to a key contract.
18. The business plan includes a set of departmental KPIs as well as measures that form part of the Corporate Performance Framework. Analysing our work against the Corporate Performance Framework highlighted that we contribute significantly to increasing the Efficiency, Effectiveness and Economy (EEE) of the organisation. This underpins our role as a key support service helping other departments to deliver the Corporate Plan in the most effective way.
19. As part of the Department's plans to continuously improve, increase productivity and provide a value for money service, a new set of departmental performance measures will be produced in 2020/21 to measure our success. In addition, and linked to the change programme, work is currently underway on becoming more transparent about how we charge for our services and how we define our core offer.

### **Final high-level summary Business Plan for 2020/21 - City Surveyor's Department**

20. The City Surveyor's high-level summary Business Plan (appendix 8) was approved, alongside budget estimates, at Property Investment Board on 11 December 2019. Subsequent to this Finance Committee, the high-level summary Business Plan will be presented to Members of Corporate Asset Sub (Finance) Committee on 29 January 2020. This will give Members of CAsC a further opportunity to comment on elements of the plan relevant to this Committee. Relevant budget information has been included in Appendices 1 to 5 to this report.

Members should note that the Business Plan is for the City Surveyor's Department overall and is not limited to an individual Committee.

21. The high-level objectives contained within the Business Plan closely link with, and support, the organisation's Corporate Plan 2018/23. These objectives are substantively consistent year-on-year, with the constituent activities evolving to drive these objectives. For the 2020/21 Business Plan, the City Surveyor's Department added an objective relating to Property Projects. This was done to reflect the importance of this function and the contribution that it makes to the operation of the City Corporation.
22. The Business Plan includes a list of Corporate Performance Framework (CPF) indicators to which the department is contributing. These measures are aligned with the 12 corporate outcomes. Whilst the City Surveyor's Department is only one of a number that may contribute to any individual measure, the successful delivery of our actions demonstrably supports the achievement of the wider corporate aspirations.
23. Throughout 2019, the department actively participated in developing options associated with the fundamental review. This is designed to ensure that we maximise the efficiency of our activities aligned with our customer requirements. The fundamental review has recommended a reshaped service in many areas and these will be delivered through the activities within the Business Plan.
24. To better understand the effectiveness of the City Surveyor's services, the department is currently undertaking a survey of our investment property occupiers. This will be followed in the 2020/21 business planning year with a survey of our corporate occupiers. By building up a comprehensive view of what tenants' value, the department will be in a much better position to effectively and efficiently respond to these needs.
25. Internally, the department has developed an action plan following the organisation's staff survey, most recently undertaken in September and October 2019. In 2020/21 the department will undertake an equalities and diversity self-assessment, aligned with the Royal Institute of Chartered Surveyors (RICS) best practice. This will develop intelligence and learning such that the department can address any areas of concern.

### **Specific commentary from other related Draft Business Plans 20/21**

#### **Mansion House and Central Criminal Court**

26. The Finance Committee supports Mansion House and Central Criminal Court through enabling the delivery of their major workstream 4: 'Provide safe, secure and maintained premises; Mansion House as the residence of the Lord Mayor and venue for events and the Central Criminal Court enabling Her Majesty's Courts and Tribunal Service to deliver justice and meet the target for court sitting days.' The

Mansion House and Central Criminal Court Business Plan will be considered in full by the General Purposes Committee of Aldermen in February for approval.

### **Remembrancer's**

27. The Remembrancer's Office Parliamentary work will respond to the changes arising from the UK's imminent departure from the EU. This will give rise to a continuing requirement for close engagement with Parliament as Brexit-related legislation is considered. The planned introduction of a Markets Bill will be a substantial programme of work in the forthcoming year.
28. In light of the changing circumstances following Brexit, work to increase the soft power impact of City hospitality will be undertaken, including enhancing, in collaboration with Innovation and Growth and Mansion House, engagement with the London Diplomatic community.
29. Proposals to increase income obtained from private lettings of Guildhall have been considered as part of the fundamental review. These will be taken forward and it is expected will deliver significant increases in income generated. A review of the costs of providing the Guildhall and ancillary spaces for private hire is currently under way. This will improve transparency and recovery of costs, and lead to greater efficiency.

