

Committee: Policy and Resources	Date: 10 December 2015
Subject: Revenue Budgets 2016/17	Public
Report of: The Town Clerk, the Chamberlain, the Remembrancer	For Decision

Summary

1. This report is the annual submission of the revenue budgets overseen by your Committee. In particular it seeks approval to the provisional revenue budgets for 2016/17, for subsequent submission to the Finance Committee. The budgets are summarised in the following table and have been prepared within the resources allocated to the Town Clerk and the Remembrancer:-

	Latest Approved Budget 2015/16 £000	Original Budget 2016/17 £000	Movement £000
By Division of Service			
Security and Contingency Planning	833	825	(8)
Public Relations	2,440	2,384	(56)
Economic Development	4,612	4,749	137
Grants and Contingencies	3,543	2,478	(1,065)
Remembrancer	6,001	6,388	387
Division of Service Totals	17,429	16,824	(605)

Income and favourable variances are presented in brackets

2. The 2016/17 provisional revenue budget totals £16.824m, a decrease of £605,000 compared with the budget for 2015/16. The main reasons for this reduction are:
- the latest approved budget for 2015/16 includes one-off items not in 2016/17:-
 - provisions totalling £467,000 (Policy Initiatives Fund £193,000, Committee Contingency £181,000, Economic Development £39,000, Security and Contingency Planning £21,000, Public Relations £16,000, London Drugs Policy Forum £9,000 and Remembrancer £8,000) funded from underspends brought forward from 2014/15;
 - a sum of £190,000 to support the Crossrail art strategy; and

- an increase of £300,000 for the Policy Initiatives Fund
- a reduction of £387,000 for the Town Clerk's Service Based Review savings in 2016/17 as previously advised to your Committee.

3. The above reductions are partly offset by:-

- an increase in 2016/17 of £230,000 for overseas Economic Development activity (from £270,000 in 2015/16 to £500,000 in 2016/17);
- an increase in 2016/17 of £464,000 for the Remembrancer's proportionate share of Guildhall complex costs mainly due to additional repairs and maintenance requirements; and
- an increase in 2016/17 of £117,000 (Town Clerk's £101,000, Remembrancer's £16,000) for the 1.5% allowance towards pay and prices as agreed by your Committee as part of the corporate budget guidelines.

Recommendations

4. The Committee is requested to:-

- review the provisional 2016/17 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee; and
- authorise the Chamberlain to revise these budgets to allow for further implications arising from the Service Based Reviews, corporate efficiency projects and the finalisation of support service charges.

Main Report

Introduction

1. The Committee is responsible for:

- considering matters of Policy and strategic importance to the City of London Corporation including matters referred to it by other Committees and/or Chief Officers;
- the review and co-ordination of the governance of the City of London Corporation including its Committees, Standing Orders and the Outside Bodies Scheme, reporting as necessary to the Court of Common Council, together with the City Corporation's overall organisation and administration;
- overseeing generally the security of the City and the City of London Corporation's security and emergency planning;

- the support and promotion of the City of London as the world leader in international financial and business services and to oversee, generally, the City of London Corporation's economic development activities, communications strategy and public relations activities; and
- the effective and sustainable management of the City of London Corporation's operational assets to help deliver strategic priorities and service needs.

Service Based Review

2. Your Committee agreed final savings proposals totalling £1.893m for the Town Clerk's Department (of which £789,000 related to services overseen by your Committee) and £100,000 for the Remembrancer's Department (of which £50,000 related to services overseen by your Committee). The second tranche of these are included within the budgets before you today. The Town Clerk has identified £387,000 in 2016/17 (£402,000 in 2015/16); the Remembrancer identified all of the £50,000 in 2015/16. The Town Clerk is currently planning the implementation of the 2016/17 savings.
3. The implementation of the Service Based Review savings/increased incomes is being monitored by the Efficiency and Performance Sub-Committee.

Proposed Revenue Budget for 2016/17

4. The provisional 2016/17 budgets, have been prepared in accordance with the guidelines agreed by your Committee and the Finance Committee and are within the resources allocated to the Town Clerk and the Remembrancer. Resources allocated incorporate a 1.5% cash limit increase for pay and prices increases and funding for employer's national insurance contributions which have been increased due to employers no longer receiving a rebate from April 2016 on "contracted out" workplace pension schemes.
5. The budgets are set out in Table 1. Income and favourable variances are presented in brackets. Only significant variances (generally those greater than £100,000) have been commented on in the following paragraphs.

TABLE 1 Analysis of Service Expenditure	Actual 2014-15 £'000	Latest Approved Budget 2015-16 £'000	Original Budget 2016-17 £'000	Movement 2015-16 to 2016-17 £'000	Paragraph Reference
EXPENDITURE					
Town Clerk	11,264	11,020	9,644	(1,376)	7
Remembrancer	2,509	2,409	2,367	(42)	
City Surveyor	(1)	0	0	0	
Total Expenditure	13,772	13,429	12,011	(1,388)	
INCOME					
Town Clerk	(1,327)	(655)	(264)	391	8
Total Income	(1,327)	(655)	(264)	391	
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES	12,445	12,774	11,747	(1,027)	
SUPPORT SERVICES & CAPITAL CHARGES	4,276	4,655	5,077	422	9
TOTAL NET EXPENDITURE	16,721	17,429	16,824	(605)	
BY DIVISION OF SERVICE:					
Security and Contingency Planning	760	833	825	(8)	
Public Relations	2,580	2,440	2,384	(56)	
Economic Development	4,279	4,612	4,749	137	
Grants and Contingencies	3,254	3,543	2,478	(1,065)	
Remembrancer	5,848	6,001	6,388	387	
TOTAL NET EXPENDITURE	16,721	17,429	16,824	(605)	

6. Overall there is a reduction of £605,000 between the 2015/16 latest approved budget and the 2016/17 original budget. The main reasons for this movement are explained by the variances set out in the following paragraphs. Where reference is made to savings from the Service Based Review, the details have not been included here as they have been the subject of a separate report.

