

<b>Committee:</b>	<b>Date:</b>
Finance Committee	9 December 2014
<b>Subject:</b> Revenue and Capital Budgets for Operational Services – 2015/16	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Decision</b>

### Summary

1. This report seeks approval to the provisional revenue budget for 2015/16 in relation to the operational services directly overseen by your Committee. The budgets are summarised in the following table. They have been prepared within the resources allocated to each Chief Officer and take account of the first tranche of savings/increased incomes required for the Service Based Review.

<b>Analysis by Division of Service</b>	<b>Latest Budget 2014/15 £'000</b>	<b>Original Budget 2015/16 £'000</b>	<b>Movement £'000</b>
Cost of Collection	1,684	669	(1,015)
Chamberlain's Court	249	137	(112)
Gresham	103	116	13
Chamberlain's – General	10,267	10,498	231
Chamberlain's – City Procurement	2,418	2,467	49
Chamberlain's – Insurance	10,202	10,661	459
Chamberlain's – IS	8,663	8,147	(516)
Central Criminal Court	4,671	4,578	(93)
Corporate Services – Town Clerk	475	476	1
Secondary's Office	398	404	6
Mayor's Court	135	155	20
Walbrook Wharf	739	770	31
Guildhall Complex – City Surveyor	11,541	12,269	728
Corporate Services – Remembrancer	293	266	(27)
Guildhall Complex - Remembrancer	(448)	(471)	(23)
Mansion House Premises – Private Secretary	1,635	1,467	(168)
<b>Total Net Expenditure</b>	<b>53,025</b>	<b>52,609</b>	<b>(416)</b>

2. Overall, the 2015/16 revenue budget totals £52.609m, a decrease of £416,000 (0.8%) compared with the latest budget for 2014/15. Although the overall movement is relatively small, the table does indicate a number of largely compensating increases and decreases and the reasons for the main variations are outlined in the body of the report.

3. For the current year, the forecast outturn for the Chamberlain's local risk (cash limited) budget is an overspend of £135,000 (0.6%). This is due to pressures in the IS Division relating to the increase in the number and complexity of corporate projects being undertaken, and to bonus payments due at the end of the Liberata contract being higher than anticipated. All budgets are being reviewed to identify less essential spend in an effort to improve the position, but any overspend at year end will be carried forward.
4. The report also provides a summary of the Committee's draft capital and supplementary revenue budgets, totalling some £248m which includes the £200m contribution to Crossrail from City Fund. The annual progress report on the provision of funding for the Crossrail contribution will be presented in February 2015.

### **Recommendations**

5. The Committee is recommend to:
  - note the forecast overspend of £135,000 at 31 March 2015 against the Chamberlain's local risk budget and that any overspend at year end will be carried forward to be met from the Chamberlain's 2015/16 resources;
  - review the provisional 2015/16 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget;
  - note the draft capital and supplementary revenue budgets; and
  - authorise the Chamberlain to revise these budgets to allow for any necessary realignment of funds, including those set out in paragraph 27.

## **Main Report**

### **Introduction**

6. The variety and volume of services overseen by the Finance Committee contain a considerable amount of information and some complexity of presentation. The report endeavours to present the information as succinctly and clearly as possible and additional financial details on individual items can be provided on request.
7. The budgets cover expenditure and incomes attributable to the following areas;
  - Chamberlain's Department - the operational services including Cost of Collection (business rates and council tax), Chamberlain's Court, Chamberlain's 'General' (Financial Services and Business Support incorporating City Procurement), IS and Insurance;
  - Director of Community Services – operation of the Gresham Almshouses;
  - The Town Clerk – the Central Criminal Court, the Secondary's Office and Corporate Services (including catering for Committee lunches);
  - The City Surveyor – the Mayor's Court, Walbrook Wharf and the Guildhall Complex;

- The Remembrancer – Corporate Services (including the cost of catering in respect of Committee Hospitality) and Guildhall Administration (the letting of Guildhall areas for private functions and events); and
- Private Secretary to the Lord Mayor – the maintenance and running expenses of Mansion House.