### **Department of Community and Children's Services**

30. The Finance Committee supports the City of London Almshouses through enabling the delivery of the Department of Community and Children's Services objective 'People of all ages live in safe communities; our homes are safe and well maintained and our estates are protected from harm'. The Department of Community and Children's Services Business Plan will be considered in full at the Community and Children's Services Committee in February for approval.

### **Corporate & Strategic Implications**

31. The Chamberlain's Department supports the delivery of all 12 corporate plan outcomes through supporting service, corporate and institutional departments to deliver their roles. Furthermore, the Chamberlain's Department plays a vital role in increasing the efficiency, effectiveness and economy of the organisation, supporting business as usual functions and ensuring compliance.

### **Public sector equality duty**

32. Chamberlain's Department is committed to complying with the Equality Duty and considers all individuals when carrying out their day-to-day work. We will be undertaking the Equality, Diversity and Inclusion self-assessment between Jan-Mar 2020 which will identify gaps in our monitoring. We will then develop an improvement plan to address those gaps aligned to the Corporate Equality and

Inclusion Plan. This action plan will be developed and delivered by the departmental Equality, Diversity and Inclusion group reporting into the senior leadership team.

33. Chamberlain's department managers will continue to work with our HR Business Partner to look at increasing the diversity of our staff in higher grades, particularly focusing on women, race and disability which are under-represented in Grade G and above posts.

### **Resourcing implications**

34. As part of the business planning process, the departmental Workforce Plan was updated in partnership with HR to reflect the changing requirements and, internal and external factors affecting our current and future workforce. Close attention was paid to the ongoing and future implications of the fundamental review.

35. It should be noted that departmental restructuring may be required to achieve the change programme and fundamental review proposals.

### **Conclusion**

36. This report presents the budget estimates and draft high-level summary Business Plan for 2020/21 for the Finance Committee Members to consider and approve.

### **Appendices**

- Appendix 1 – Finance Committee Operational Services 2019/20 and 2020/21 budget estimates summary
- Appendix 2 – Finance Committee Operational Services 2019/20 and 2020/21 Summary Budget – by Risk, Fund and Chief Officer
- Appendix 3 – Movement from 2019/20 Original Budget to 2019/20 Latest Approved Budget
- Appendix 4 – Movement from 2019/20 Latest Approved Budget to 2020/21 Original Budget
- Appendix 5 – Finance Committee Operational Services Staffing Statement
- Appendix 6 – Capital and Supplementary Revenue Project budgets
- Appendix 7 – Chamberlain's Department Draft high-level summary Business Plan 2020/21
- Appendix 8 – City Surveyor's Final high-level summary Business Plan 2020/21

### **Steven Reynolds**

Group Accountant, Chamberlain's Department

T: 020 7332 1382

E: [steven.reynolds@cityoflondon.gov.uk](mailto:steven.reynolds@cityoflondon.gov.uk)

### **Grace Rawnsley**

Chamberlain's Department

T: 020 7332 1315

E: [grace.rawnsley@cityoflondon.gov.uk](mailto:grace.rawnsley@cityoflondon.gov.uk)

## Finance Committee Operational Services Summary Budget

This appendix shows a high-level summary of Finance Committee operational services budgets. Further details are shown in Appendices 2 to 4.

