

<b>Committees:</b> Finance Committee Policy and Resources Committee	<b>Dates:</b> 19 January 2016 21 January 2016
<b>Subject:</b> Revenue and Capital Budgets for Finance Committee Operational Services – 2016/17	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Decision</b>

### Summary

This report seeks approval to the provisional revenue budget for 2016/17 in relation to the operational services directly overseen by your Committee. The budgets are summarised in the following table and take account of the second tranche of savings/increased incomes required for the Service Based Review.

<b>Analysis by Division of Service</b> <i>(see Annex A for a brief summary of each service)</i>	<b>Original Budget 2015/16</b> <b>£'000</b>	<b>Latest Budget 2015/16</b> <b>£'000</b>	<b>Original Budget 2016/17</b> <b>£'000</b>	<b>Movement (Latest 2015/16 to Original 2016/17)</b> <b>£'000</b>
Cost of Collection	669	881	837	(44)
Chamberlain's Court	137	149	156	7
Gresham	116	169	137	(32)
Chamberlain's – General	9,465	9,124	8,838	(286)
Chamberlain's – City Procurement	2,467	2,862	2,700	(162)
Chamberlain's – Insurance	10,661	11,883	12,665	782
Chamberlain's – IT	8,147	8,294	8,827	533
Central Criminal Court	4,578	4,304	4,574	270
Corporate Services – Town Clerk	476	604	579	(25)
Secondary's Office	404	431	436	5
Mayor's Court	155	111	207	96
Walbrook Wharf	770	865	870	5
Guildhall Complex – City Surveyor	12,269	11,819	13,301	1,482
Corporate Services – Remembrancer	266	322	283	(39)
Guildhall Complex - Remembrancer	(471)	(438)	(505)	(67)
Mansion House Premises – Private Secretary	1,467	1,641	1,783	142
<b>Total Net Expenditure</b>	<b>51,576</b>	<b>53,021</b>	<b>55,688</b>	<b>2,667</b>

Overall, the 2016/17 revenue budget totals £55.688m, an increase of £2.667m (5.0%) compared with the latest budget for 2015/16. The majority of this increase can be attributed to the three largest movements in the table above:

- Guildhall Complex, £1.482m, which largely relates to repairs, maintenance and improvements from the Additional Works Programme;
- Insurance, £0.782m, in respect of increases to insured values and insurance tax; partly offset by the reinstatement of dividend income from the City's Reinsurance Captive Company following a reduction in the current year due to potential high value claims; and
- IT, £533,000, which primarily relates to increased usage of the Agilisys contract as set out below.

The proposed budget for 2016/17 is £505,000 greater than the allocated resource base due to the inclusion of an estimated allowance for increased usage of the Agilisys managed service contract which is being driven by the requirements of the business. At the point of award of the contract it was agreed that if and when usage increased, additional resources would be requested as required. While the number of users has remained steady, server usage and storage has grown steadily as departments consume more of these services.

While work is ongoing to reduce this consumption it is recommended that the Finance Committee seeks additional ongoing resources at the estimated level given above from the Policy and Resources Committee to fund this expenditure. However, the IT Division is working with the business and Agilisys to slow or, if possible, reverse the growth in usage and therefore contain these cost increases, and a number of actions are underway to do this. Progress on this work, proposals for reducing consumption and the finalised budgetary impact will be submitted to the IT Sub Committee in March 2016.

For the current year, the forecast outturn for the Chamberlain's local risk (cash limited) budget suggests an underspend of £222,000 (1.1%). However, this does not include additional unfunded Oracle project costs that total £585,000 and which are the subject of a separate report that will be presented to this Committee in February 2016. The Chamberlain's local risk underspend will be used towards the Oracle Project costs which will leave an estimated unfunded sum of £363,000. All budgets are being reviewed to identify less essential spend in an effort to further improve the position.

The report also provides a summary of the Committee's draft capital and supplementary revenue budgets, totalling some £44m.

### **Recommendations**

The **Finance Committee** is requested to:

- a) note the forecast underspend of £222,000 at 31 March 2016 against the Chamberlain's 2015/16 local risk budget which will be applied towards the additional unfunded Oracle Project costs of £585,000. The Oracle Project costs will be the subject of a report to your February Committee;
- b) review the provisional 2016/17 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget;
- c) agree that a request be made to the Policy and Resources Committee to increase the resource base of the IT Division by £505,000 to cover estimated

growth in server usage and storage, noting that a report will be given to the March IT Sub Committee on actions being taken to slow or, if possible, reverse the growth and finalisation of the budgetary impact;

d) authorise the Chamberlain to revise these budgets to allow for any necessary realignment of funds – including those set out in paragraph 23; and

e) note the draft capital and supplementary revenue budgets.

The **Policy and Resources Committee** is requested to agree to increase the resource base of the IT Division by £505,000 to cover estimated growth in server usage and storage, noting that a report will be given to the March IT Sub (Finance) Committee on actions being taken to slow or, if possible, reverse the growth and finalisation of the budgetary impact.