7. A decrease in the Town Clerk's expenditure of £1.376m mainly a result of:

- 'one-off' carry forwards of £459,000 (including Policy Initiatives Fund £193,000 and contingencies £181,000) included within the 2015/16 budget;
- 'one-off' additional allocation of £300,000 to increase the Policy Initiatives Fund included within the 2015/16 budget;
- other 'one-off' items of expenditure of £511,000 in 2015/16 - including Crossrail art strategy, Crime Reduction initiatives and a reduction in Central London Forward expenditure (of which £331,000 are funded by grants/contributions – see paragraph 8); and

- Service Based Review savings of £376,000 in 2016/17.

The above reductions are partly offset by:

- an increase in expenditure on overseas Economic Development activity of £230,000; and
 - a cash limit increase of 1.5% totalling £101,000.
8. A decrease in the Town Clerk's income of £391,000 mainly reflecting the reduction in externally funded expenditure (see third bullet point of paragraph 7) together with one-off items in 2015/16 not in 2016/17.
 9. An increase in 2016/17 of £422,000 for support services and capital charges. This is due to an increase of £464,000 for the Remembrancer's proportionate share of Guildhall complex costs, mainly due to additional repairs and maintenance requirements, which has been partly offset by reductions in other costs.
 10. Appendix 1 analyses the revenue budgets between employees, premises, supplies and services, income etc., and also between funds.
 11. A summary of manpower and related staff costs is shown in Table 2 below.

Table 2 - Manpower statement	Latest Approved Budget 2015/16		Original Budget 2016/17	
	Manpower Full-time equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
Town Clerk	72.8	4,533	71.9	4,626
Remembrancer	14.5	956	14.5	960
TOTAL	87.3	5,489	86.4	5,586

Potential Further Budget Developments

12. The provisional nature of the revenue budgets particularly recognises that further revisions may arise from the necessary realignment of funds resulting from such items as:
 - the on-going Service Based Reviews and other corporate efficiency projects; and
 - central and departmental support service apportionments.

Revenue Budget 2015/16

13. The forecast outturn for the current year is in line with the latest approved budget of £17.429m as detailed in Table 1.

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APPENDIX 1

Analysis of Service Expenditure	Notes on variations from 2014-15 actuals	Actual 2014-15 £'000	Latest Approved Budget 2015-16 £'000	Original Budget 2016-17 £'000
EXPENDITURE				
Employees		5,407	5,489	5,586
Premises		166	135	141
Transport Related Expenses		107	146	172
Supplies & Services	1	7,054	6,405	4,529
Private Contractors		277	255	252
Capital Charges		655	648	595
Transfer to Reserve	2	106	0	0
Committee Contingency balance remaining		0	351	736
Total Expenditure		13,772	13,429	12,011
INCOME				
Other Grants & Contributions		(703)	(465)	(214)
Charges for Specific Services		(247)	(69)	(50)
Transfer from Reserve		(377)	(121)	0
Total Income	3	(1,327)	(655)	(264)
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		12,445	12,774	11,747
SUPPORT SERVICES AND CAPITAL CHARGES	4	4,276	4,655	5,077
TOTAL NET EXPENDITURE		16,721	17,429	16,824
CITY FUND		5,363	5,261	5,147
CITY'S CASH		11,358	12,168	11,677
TOTAL NET EXPENDITURE		16,721	17,429	16,824

NOTES (main variations from 14/15 actual)

1. Supplies and Services – Between the 2014/15 actual and 2015/16 latest approved budget the variation is a decrease of £649,000, between the 2014/15 actual and 2016/17 original budget the variation is a reduction of £2.525m. A number of factors contributed to these variations and are shown below:

	Actual 2014-15 £'000	Latest Approved Budget 2015-16 £'000	Original Budget 2016-17 £'000
One-off grants met from PIF/contingency	1,871	1,722	711
Training and skills expenditure, met by developers contributions under Section 106 Agreements	149	0	0
Local Area Agreement (improvement targets) expenditure	107	16	0
City Office in Brussels	0	59	111
<u>Schemes/projects:</u>			
-Crime Reduction initiatives	107	80	0
-Crossrail Art Strategy	37	190	0
-Central London Forward	186	270	45
-Alcohol Harm Project	49	0	0
SBR Savings - Town Clerk 2015/16	0	(402)	(402)
- Town Clerk 2016/17	0	0	(276)
- Remembrancer 2015/16	0	(50)	(50)
Additional State Banquet in 2014/15	116	0	0

2. Transfer to Reserve – in 2014/15 there were a few areas where external funding was not fully spent, consequently the unspent balance was transferred to reserves to be spent in subsequent years.
3. Income – variations mainly relate to externally funded expenditure, especially:

	Actual 2014-15 £'000	Latest Approved Budget 2015-16 £'000	Original Budget 2016-17 £'000
Alcohol Harm Project	(257)	0	0
S106 (contribution from developers)	(209)	0	0
Central London Forward	(375)	(435)	(200)
Crime Reduction initiatives	(188)	(80)	0
Local Area Agreement	(95)	(16)	0
Various one-off contributions/virements	(203)	(124)	(64)

4. An increase in 2015/16 and 2016/17 for the Remembrancer's proportionate share of Guildhall complex costs mainly due to additional repairs and maintenance requirements.