

Committee:	Date:
Finance Committee	21 July 2015
Subject: Revenue Outturn 2014/15 – Finance Committee Operational Services	Public
Report of: The Chamberlain	For Information

Summary

This report compares the revenue outturn for the operational services overseen by your Committee in 2014/15 with the budget for the year. It does not cover the overall outturn for the City which is reported separately with the financial statements. Total net expenditure on the operational services overseen by the Committee was £52.714m, whereas the total budget was £52.464m, representing an adverse variance of £0.25m, as summarised in the table below.

Summary Comparison of 2014/15 Revenue Outturn with Budget			
	Budget	Revenue Outturn	Variations Increase/ (Decrease)
	£000	£000	£000
Cost of Collection	1,715	1,822	107
Chamberlain's Court	249	241	(8)
Gresham	132	142	10
Chamberlain's – General	9,470	9,527	57
Chamberlain's – City Procurement	2,402	2,452	50
Chamberlain's – Insurance	10,202	11,095	893
Chamberlain's – IS	9,103	9,172	69
Central Criminal Court	4,743	4,432	(311)
Corporate Services – Town Clerk	475	533	58
Secondary's Office	369	370	1
Mayor's Court	135	83	(52)
Guildhall Complex - Surveyors	11,987	11,870	(117)
Corporate Services – Remembrancer	293	272	(21)
Guildhall Complex –Remembrancer	(468)	(903)	(435)
Mansion House Premises	1,657	1,606	(51)
Total Net Expenditure	52,464	52,714	250

The overall worse than budget position of £250,000 comprises variations on a number of services, the main ones being increased requirements for insurance and the cost of collection, partly offset by a reduced requirement for the Central Criminal Court, and a combination of increased income and lower expenditure on Guildhall Complex.

Recommendations

It is recommended that this revenue outturn report for 2014/15 and the budgets proposed to be carried forward to 2015/16 are noted.

Main Report

Revenue Outturn for 2014/15

1. The 2014/15 actual net expenditure for the operational services overseen by your Committee totalled £52.714m an adverse variance of £0.25m compared to the budget of £52.464m. A comparison with the budget for the year is set out in the Summary above and Appendix 1 provides a further analysis between Chief Officer's local risk budgets, central risk budgets and support services.
2. The most significant variations were:-
 - Chamberlain's – Insurance £893,000 increase – which largely relates to:
 - the number and value of claims settled during the year within the policy excesses met by the City Corporation were atypical and some £400,000 more than budget; and
 - the income from the City's Reinsurance Captive Company being £507,000 lower than expected due to:
 - a) income received in arrears for 2013/14 was £157,000 lower than had been provided for; and
 - b) accrued income for 2014/15 was £350,000 lower than the budget of £750,000. A prudent accrual for £400,000 was made on the basis of information available in March whereas the actual position confirmed in June ended up better than budget at £830,000 as set out in a paper elsewhere on the agenda. The additional income of £430,000 will benefit the current financial year and be apportioned between the three funds.
 - Cost of Collection £107,000 increase – which primarily relates to support services due to bringing the activities, previously provided by Liberata, back in house which resulted in additional support from central departments, most notably IT services, and a proportionate share of the Guildhall Complex.

Partly offset by;

- Central Criminal Court £311,000 net expenditure decrease – whilst the City is recovering all the costs it is entitled to within the agreed framework with Her Majesty's Courts and Tribunals Service (HMCTS), this was not fully reflected in the budget. Future budgets will reflect all income due from HMCTS.
- Guildhall Complex – Remembrancer £435,000 increase in net income, due to:
 - additional Guildhall lettings income of £345,000; and
 - a reduction in employees and other events related expenses of £90,000.
- Guildhall Complex–Surveyors £117,000 decrease – deferred projects in the Additional Works Programme of £453,000, most notably works in the Members' area including refurbishment of the toilets and dining room

which will now be completed in the summer recess 2015, and the Old Library window replacement which required considerable planning and will now take place in the summer recess 2015; partly offset by additional operating costs of £336,000 across the Guildhall Complex.

Local Risk Carry Forward to 2015/16

3. Chief Officers can request underspendings of up to 10% or £500,000 (£1m for the City Surveyor) of their local risk budgets, whichever is the lesser, to be carried forward so long as the underspendings are not clearly fortuitous and the resources are required for a planned purpose. These thresholds apply to Chief Officer's total local risk budgets and many Chief Officers manage services overseen by a number of committees. Consequently, the outturn on services overseen by one committee may not represent the total position for a Chief Officer. Requests for carry forwards are considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub (Policy and Resources) Committee.
4. Overspendings are carried forward and recovered through reductions in 2015/16 budgets.
5. The Remembrancer and the Town Clerk are proposing to carry forward £29,000 and £15,000 respectively. In the case of the Town Clerk, his underspend was £8,000 in relation to the services overseen by your Committee and the balance of £7,000 is being contributed from his underspendings on services overseen by other Committees. Details of the proposed use of the carry forwards are set out in Appendix 2.
6. If agreed, these proposals will be added to the Remembrancer's and Town Clerk's budgets for 2015/16.

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Comparison of 2014/15 Revenue Outturn with Budget			
	Budget	Revenue Outturn	Variations Increase/ (Decrease)
	£000	£000	£000
By Chief Officer			
Local Risk			
The Chamberlain	22,340	22,324	(16)
The Town Clerk	1,448	1,440	(8)
The City Surveyor	8,759	8,596	(163)
The Remembrancer	(310)	(766)	(456)
The Private Secretary to the Lord Mayor	1,397	1,316	(81)
Total Local Risk	33,634	32,910	(724)
Central Risk			
The Chamberlain	8,388	9,342	954
The Town Clerk	1,050	1,006	(44)
The City Surveyor	3,636	3,714	78
The Remembrancer	136	121	(15)
The Private Secretary to the Lord Mayor	33	58	25
Director of Community & Children's Services	47	79	32
Total Central Risk	13,290	14,320	1,030
Support Services & Capital Charges	5,540	5,484	(56)
Committee Totals	52,464	52,714	250
By Division of Service			
Cost of Collection	1,715	1,822	107
Chamberlain's Court	249	241	(8)
Gresham	132	142	10
Chamberlain's – General	9,470	9,527	57
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Division of Service Totals	52,464	52,714	250

Figures in brackets indicate income or in hand balances, increases in income or decreases in expenditure.

APPENDIX 2

Proposed Carry Forwards	£000
By Chief Officer	
<u>The Remembrancer</u>	
To assist with the cost of new updated signage screens for use at events within Guildhall.	8
Purchase of a new event invitation package.	7
To assist with the cost of upgrading information screens situated within Committee and Members areas.	5
Advertisement and recruitment for two vacant posts.	9
Total Remembrancer	29
<u>The Town Clerk</u>	
Funding for the delivery of Aldermanic training, as agreed by the General Purpose of Alderman Committee	15
Total Town Clerk	15