8. An overview of the services provided can be found at Annex A.

9. The Committee's corporate budgets, relating primarily to non-property investment incomes, capital charges and financing, contingencies and grants, will be considered with the annual report on the overall City Corporation budgets for its three main funds to be submitted to the Committee in February 2015.

### **Business Planning Priorities**

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

- (i) Sustain and, where possible, enhance the City's financial resources so as to ensure that they are sufficient to meet its strategic objectives and future service requirements.
- (ii) Implement appropriate and innovative technology and business processes and changes in the way the City Corporation works to support every Department, in the delivery of more efficient and effective services and the achievement of better value for money.
- (iii) Support and develop staff to ensure that each person achieves their full potential.
- (iv) Adopt a partnership approach in everything the department does to ensure that all services are delivered, first and foremost, with the needs of customers in mind.

### **Proposed Revenue Budget for 2015/16**

11. The provisional 2015/16 budgets, have been prepared in accordance with the guidelines agreed by your Committee and the Policy and Resources Committee. They have been reduced for the first tranche of Service Based Review savings/increased incomes but increased for the agreed allowance of 2% towards any potential pay and price rises.

12. The 2014/15 and 2015/16 budgets are set out in the following table. Income and favourable variances are presented in brackets. Overall there is a decrease of £416,000 between the 2014/15 and 2015/16 budgets.

FINANCE COMMITTEE SUMMARY - ALL FUNDS				
Analysis of Service Expenditure	Latest	Original	Movement	Paragraph Reference
	Budget	Budget	2014-15	
	2014-15	2015-16	to	
	£'000	£'000	2015-16	
<b>EXPENDITURE</b>				
Employees	22,802	23,690	888	16
Premises Related Expenses (note i)	20,870	21,482	612	17
Transport Related Expenses (note ii)	145	146	1	
Supplies & Services (note iii)	10,536	9,404	(1,132)	18
Council Tax Reduction Scheme	256	256	0	
NNDR and Council Tax Contract	979	0	(979)	19
Surveyors Repairs & Maintenance Programme	3,068	3,553	485	20
<b>Total Expenditure</b>	<b>58,656</b>	<b>58,531</b>	<b>(125)</b>	
<b>INCOME</b>				
Other Grants, Reimbursements & Contributions (note iv)	(4,958)	(5,055)	(97)	
Government Grants - Collection of NNDR	(1,729)	(1,729)	0	
Customer, Client Receipts (note v)	(5,556)	(5,841)	(285)	
<b>Total Income</b>	<b>(12,243)</b>	<b>(12,625)</b>	<b>(382)</b>	21
<b>TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES</b>	<b>46,413</b>	<b>45,906</b>	<b>(507)</b>	
<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>				
Support Services	5,191	5,248	57	
Capital Charges	3,272	3,318	46	
Recharges Within Fund	(2,235)	(2,247)	(12)	
Recharges Across Funds	384	384	0	
<b>Total Support Services and Capital Charges</b>	<b>6,612</b>	<b>6,703</b>	<b>91</b>	
<b>TOTAL NET EXPENDITURE</b>	<b>53,025</b>	<b>52,609</b>	<b>(416)</b>	

### Notes

- (i) Premises Related Expenses – premises insurance premiums together with the operational costs of the Guildhall Complex, Central Criminal Court and Mansion House.
- (ii) Transport Related Expenses – primarily vehicle insurance.
- (iii) Supplies and Services – equipment, furniture, materials, printing, professional fees, grants, subscriptions, communications and computing, the Agilisys contract, and non-property insurances.
- (iv) Other Grants, Reimbursements and Contributions – primarily funding for the Central Criminal Court and the Mayor's Court from Her Majesty's Courts and Tribunals Service.
- (v) Customer, Client Receipts – letting of Guildhall function areas, Gresham Estate rent income, recovery of court costs, insurance commission and other charges for services.