<b>Summary Revenue Budgets 2019/20 and 2020/21 - by Chief Officer</b>	<b>Original Budget 2019-20 £000</b>	<b>Latest Budget 2019-20 £000</b>	<b>Original Budget 2020-21 £000</b>
<b>Local Risk</b>			
The Chamberlain	(23,664)	(25,045)	(23,928)
The Town Clerk	(38)	(38)	(38)
The City Surveyor	(10,658)	(11,464)	(13,291)
The Remembrancer	349	340	274
The Executive Director Mansion House and Old Bailey	(3,155)	(3,536)	(4,161)
<b>Total Local Risk</b>	<b>(37,166)</b>	<b>(39,743)</b>	<b>(41,144)</b>
<b>Central Risk</b>			
The Chamberlain	(13,027)	(13,449)	(13,483)
The Town Clerk	(422)	(422)	(422)
The City Surveyor	(4,983)	(5,005)	(5,172)
The Remembrancer	(186)	(186)	(186)
The Executive Director Mansion House and Old Bailey	(705)	(716)	(716)
Director of Community and Children's Services	(59)	(59)	(59)
<b>Total Central Risk</b>	<b>(19,382)</b>	<b>(19,837)</b>	<b>(20,038)</b>
<b>Capital and Support Services</b>	<b>(7,383)</b>	<b>(8,718)</b>	<b>(9,088)</b>
<b>Committee Total</b>	<b>(63,931)</b>	<b>(68,298)</b>	<b>(70,270)</b>

Figures in brackets indicate expenditure, increase in expenditure or decreases in income.

## Finance Committee Operational Services

<b>SUMMARY BY RISK</b>				
Analysis of Service Expenditure by Risk	Original Budget	Latest Approved Budget	Original Budget	Movement
	2019-20 £000	2019-20 £000	2020-21 £000	2019-20 to 2020-21 £000
<b>LOCAL RISK</b> ( <i>budgets largely within direct control of Chief Officer</i> )				
<b>EXPENDITURE</b>				
Employees	(25,827)	(25,943)	(25,919)	24
Premises Related Expenses (note i)	(5,950)	(6,733)	(6,866)	(133)
Transport Related Expenses	(43)	(43)	(43)	0
Supplies & Services (note ii)	(9,259)	(10,454)	(9,544)	910
Transfer to Reserves	0	(12)	(12)	0
Savings to be Applied	1,646	380	513	133
<b>Total Expenditure</b>	<b>(39,433)</b>	<b>(42,805)</b>	<b>(41,871)</b>	<b>934</b>
<b>INCOME</b>				
Grants, Reimbursements & Contributions (note iii)	3,984	4,242	4,107	(135)
Customer, Client Receipts (note iv)	3,061	3,152	3,443	291
<b>Total Income</b>	<b>7,045</b>	<b>7,394</b>	<b>7,550</b>	<b>156</b>
<b>TOTAL LOCAL RISK (excl. R&amp;M City Surveyor)</b>	<b>(32,388)</b>	<b>(35,411)</b>	<b>(34,321)</b>	<b>1,090</b>
<b>Repairs &amp; Maintenance (City Surveyor)</b>	<b>(4,778)</b>	<b>(4,332)</b>	<b>(6,823)</b>	<b>(2,491)</b>
<b>TOTAL LOCAL RISK</b>	<b>(37,166)</b>	<b>(39,743)</b>	<b>(41,144)</b>	<b>(1,401)</b>
<b>CENTRAL RISK</b> ( <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> )				
<b>EXPENDITURE</b>				
Employees	(666)	(672)	(672)	0
Premises Related Expenses (note v)	(22,251)	(22,417)	(22,801)	(384)
Transport Related Expenses (note vi)	(57)	(107)	(111)	(4)
Supplies & Services (note vii)	(2,884)	(3,232)	(3,063)	169
Council Tax Reduction Scheme	(247)	(247)	(247)	0
Contingency	(10)	(10)	(10)	0
Transfer Payments	(9)	(9)	(9)	0
<b>Total Expenditure</b>	<b>(26,124)</b>	<b>(26,694)</b>	<b>(26,913)</b>	<b>(219)</b>
<b>INCOME</b>				
Government Grants - Collection of NNDR	1,729	1,729	1,729	0
Other Grants, Reimbursements & Contributions (note viii)	1,868	1,984	1,991	7
Customer, Client Receipts (note ix)	3,145	3,144	3,155	11
<b>Total Income</b>	<b>6,742</b>	<b>6,857</b>	<b>6,875</b>	<b>18</b>
<b>TOTAL CENTRAL RISK</b>	<b>(19,382)</b>	<b>(19,837)</b>	<b>(20,038)</b>	<b>(201)</b>
<b>TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES</b>	<b>(56,548)</b>	<b>(59,580)</b>	<b>(61,182)</b>	<b>(1,602)</b>
CONTINUED ON NEXT PAGE				

