

<b>Committee:</b>	<b>Date:</b>
Establishment Committee	<b>27<sup>th</sup> January 2021</b>
<b>Subject:</b> Departmental Budget Estimates 2021-22 – Establishment Committee	<b>Public</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>Report of:</b> Town Clerk, Comptrollers and Chamberlains	<b>For Approval</b>
<b>Report author:</b> Laura Tuckey - Chamberlains Sarah Scherer – Town Clerks Nick Senior - Comptroller	

## Summary

This report presents for approval the Establishment Committee revised 2020-21 budget estimate and original 2021-22 budget estimate. While the budgets have been set within the allocated resource base, due to the Target Operating Model (TOM) savings required of departments, there are currently unidentified savings within these budgets. Departments will be looking at how to meet these throughout the year either through increasing income; reducing expenditure; recharging staff time to projects; and changes to service delivery in accordance with the new TOM.

## Recommendation

Members are asked to:

- i) review and approve the Town Clerk's, and Comptrollers and City Solicitor's Departments proposed revenue budget for 2021-22 for submission to Finance Committee,
- ii) authorise the Chamberlain, in consultation with the Town Clerk and the Comptroller and City Solicitor to revise these budgets to allow for any further implications arising from Corporate Projects, Target Operating Model (TOM) savings, other reviews and changes to the Cyclical Works Programme;
- iii) agree that minor amendments for 2020-21 and 2021-22 budgets arising during budget setting be delegated to the Chamberlain.

## Main Report

### Departmental budget estimates for 2021-22

1. This report presents, in Appendix 1, the revised budget estimates for 2020-21 and the original budget estimates for 2021-22 for the Establishment Committee. A breakdown per service is shown in the table below.

	Original Budget 2020-21 £000	Latest Approved Budget 2020-21 £000	Original Budget 2021-22 £000	Movement from Original 2020-21 to Original 2021-22 £000
<b>Town Clerk</b>				
<b>Local Risk</b>				
Expenditure	(7,196)	(7,289)	(6,264)	932
Income	660	668	588	(72)
<b>Total Local Risk</b>	<b>(6,536)</b>	<b>(6,621)</b>	<b>(5,676)</b>	<b>860</b>
<b>Central Risk</b>				
Expenditure	(552)	(2,372)	(464)	88
Income	26	26	26	(0)
<b>Total Central Risk</b>	<b>(526)</b>	<b>(2,346)</b>	<b>(438)</b>	<b>88</b>
<b>Support Charges</b>	<b>(1,454)</b>	<b>413</b>	<b>(1,524)</b>	<b>(70)</b>
<b>Total Town Clerks</b>	<b>(8,516)</b>	<b>(8,554)</b>	<b>(7,638)</b>	<b>878</b>
<b>Comptroller and City Solicitor</b>				
<b>Local Risk</b>				
Expenditure	(4,717)	(4,766)	(4,616)	101
Income	3,872	3,452	3,872	(0)
<b>Total Local Risk</b>	<b>(845)</b>	<b>(1,314)</b>	<b>(744)</b>	<b>101</b>
<b>Central Risk</b>				
Expenditure	(0)	(0)	(0)	(0)
Income	200	200	200	(0)
<b>Total Central Risk</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>(0)</b>
<b>Support Charges</b>	<b>(604)</b>	<b>(604)</b>	<b>(594)</b>	<b>10</b>
<b>Total Comptroller and City Solicitor</b>	<b>(1,249)</b>	<b>(1,718)</b>	<b>(1,138)</b>	<b>111</b>
<b>Total Net Expenditure (recharged as support services across the City Corporations activities)</b>	<b>(9,765)</b>	<b>(10,272)</b>	<b>(8,776)</b>	<b>989</b>