	Latest	Original	Movement
	Budget	Budget	2014-15 to
	2014-15	2015-16	2015-16
	£'000	£'000	£'000
<b>By Chief Officer</b>			
The Chamberlain	33,536	32,644	(892)
The Town Clerk	5,544	5,458	(86)
The City Surveyor	12,415	13,194	779
The Remembrancer	(155)	(205)	(50)
The Private Secretary to the Lord Mayor	1,635	1,467	(168)
Director of Community & Children's Services	50	51	1
<b>TOTAL NET EXPENDITURE</b>	<b>53,025</b>	<b>52,609</b>	<b>(416)</b>

### 13. Service Based Review

Your Committee agreed savings proposals totalling £2.843m for the Chamberlain's Department and the first tranche of these savings, £1.215m, are included in the budgets before you today. Part of the savings/increased incomes agreed for the City Surveyor and Private Secretary also relate to the services overseen by the Finance Committee. These are £90,000 and £100,000 respectively. The 2015/16 budgets have been reduced for both of these sums.

14. The first tranche of Service Based Review reductions totalling £1.405m are somewhat obscured by other net increases totalling £989,000 so that the overall movement between the 2014/15 and 2015/16 budgets is a reduction of £416,000. A table setting out this position is included at Annex C.

### 15. Main variations

The main movements between the 2014/15 and 2015/16 budgets are set out in the following paragraphs.

16. There is an increase in employee costs of £888,000 mainly due to;

- a net increase of £514,000 as a result of bringing the Revenue Collection service back in house;
- an increase of £342,000 for potential pay awards;
- an increase in the IS budget of £217,000 to allow for a number of vacant posts to be filled;
- an increase in the Guildhall Complex (City Surveyor) budget of £168,000 due to the growing dependency on non-contracted overtime and associated costs relating to the number of Guildhall events. These costs will be taken into account as part of a wider consideration of charges for use of Guildhall; partly offset by
- savings relating to the Service Based Review of £358,000.

17. The increase in premises related expenditure of £612,000 largely relates to insurance premiums as a result of an uplift of 5% in the declared value of properties following consultation with the City Surveyor. These costs are initially

routed through the Finance Committee's budgets before being reallocated to services with approximately 75% being recovered through charges to tenants.

18. The most significant movements contributing to the net reduction in supplies and services costs are:

- the removal of 'one-off' implementation costs of £627,000 included in 2014/15 for the migration of the revenue collection service back in house following the end of the contract with Liberata;
- a reduction of £579,000 on the IS Division's standard managed service contract with Agilisys in accordance with the phasing in the original tender. Of this sum, £307,000 contributes to the Service Based Review requirements;
- a reduction of £140,000 in expenditure by the IS Division relating to changes in IS infrastructure suppliers. This forms part of the Service Based Review requirements;
- a reduction of £50,000 in non-premises insurance premiums – again part of the Service Based Review requirements;

partly offset by

- the removal of a 'one-off' reduction of £346,000 included in 2014/15 to recover the overspend in 2013/14.

19. The removal of the budget of £979,000 for the National Non-Domestic Rates (NNDR) and Council Tax Contract reflects the decision to bring the revenue collection function back in house following the expiry of the contract with Liberata. The net saving in 2015/16, after allowing for employee costs and other operating expenditure, is estimated to be £437,000. Of this sum £240,000 is included in the first tranche of Service Based Review savings. The balance of £197,000 is the first repayment towards the 'one-off' implementation cost of £627,000 indicated in paragraph 18. On this basis, the simple pay back will be a little over 3 years.

20. There is an overall net increase in Additional Works Programme expenditure of £485,000, mainly comprising of an increase of £653,000 relating to the Guildhall Complex and a decrease of £132,000 at Central Criminal Court. Budgets have provisionally been included for the 2015/16 Additional Works Programme based on the bids considered by the Corporate Asset Sub Committee in June 2014. However, a decision on the funding of the programme is still to be made by the Resource Allocation Sub Committee. It may therefore be necessary to adjust the budgets to reflect the Resource Allocation Sub Committee's decision.