Analysis of Service Expenditure by Risk	Original Budget 2019-20 £000	Latest Approved Budget 2019-20 £000	Original Budget 2020-21 £000	Movement 2019-20 to 2020-21 £000
<b>CONTINUED FROM PREVIOUS PAGE</b>				
<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>				
Central Support Services	(5,763)	(5,899)	(5,713)	186
Capital Charges	(3,786)	(5,001)	(5,016)	(15)
Recharges Within Fund	2,489	2,180	2,003	(177)
Recharges Across Funds	(323)	2	(362)	(364)
<b>Total Support Services and Capital Charges</b>	<b>(7,383)</b>	<b>(8,718)</b>	<b>(9,088)</b>	<b>(370)</b>
<b>TOTAL NET EXPENDITURE</b>	<b>(63,931)</b>	<b>(68,298)</b>	<b>(70,270)</b>	<b>(1,972)</b>

<b>ANALYSIS BY FUND</b>				
City Fund	(7,330)	(8,722)	(10,155)	(1,433)
City's Cash	(3,805)	(4,208)	(4,038)	170
Guildhall Administration	(52,796)	(55,368)	(56,077)	(709)
<b>TOTAL NET EXPENDITURE</b>	<b>(63,931)</b>	<b>(68,298)</b>	<b>(70,270)</b>	<b>(1,972)</b>

<b>ANALYSIS BY CHIEF OFFICER</b>				
The Chamberlain	(39,499)	(41,088)	(40,246)	842
The Town Clerk	(460)	(460)	(460)	0
The City Surveyor	(15,942)	(17,083)	(19,246)	(2,163)
The Remembrancer	111	99	41	(58)
The Executive Director Mansion House and Old Bailey	(8,079)	(9,705)	(10,298)	(593)
Director of Community & Children's Services	(62)	(61)	(61)	0
<b>TOTAL NET EXPENDITURE</b>	<b>(63,931)</b>	<b>(68,298)</b>	<b>(70,270)</b>	<b>(1,972)</b>

\* Appendix 5 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.
- (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.

**Finance Committee Operational Services**  
**Movement from 2019/20 Original budget to 2019/20 Latest Approved Budget**

Analysis by Chief Officer and Division of Service - all risks	Original Budget 2019-20 £000	Movement (Original 2019-20 to Latest 2019- 20) £000	Latest Budget 2019-20 £000	Notes
<b>By Chief Officer</b>				
The Chamberlain	(39,499)	(1,589)	(41,088)	
The Town Clerk	(460)	0	(460)	
The City Surveyor	(15,942)	(1,141)	(17,083)	
The Remembrancer	111	(12)	99	
The Executive Director Mansion House and Old Bailey	(8,079)	(1,626)	(9,705)	
Director of Community & Children's Services	(62)	1	(61)	
<b>Chief Officer Totals</b>	<b>(63,931)</b>	<b>(4,367)</b>	<b>(68,298)</b>	
<b>By Division of Service</b>				
<b><u>The Chamberlain</u></b>				
Chamberlain's - General	(22,157)	(465)	(22,622)	i
Chamberlain's - Internal Audit	(787)	(104)	(891)	ii
Chamberlain's - Business Support	(1,667)	(55)	(1,722)	
Chamberlain's - City Procurement	(3,474)	(227)	(3,701)	iii
Chamberlain's - IT	(10,280)	(547)	(10,827)	iv
Chamberlain's Court	(188)	(32)	(220)	
Cost of Collection	(805)	(107)	(912)	v
Gresham	(141)	(52)	(193)	
<b><u>The Town Clerk</u></b>				
Corporate Services - Town Clerk	(460)	0	(460)	
<b><u>The City Surveyor</u></b>				
Mayor's Court	(144)	77	(67)	
Walbrook Wharf	(929)	(56)	(985)	
Guildhall Complex - City Surveyor	(14,869)	(1,162)	(16,031)	vi
<b><u>The Remembrancer</u></b>				
Guildhall Complex - Remembrancer	438	(12)	426	
Corporate Services - Remembrancer	(327)	0	(327)	
<b><u>The Executive Director Mansion House and Old Bailey</u></b>				
Central Criminal Court	(5,818)	(1,317)	(7,135)	vii
Shrieval Support	(316)	5	(311)	
Mansion House Premises	(1,945)	(314)	(2,259)	viii
<b><u>Director of Community &amp; Children's Services</u></b>				
Gresham	(62)	1	(61)	
<b>Division of Service Totals</b>	<b>(63,931)</b>	<b>(4,367)</b>	<b>(68,298)</b>	