## Revised Revenue budget for 2020-21

2. The Establishment Committee's Summary Budget, which will be published as part of the City of London Corporations Budget Book, can be found in Appendix 2.
3. Overall there is an increase of £507,000 between the Committee's original and latest budgets for 2020-21, a full breakdown of which can be found in Appendix 3. The main material reasons for this movement are explained by the variances set out below with any balances relating to changes in recharges for central services:
  - a. The Comptrollers and City Solicitor's Department has a net increase of £469,000 due to a budgetary uplift of £420,000 as agreed by Finance Committee & RASC in September 2020 to alleviate budget pressures as a result of reduced external income due to. There is also an increase of £49,000 which relates to one off provisions for contribution pay.
  - b. The Town Clerk's central risk budget has increased by £1.820m due to one off Transformation Fund bids to implement the cross cutting changes needed for service transformation (there is corresponding income from other funds within the support services as this expenditure is recharged to all funds, see paragraph 3d below).
  - c. The Town Clerk's local risk budget have a net increase of £85,000 budget resource. This is mainly due to budget increases of £50,000 for contribution

- pay; agreed carry forwards of £32,000 funded from 2019/20 underspends; a movement of £23,000 from Community and Children's Services which is due to a transfer of staffing post to Town Clerks; and the removal of a Fundamental Review Expansion budget of £20,000 as the bid was superseded by a successful capital bid.
  - d. The net support costs have decreased by £1.867m due to more income received for the Transformation Fund bids.
4. There are currently £266,000 of unidentified savings within the 2020-21 budget (Town Clerk's £128,000 and Comptroller's Department £138,000). There is currently a recruitment moratorium which with existing vacancies means that this unidentified saving should be managed within staffing underspends arising from vacancies within both the Town Clerk's and Comptroller's Department budgets.

### **Proposed Revenue budget for 2021-22**

5. The 2021-22 proposed revenue budget totals £8.776m, a decrease of £989,000 compared with the Committee's original 2020-21 budget. A full breakdown of the changes between the original 2020-21 and original 2021-22 budgets can be found in Appendix 4. The main material reasons for the variances are set out below with any balances relating to changes in recharges for central services:
- a. The Comptrollers and City Solicitor's Department has a net decrease of £111,000 mainly due to TOM savings targets of £101,000.
  - b. The Town Clerk's local risk budget has a net decrease of £860,000. This is mainly due to TOM saving targets of £787,000, £96,000 of fundamental review savings and the addition of £23,000 to the budget due to a transfer of a staffing post moved from Community and Children's Services to Town Clerks.
  - c. The Town Clerk's central risk budget has decreased by £88,000 which is due to £41,000 of Transformation Funding which came to an end in 2020-21 and £47,000 of capital budgets associated with the Contact Centre which no longer sits within the Establishment Committee budgets but with Finance Committee.
  - d. The net support costs have increased by £60,000 due to no income being received from central reserves in 2021-22 to fund transformation fund bids as no bids were received in 2021-22. There was also a slight increase in costs for central support services (building costs, capital costs, insurance, IT and general support services).
6. There are currently £1.862m of unidentified savings within the 2021-22 budget, Town Clerk's holding £1.505m (of which £882,000 relates to Corporate HR) and Comptroller's with £357,000. These unidentified savings are as a result of increasing salary costs for existing staff with spinal point progression and estimated pay award increases. The Town Clerk's Department will be looking at how to meet these throughout the year either through increasing income; reducing expenditure; recharging staff time to projects; and changes to service delivery in accordance with the new TOM. The Comptroller's Department will continue to explore opportunities for budget savings going forward. It must be recognised that a reduction in the Comptroller's Department establishment budget will inevitably

result in the necessity to externalise some of the legal work currently undertaken in-house at much greater cost to client departments compared to the cost of the service delivered by the in-house team, it would in effect be cost shunting and would increase the overall cost of legal support to the Corporation.