21. The increase in income of £382,000 relates to:

- the Service Based Review proposal to raise charges for Freedom Ceremonies (£120,000) – a particular risk to the budget if not subsequently agreed;
- rent income of £90,000 following the letting of 65A Basinghall Street (a City Surveyor Service Based Review item);
- concession income of £100,000 from the Mansion House catering contract (a Private Secretary Service Based Review item); and
- the balance relates to a number of smaller variations including income from the Gresham Estate and insurance commissions.

22.A summary manpower statement is set out in the following table. The increase of £888,000 from £22.802m to £23.690 is explained in paragraph 16 above.

Manpower statement	Latest Budget 2014/15		Original Budget 2015/16	
	Manpower Full-time equivalent	Estimated cost £'000	Manpower Full-time equivalent	Estimated cost £'000
Cost of Collection*	28.8	1,065	41.5	1,626
Chamberlain's Court	5.0	170	5.0	176
Chamberlain's – General	155.6	7,852	150.1	7,626
Chamberlain's – City Procurement	57.0	2,375	57.4	2,422
Chamberlain's – Insurance	5.0	266	5.0	269
Chamberlain's – IS	49.2	3,125	54.2	3,389
<b>TOTAL CHAMBERLAIN'S (local risk)</b>	<b>300.6</b>	<b>14,853</b>	<b>313.2</b>	<b>15,508</b>
Central Criminal Court – City Fund	96.3	3,029	96.3	3,045
Central Criminal Court – City's Cash	2.0	343	2.0	343
Secondary's Office	8.0	353	8.0	356
<b>TOTAL TOWN CLERK (local risk)</b>	<b>106.3</b>	<b>3,725</b>	<b>106.3</b>	<b>3,744</b>
Walbrook Wharf	3.0	159	3.0	140
Guildhall Complex	90.0	3,326	90.0	3,561
<b>TOTAL SURVEYOR (local risk)</b>	<b>93.0</b>	<b>3,485</b>	<b>93.0</b>	<b>3,701</b>
Corporate Services (central risk)	1.0	40	1.0	40
Guildhall Complex (local risk)	10.5	679	10.5	676
<b>TOTAL REMEMBRANCER</b>	<b>11.5</b>	<b>719</b>	<b>11.5</b>	<b>716</b>
Gresham	0.6	20	0.6	21
<b>TOTAL COMMUNITY &amp; CHILDREN'S SERVICES (central risk)</b>	<b>0.6</b>	<b>20</b>	<b>0.6</b>	<b>21</b>
<b>TOTAL FINANCE COMMITTEE</b>	<b>512.0</b>	<b>22,802</b>	<b>524.6</b>	<b>23,690</b>

\* The full time equivalent includes 25.3 posts transferred from Liberata as at 4<sup>th</sup> October 2014. The estimated cost for 2014/15 is therefore only for 6 months (October to March), compared to the 2015/16 estimated cost which is based on a full establishment for a full year.

23. Annex B analyses the revenue budget between local and central risk categories and also between funds.

24. As of 1<sup>st</sup> December 2014 the management/operation of the City of London Police IS service will transfer to the Chamberlain's Department and form part of the Corporation's IS Division. However, the cost of delivering the service will still be met by the City of London Police. Consequently there will be no net impact on the IS Division budget overall. The costs and associated income are currently being finalised and are not included in the budget before you today.

### **Revenue Budget 2014/15**

25. The forecast outturn for the Chamberlain's local risk (cash limited) budget for the current year is an overspend of £135,000 (0.6%). This is due to pressures in the IS Division relating to the increase in the number and complexity of corporate projects being undertaken, and to bonus payments due at the end of the Liberata contract being higher than anticipated.

26. All budgets are being reviewed to identify less essential spend in an effort to mitigate the shortfall but any overspend at year end will be carried forward.

### **Potential Further Budget Adjustments**

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

- the on-going Service Based Reviews and other corporate efficiency projects;
- central and departmental support service apportionments; and
- decisions of the Resource Allocation Sub Committee in relation to the Additional Works Programme.

### **Draft Capital and Supplementary Revenue Budgets**

28. The Committee's draft capital and supplementary revenue project budgets summarised in the tables below total some £248m and include the £200m contribution towards Crossrail from City Fund. The annual progress report on the provision of funding for the Crossrail contribution will be provided in February 2015.