Figures in brackets indicate expenditure, increase in expenditure or decreases in income.

Overall, the latest 2019/20 net revenue budget totals £68.298m, an increase of £4.367m (7%) compared with the original budget of £63.931m for 2019/20. The main variations within this increase are:

- i. **Chamberlain's General £465,000 increase in net expenditure** – due to approved funding of £300k for faster closing of accounts, an increase in insurance premiums of £121k and £70k for additional staff in the investment and borrowing team, partly offset by additional income of £36k from support provided to outside bodies.
- ii. **Chamberlain's Internal Audit £104,000 increase in net expenditure** – due to £70k for a subscription to the London Counter Fraud Hub, an approved carry forward of £22k and £10k for internal legal fees.
- iii. **Chamberlain's City Procurement £227,000 increase in net expenditure** – due to £120k for internal legal fees and an approved carry forward of £80k.
- iv. **Chamberlain's IT £547,000 increase in net expenditure** – mainly due to an approved carry forward of £500k largely relating to delays in the delivery of the IT transformation programme, including enhancement of the customer relationship management systems, wifi installations, Oracle OBI upgrading, the HR and payroll system project and City of London Police transformation work, and £55k for internal legal fees.
- v. **Cost of Collection £107,000 increase in net expenditure** – mainly due to an approved carry forward of £75k and internal legal fees of £15k.
- vi. **Guildhall Complex City Surveyor £1,162,000 increase in net expenditure** - primarily relates to RASC approved funding of £946k to maintain and improve the current level of service and support the delivery of our Corporate Plan and £218k towards the asset verification review.
- vii. **Central Criminal Court £1,317,000 increase in net expenditure** – due to an increase in capital charges of £1.3m resulting from an external revaluation of the Central Criminal Court. The value increased by £7.7m which caused a significant increase in the charge for depreciation.
- viii. **Mansion House Premises £314,000 increase in net expenditure** – largely due to changes in the phasing and planned expenditure in the cyclical works programme of premises repairs and maintenance for Mansion House of £286,000 and an additional budget allocation of £39,000 for energy inflation.