### Staffing Statement

7. A summary of the employee related costs and FTEs by department are shown in the table below.

Staffing statement	Latest Approved Budget 2020-21		Proposed Original Budget 2021-22	
	Full-time equivalent	Estimated cost £000	Full-time equivalent	Estimated cost £000
Town Clerk	136.7	7,155	126.4	7,528
Comptroller and City Solicitor	57.4	4,614	54.4	4,683
<b>TOTAL</b>	<b>194.1</b>	<b>11,769</b>	<b>180.8</b>	<b>12,211</b>

8. Staffing levels currently remain largely static between 2020-21 and 2021-22 budgets. This is due to holding vacancies and flexible retirement proposals within the current establishment. Increases in costs on staffing are due to assumptions made on pay awards and increment progression for staff not at the top spinal points of their grades. Committees will continue to work through proposals against the 12% savings and these will be revised once the TOM is progressed through the year(s). The 12% savings in the budget remains as unidentified savings to ensure flexibility to move people into the right roles as a result of the TOM. The decrease of FTEs in Town Clerks is due to a vacant post being surrendered for Fundamental review purposes with the additional changes in FTEs being attributable to vacancy allowances.

### Corporate & Strategic Implications

9. The Town Clerk's Office lies at the centre of the City Corporation's strategic management processes, helping to shape the development of corporate policy and strategy. It provides corporate leadership and co-ordination at officer level. The Town Clerk's Office is also responsible for promoting high standards of corporate governance and providing support to Members and Committees.

### Security implications

10. There are currently no Security Implications identified as a result of the budgets.

### Financial implications

11. Finance Committee and the Court of Common Council proposed that a 2% savings target based on the Original 2020-21 net local risk budgets should be made by all departments in their 2021-22 local risk budgets. This amounts to £131,000 for the

Town Clerk's Department and £17,000 for the Comptroller and City Solicitor's Department. However, this is offset by a 2% inflationary increase of the original 2020-21 net local risk budget of £131,000 for the Town Clerk's Department and £17,000 for the Comptroller and City Solicitor's Department.

12. Finance Committee and the Court of Common Council agreed that a saving of 12% needs to be made by all departments in order to deliver the TOM. These savings of 12% are based on the Original 2020-21 net local risk budgets, this amounts to £787,000 for Town Clerk's and £101,000 for Comptroller and City Solicitor's Departments. Departments will be looking at how to meet these savings throughout the year.
13. The Town Clerk's Department and Comptroller and City Solicitor's Department budgets have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees. The Town Clerk's budget is within the 2020-21 resource base allocated but with unidentified savings of £128,000. While the Comptroller and City Solicitor's budget is within the 2020-21 local risk resource base allocation with unidentified savings of £138,000. As a result, there is a total of £266,000 of unidentified savings within the 2020-21 budget.
14. The Town Clerk's budget is within the 2021-22 resource base allocated but with unidentified savings of £1.505m. The Comptroller and City Solicitor's budget is within the 2021-22 local risk resource base allocation with unidentified savings of £357,000. As a result, there is a total of £1.862m of unidentified savings within the 2021-22 budget.

### **Public sector equality duty**

15. There are currently no Public Sector Equality Duty Implications identified as a result of the business plans and budgets.

### **Resourcing implications**

16. While there are currently unidentified savings within the Establishment Committee budgets of £266,000 in 2020-21 and £1.862m in 2021-22 the budgets have been prepared within their resource bracket, these savings will be identified in the implementation of the TOM. Due to the scale of savings required departments will be looking at how to provide service delivery within the allocated budget resources throughout the year.

### **Conclusion**

17. This report presents the budget estimates 2021-22 for the Town Clerk's and Comptrollers & City Solicitor's Departments for Members to consider and approve.

### **Appendices**

- Appendix 1 – Budget estimates 2021-22 summary
- Appendix 2 – Committee Summary Budget – by risk, Fund and Chief Officer

- Appendix 3 – Original 2020-21 budget to Latest Approved 2020-21 budget
- Appendix 4 – Original 2020-21 budget to Original 2021-22 budget

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