<b>City Fund - Capital &amp; Supplementary Revenue projects - latest estimated costs</b>									
	<b>Exp. Pre 01/04/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Later Years</b>	<b>Total</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>CITY FUND</b>									
Contribution to City's Cash re corporate capital schemes	17,375	1,048	18					18,441	
Central Criminal Court	188	3,677	4,420	3,762	3,762	3,762	17,429	37,000	
Council Tax & Business Rates system	562	43						605	
Crossrail contribution			200,000					200,000	
Museum of London contribution		1,500	1,500	1,000	1,000			5,000	
Guildhall area strategy, options appraisal for Pond Area and Green Spaces	25	15						40	
<b>TOTAL CITY FUND</b>	<b>18,150</b>	<b>6,283</b>	<b>205,938</b>	<b>4,762</b>	<b>4,762</b>	<b>3,762</b>	<b>17,429</b>	<b>261,086</b>	



<b>City's Cash - Capital &amp; Supplementary Revenue projects - latest estimated costs</b>								
	<b>Exp. Pre 01/04/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Later Years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>CITY'S CASH</b>								
Contribution from other Funds re corporate capital schemes	-18,168	-1,083	-20					-19,271
Guildhall Complex schemes:								
- Guildhall fire alarm phase 2	55	776						831
- Members accommodation	1,380	2						1,382
- Guildhall area strategy phase 1 works	56	5						61
IT schemes:								
- Corporate Disaster Recovery Centre	188	29						217
- HR & Payroll system	127	69	48					244
- Oracle ERP	636	1,955						2,591
<b>TOTAL CITY'S CASH</b>	<b>-15,726</b>	<b>1,753</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-13,945</b>

<b>Bridge House Estates - Capital &amp; Supplementary Revenue projects - latest estimated costs</b>								
	<b>Exp. Pre 01/04/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Later Years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>BRIDGE HOUSE ESTATES</b>								
Contribution to City's Cash re corporate capital schemes	793	35	2					830
<b>TOTAL BRIDGE HOUSE ESTATES</b>	<b>793</b>	<b>35</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>830</b>

29. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2015.

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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 the 4<sup>th</sup> 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 IS services.

The department is divided into three divisions, each headed by a director. The divisions are:-

- Financial Services
- Business Support
- Information Systems (IS)

The work of these divisions (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 and Business Support Divisions include:-

- revenue and capital budget preparation
- 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
- City's Business Information System (CBIS) Team
- revenue collection
- support to corporate governance
- internal audit
- payroll and pension

### **Chamberlain's Department – City Procurement**

Part of the Business Support Division but included in a separate cost centre, 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 – IS**

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 IS 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.

### **Town Clerk**

#### **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.

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.

### **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.

### **Secondary's Office**

This budget contains the salaries and office expenses of the Secondary's Office at the Central Criminal Court.

### **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 improving 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 improving 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.