**Finance Committee Operational Services**  
**Movement from 2019/20 Latest Approved Budget to 2020/21 Original budget**

Analysis by Chief Officer and Division of Service - all risks	Latest Budget 2019-20	Movement (Latest 2019-20 to Original 2020-21)	Original Budget 2020-21	Notes
	£000	£000	£000	
<b>By Chief Officer</b>				
The Chamberlain	(41,088)	842	(40,246)	
The Town Clerk	(460)	0	(460)	
The City Surveyor	(17,083)	(2,163)	(19,246)	
The Remembrancer	99	(58)	41	
The Executive Director Mansion House and Old Bailey	(9,705)	(593)	(10,298)	
Director of Community & Children's Services	(61)	0	(61)	
<b>Chief Officer Totals</b>	<b>(68,298)</b>	<b>(1,972)</b>	<b>(70,270)</b>	
<b>By Division of Service</b>				
<b><u>The Chamberlain</u></b>				
Chamberlain's - General	(22,622)	111	(22,511)	i
Chamberlain's - Internal Audit	(891)	24	(867)	
Chamberlain's - Business Support	(1,722)	59	(1,663)	
Chamberlain's - City Procurement	(3,701)	509	(3,192)	ii
Chamberlain's - IT	(10,827)	123	(10,704)	iii
Chamberlain's Court	(220)	15	(205)	
Cost of Collection	(912)	137	(775)	iv
Gresham	(193)	(136)	(329)	v
<b><u>The Town Clerk</u></b>				
Corporate Services - Town Clerk	(460)	0	(460)	
<b><u>The City Surveyor</u></b>				
Mayor's Court	(67)	(119)	(186)	vi
Walbrook Wharf	(985)	(567)	(1,552)	vii
Guildhall Complex - City Surveyor	(16,031)	(1,477)	(17,508)	viii
<b><u>The Remembrancer</u></b>				
Guildhall Complex - Remembrancer	426	(58)	368	
Corporate Services - Remembrancer	(327)	0	(327)	
<b><u>The Executive Director Mansion House and Old Bailey</u></b>				
Central Criminal Court	(7,135)	(884)	(8,019)	ix
Shrieval Support	(311)	5	(306)	
Mansion House Premises	(2,259)	286	(1,973)	x
<b><u>Director of Community &amp; Children's Services</u></b>				
Gresham	(61)	0	(61)	
<b>Division of Service Totals</b>	<b>(68,298)</b>	<b>(1,972)</b>	<b>(70,270)</b>	

Figures in brackets indicate expenditure, increase in expenditure or decreases in income.

Overall, the original 2020/21 net revenue budget totals £70.270m, an increase of £1.972m (3%) compared with the latest budget of £68.298m for 2019/20. The main variations within this increase are:

- i. **Chamberlain's General £111,000 decrease in net expenditure** – due to the removal of the faster closing budget of £300k, partly offset by a £197k increase in the premises insurance premium.
- ii. **Chamberlain's City Procurement £509,000 decrease in net expenditure** – largely due approved Fundamental Review savings of £380k, mainly relating to increases in income from waiver levies and offering services to outside organisations, and removal of an £80k carry forward budget.
- iii. **Chamberlain's IT £123,000 decrease in net expenditure** – due to approved funding of £340k as part of the fundamental review and £34k for centrally funded apprentices, partly offset by removal of the £500k carry forward from 2018/19 to 2019/20.
- iv. **Cost of Collection £137,000 decrease in net expenditure** – due to removal of a carry forward budget of £75k and £50k additional income for administering the Cheapside and new Aldgate Business Improvement Districts.
- v. **Gresham £136,000 increase in net expenditure** – due to an increase in the grant to Gresham College which is based on a new 5-year funding arrangement agreed by Finance and Policy and Resources Committees in November 2019.
- vi. **Mayor's Court £119,000 increase in net expenditure** – largely due to additional repairs and maintenance works, comprising £66k for electrical works and £69k for refurbishment and roof replacement.
- vii. **Walbrook Wharf £567,000 increase in net expenditure** – resulting from additional cyclical repairs and maintenance works, comprising £205k for patent glazing work, £141k for drainage and rainwater works and £249k on other projects relating to the fire alarm system, an induction loop upgrade and a replacement bin hoist.
- viii. **Guildhall Complex City Surveyor £1,477,000 increase in net expenditure** – £1.3m relates to rephasing of the cyclical works programme, with £150k due to an increase in rates.
- ix. **Central Criminal Court £884,000 increase in net expenditure** – largely due to changes in the phasing and planned expenditure in the cyclical works programme of premises repairs and maintenance for the Central Criminal Court of £915,000.

- x. **Mansion House Premises £286,000 decrease in net expenditure** – due to a reduction of £286,000 in the phasing and planned expenditure in the cyclical works programme of premises repairs and maintenance for Mansion House.