## **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.

## **Private Secretary to the Lord Mayor**

### **City's Cash**

#### **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.

## **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	Latest	Original	Movement
	Budget	Budget	2014-15
	2014-15	2015-16	to
	£'000	£'000	2015-16
£'000			
<b>LOCAL RISK</b> <i>(budgets largely within direct control of Chief Officer)</i>			
<b>EXPENDITURE</b>			
Employees	22,199	23,086	887
Premises Related Expenses (note i)	4,704	4,592	(112)
Transport Related Expenses	66	67	1
Supplies & Services (note ii)	7,500	6,428	(1,072)
NNDR and Council Tax Contract	979	0	(979)
<b>Total Expenditure</b>	<b>35,448</b>	<b>34,173</b>	<b>(1,275)</b>
<b>INCOME</b>			
Other Grants, Reimbursements & Contributions (note iii)	(3,274)	(3,385)	(111)
Customer, Client Receipts (note iv)	(2,070)	(2,285)	(215)
<b>Total Income</b>	<b>(5,344)</b>	<b>(5,670)</b>	<b>(326)</b>
<b>TOTAL LOCAL RISK (excl. R&amp;M City Surveyor)</b>	<b>30,104</b>	<b>28,503</b>	<b>(1,601)</b>
<b>Repairs &amp; Maintenance (City Surveyor)</b>	<b>3,068</b>	<b>3,553</b>	<b>485</b>
<b>TOTAL LOCAL RISK</b>	<b>33,172</b>	<b>32,056</b>	<b>(1,116)</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	603	604	1
Premises Related Expenses (note v)	16,166	16,890	724
Transport Related Expenses (note vi)	79	79	0
Supplies & Services (note vii)	3,036	2,976	(60)
Transfer Payments	256	256	0
<b>Total Expenditure</b>	<b>20,140</b>	<b>20,805</b>	<b>665</b>
<b>INCOME</b>			
Other Grants, Reimbursements & Contributions (note viii)	(1,684)	(1,670)	14
Government Grants - Collection of NNDR	(1,729)	(1,729)	0
Customer, Client Receipts (note ix)	(3,486)	(3,556)	(70)
<b>Total Income</b>	<b>(6,899)</b>	<b>(6,955)</b>	<b>(56)</b>
<b>TOTAL CENTRAL RISK</b>	<b>13,241</b>	<b>13,850</b>	<b>609</b>
<b>TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES</b>	<b>46,413</b>	<b>45,906</b>	<b>(507)</b>
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<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>			
Support Services	5,191	5,248	57
Capital Charges	3,272	3,318	46
Recharges Within Fund	(2,235)	(2,247)	(12)
Recharges Across Funds	384	384	0
<b>Total Support Services and Capital Charges</b>	<b>6,612</b>	<b>6,703</b>	<b>91</b>
<b>TOTAL NET EXPENDITURE</b>	<b>53,025</b>	<b>52,609</b>	<b>(416)</b>
<b>ANALYSIS BY FUND</b>			
City Fund	6,886	5,829	(1,057)
City's Cash	3,496	3,209	(287)
Guildhall Administration	42,643	43,571	928
<b>TOTAL NET EXPENDITURE</b>	<b>53,025</b>	<b>52,609</b>	<b>(416)</b>

### Notes

- (i) Premises Related Expenses (local risk) – operational costs of Central Criminal Court, Walbrook Wharf, Guildhall Complex and Mansion House.
- (ii) Supplies and Services (local risk) – equipment, furniture, materials, printing, professional fees, grants, subscriptions, communications and computing including the Agilisys contract.
- (iii) Other 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) – 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, Gresham Estate income.



**Reconciliation between Latest Budget 2014/15  
and Original Budget 2015/16**

	£'000	£'000
<b>2014/15 Latest Budget</b>		53,025
<b>Chamberlain Service Based Review reductions</b>		
Employees - para 16 (bullet 5) of report	(358)	
IS contract and sourcing - para 18 (bullets 2 and 3) of report	(447)	
Insourcing of rates and council tax collection - para 19 of report	(240)	
Freedom fees - para 21 (bullet 1) of report	(120)	
Non property insurances - para 18 (bullet 4) of report	(50)	
		(1,215)
<b>City Surveyor Service Based Review reductions</b>		
Letting of 65A Basinghall Street - para 21 (bullet 2) of report		(90)
<b>Private Secretary Service Based Review reductions</b>		
Concessions from catering contract - para 21 (bullet 3) of report		(100)
<b>Other significant budget adjustments</b>		
2% Allowance towards pay and price increases	602	
Removal of overspend brought forward into 2014/15 from 2013/14	346	
Additional Works Programme	485	
Premises insurance premiums	510	
Microsoft Licences	83	
Balance of saving from IS managed service contract	(272)	
Removal of one-off implementation costs for Revenue Collection in-sourcing	(627)	
Balance of saving from Revenue Collection in-sourcing - first repayment towards 'one-off' implementation costs	(197)	
Other adjustments (including support services and capital charges)	59	
		989
<b>2015/16 Original Budget</b>		52,609