**Finance Committee Operational Services  
Staffing Statement by Chief Officer**

Staffing Statement	Latest Budget 2019-20		Proposed Budget 2020-21	
	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000
Cost of Collection	26.2	1,300	26.0	1,309
Chamberlain's Court	5.4	232	5.4	237
Chamberlain's - General	136.1	7,583	132.6	7,629
Chamberlain's - Business Support	6.0	628	6.0	580
Chamberlain's - City Procurement	54.5	3,072	54.5	3,033
Chamberlain's - Internal Audit	10.8	603	10.8	686
Chamberlain's - IT	47.8	3,481	55.2	3,699
<b>Total Chamberlain</b>	<b>286.6</b>	<b>16,899</b>	<b>290.5</b>	<b>17,173</b>
Central Criminal Court (local risk)	95.6	3,689	93.7	3,585
Central Criminal Court - Judges' Pensions (central risk)	-	195	-	195
Central Criminal Court - Common Serjeant and Recorder (central risk)	2.0	377	2.0	377
Shrieval Support	5.0	245	5.0	240
<b>Total Executive Director of Mansion House and Old Bailey</b>	<b>102.6</b>	<b>4,506</b>	<b>100.7</b>	<b>4,397</b>
Walbrook Wharf	1.0	86	1.0	61
Guildhall Complex	64.0	3,895	64.0	3,680
<b>Total City Surveyor (local risk)</b>	<b>65.0</b>	<b>3,981</b>	<b>65.0</b>	<b>3,741</b>
Corporate Services (Parliamentary)	1.0	70	1.0	70
Guildhall Complex (local risk) (Administration & Attendants)	15.5	755	15.5	807
Guildhall Complex (local risk) (Event related)	-	374	-	373
<b>Total Remembrancer</b>	<b>16.5</b>	<b>1,199</b>	<b>16.5</b>	<b>1,250</b>
Gresham	0.7	30	0.7	30
<b>Total Community &amp; Children's Services (central risk)</b>	<b>0.7</b>	<b>30</b>	<b>0.7</b>	<b>30</b>
<b>Grand Total</b>	<b>471.4</b>	<b>26,615</b>	<b>473.4</b>	<b>26,591</b>

Excel.Sheet.12 "\\chbdata\data\_chb\fincon\excel\Cs\Autumn Committees\October 2017\Paragraph Tables 2017\_18.xlsx" Finance!R16C1:R41C9 **Approved Capital and Supplementary Revenue Budgets**

The latest estimated costs of the Committee's current capital and supplementary revenue projects are summarised in the Table below.

<b>BRIDGE HOUSE ESTATES</b>	<b>Pre-2019-20 £'000</b>	<b>2019-20 £'000</b>	<b>2020-21 £'000</b>	<b>2021-22 £'000</b>	<b>2022-23 £'000</b>	<b>Later years £'000</b>	<b>Total £'000</b>
<b>Recharges between Funds</b>							
Contribution to City's Cash re corporate capital schemes	1,228	66	-	-	-	-	1,294
<b>TOTAL BRIDGE HOUSE ESTATES</b>	<b>1,228</b>	<b>66</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,294</b>

<b>CITY'S CASH</b>	<b>Pre-2019/20 £'000</b>	<b>2019-20 £'000</b>	<b>2020-21 £'000</b>	<b>2021-22 £'000</b>	<b>2022-23 £'000</b>	<b>Later years £'000</b>	<b>Total £'000</b>
<b>Recharges between Funds</b>							
Contribution to City's Cash re corporate capital schemes	-24,607	-1,401	-	-	-	-	-26,008
<b>Guildhall Complex schemes</b>							
<u>Pre-implementation</u>							
1. 20/21 Aldermanbury opportunities	174	233	-	-	-	-	407
2. West Wing mezzanine level improvements	-	-	-	-	-	20	20
3. Sub metering	-	1	-	-	-	-	1
4. Guildhall Yard - Refurbishment / replacement of pavements	-	-	23	-	-	-	23
<u>Authority to start work granted</u>							
5. West wing - DHWS Replacement	53	90	-	-	-	-	143
6. Event Chairs	2	478	-	-	-	-	480
7. Access control - G'Hall & Walbrook Wharf	358	74	-	-	-	-	432
<b>Security schemes</b>							
<u>Authority to start work granted</u>							
1. Bomb blast mitigation	240	117	-	-	-	-	357
2. Hostile vehicle mitigation	443	696	-	-	-	-	1,139
3. CCTV & intruder alarms		1,434	-	-	-	-	1,434

(continued overleaf)

<b>CITY'S CASH</b>	<b>Pre-2019/20 £'000</b>	<b>2019-20 £'000</b>	<b>2020-21 £'000</b>	<b>2021-22 £'000</b>	<b>2022-23 £'000</b>	<b>Later years £'000</b>	<b>Total £'000</b>

<b>IT Schemes</b>							
<u>Pre-implementation</u>							
1. IT Transformation Programme*	-	100	-	-	-	-	100
2. Unified Communications Programme	-	30	30	-	-	-	60
<u>Authority to start work granted</u>							
3. Local Area Network Refresh - CoL	2,637	57	-	-	-	-	2,694
4. Wider Area Network	3,081	228	-	-	-	-	3,309
5. Customer Relationship Management	301	41	-	-	-	-	342
6. Security Assurance testing	157	298	-	-	-	-	455
<b>Other Schemes</b>							
<u>Authority to start work granted</u>							
1. Electric Vehicle Charging Points	-	127	-	-	-	-	127
<b>TOTAL CITY'S CASH</b>	<b>-17,161</b>	<b>2,603</b>	<b>53</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>-14,485</b>

\* Excludes the Police element

<b>CITY FUND</b>	<b>Pre-2019-20 £'000</b>	<b>2019-20 £'000</b>	<b>2020-21 £'000</b>	<b>2021-22 £'000</b>	<b>2022-23 £'000</b>	<b>Later years £'000</b>	<b>Total £'000</b>
<b>Recharges between Funds</b>							
Contribution to City's Cash re corporate capital schemes	23,379	1,335	-	-	-	-	24,714
<b>Central Criminal Court</b>							
<u>Authority to start work granted</u>							
1. Security - Bomb Blast Mitigation	158	66	-	-	-	-	224
2. Security – CCTV	-	2,014	-	-	-	-	2,014
3. Security - Hostile Vehicle Mitigation	-	569	-	-	-	-	569
4. Plant Replacement	16,792	4,728	4,241	4,208	4,944	-	34,913
5. 1907 Jury Room Repairs	20	179	-	-	-	-	199
6. Fire doors	17	48	-	-	-	-	65
7. Fire Alarm Replacement & PAS	52	872	177	-	-	-	1,101
8. Courts Refurbishment	1,380	29	-	-	-	-	1,409

(continued overleaf)

<b>CITY FUND</b>	<b>Pre-2019-20 £'000</b>	<b>2019-20 £'000</b>	<b>2020-21 £'000</b>	<b>2021-22 £'000</b>	<b>2022-23 £'000</b>	<b>Later years £'000</b>	<b>Total £'000</b>

<b>Other Schemes</b>							
<u>Pre-implementation</u>							
1. Walbrook Wharf Roof Replacement	-	56	-	-	-	-	56
<u>Authority to start work granted</u>							
2. Electric Vehicle Charging Points	-	32	-	-	-	-	32
3. Transition to Zero Emission Fleet	63	152	-	-	-	-	215
<b>TOTAL CITY FUND</b>	<b>41,861</b>	<b>10,080</b>	<b>4,418</b>	<b>4,208</b>	<b>4,944</b>	<b>0</b>	<b>65,511</b>

<b>TOTAL FINANCE</b>	<b>25,928</b>	<b>12,749</b>	<b>4,471</b>	<b>4,208</b>	<b>4,944</b>	<b>20</b>	<b>52,320</b>
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### Notes

1. 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.
2. It should be noted that the above figures exclude the implementation costs of those schemes which have yet to receive authority to start work.
3. 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.
4. 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 2020.