## **Main Report**

### **Background**

1. 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.
2. 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, incorporating Internal Audit, City Revenues and Payment & Support Services), City Procurement, IT 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 Guildhall Complex, Walbrook Wharf and the Mayor's Court;
  - The Remembrancer – the letting of Guildhall areas for private functions and events and the cost of catering in respect of Committee Hospitality; and
  - Private Secretary to the Lord Mayor – the maintenance and running expenses of Mansion House.
3. An overview of the services provided can be found at Annex A.

4. 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.

### **Business Planning Priorities**

5. The strategic aims of the Chamberlain's Department are to:
  - **secure sound financial management** by leading on the delivery of medium and long term financial planning and facilitating effective financial management across the City Corporation.
  - **ensure operational excellence** through focussing on the effectiveness of operations to deliver the best possible service at an appropriate cost. This is achieved by investing in the department's technical skills to ensure that all stakeholders can be supported in the delivery of innovative and effective services.
  - **enable transformation across the City Corporation** by embracing change and exploring new ways of working to ensure that appropriately innovative business solutions are provided to partners.

### **Proposed Revenue Budget for 2016/17**

6. The 2015/16 and 2016/17 budgets are set out in the following table. Income and favourable variances are presented in brackets. Overall there is an increase of £2.667m between the 2015/16 and 2016/17 budgets.

FINANCE COMMITTEE SUMMARY - ALL FUNDS					
	Original	Latest	Original	Movement	Paragraph Reference
Analysis of Service Expenditure	Budget	Budget	Budget	to	
	2015-16	2015-16	2016-17	2016-17	
	£'000	£'000	£'000	£'000	
<b>EXPENDITURE</b>					
Employees	23,690	23,350	23,165	(185)	13 & 16
Premises Related Expenses (note i)	21,482	22,145	23,682	1,537	12
Transport Related Expenses (note ii)	146	141	146	5	
Supplies & Services (note iii)	9,404	10,365	10,900	535	8
Council Tax Reduction Scheme	256	256	256	0	
Surveyors Repairs & Maintenance Programme	3,553	2,831	4,687	1,856	11
<b>Total Expenditure</b>	<b>58,531</b>	<b>59,088</b>	<b>62,836</b>	<b>3,748</b>	
<b>INCOME</b>					
Government Grants - Collection of NNDR	(1,729)	(1,773)	(1,773)	0	
Other Grants, Reimbursements & Contributions (note iv)	(5,055)	(5,171)	(5,347)	(176)	
Customer, Client Receipts (note v)	(5,841)	(5,023)	(5,853)	(830)	
<b>Total Income</b>	<b>(12,625)</b>	<b>(11,967)</b>	<b>(12,973)</b>	<b>(1,006)</b>	15
<b>TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES</b>	<b>45,906</b>	<b>47,121</b>	<b>49,863</b>	<b>2,742</b>	
<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>					
Support Services	4,215	4,815	4,928	113	
Capital Charges	3,318	3,007	2,922	(85)	
Recharges Within Fund	(2,247)	(2,298)	(2,400)	(102)	
Recharges Across Funds	384	376	375	(1)	
<b>Total Support Services and Capital Charges</b>	<b>5,670</b>	<b>5,900</b>	<b>5,825</b>	<b>(75)</b>	
<b>TOTAL NET EXPENDITURE</b>	<b>51,576</b>	<b>53,021</b>	<b>55,688</b>	<b>2,667</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, dividend income from the City's Reinsurance Captive Company and other charges for services.

7. The provisional 2016/17 budgets include:

- a. a reduction of £743,000 for the second tranche of Service Based Review savings/increased incomes. Your committee agreed savings proposals totalling £2.843m for the Chamberlains Department; the first tranche totalled £1.315m and was deducted in 2015/16 and the remaining savings to be deducted from the 2017/18 budget are £785,000. Additional lettings income of £50,000 is also included within the 2016/17 budgets, as part of the savings/increased incomes agreed for the Remembrancer.
  - b. an allowance of 1.5% (£428,000) towards any potential pay and price rises.
  - c. an additional sum of £442,000 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.
8. However, the 2016/17 budget exceeds the sum allocated by the Policy and Resources Committee by £505,000. This relates to estimated increased usage of the Agilisys managed service contract as follows:
- a. The Agilisys contract is based on a pay as you go principle, with charges directly proportional to the number of users, the number of servers and the amount of data stored. At the point of award of the contract, Committee agreed that no growth in these costs would be included in the IT local risk budget, on the basis that the IT Division would manage the contract and report back to committee if and when usage increased, seeking additional funding as required.
  - b. While the number of users has remained steady, increase in server usage and storage has grown steadily as departments consume more of these services. This growth in usage is outstripping the reductions in unit costs built into the Agilisys contract and the measures being taken to reduce demand. This is a common issue in many organisations where growth rates are in the order of 30-60% per annum, the Corporation's rate is currently c. 50%.
  - c. The cost pressure has been highlighted to Committee on a number of occasions and has been absorbed within the IT Divisions local risk budget to date. For the year 2016/17 the projection of this usage continues to grow and additional estimated funding of £505k is requested to cover this projected growth.
  - d. The IT Division is working with Agilisys and the business to mitigate this growth and minimise the required additional funds and the following actions are underway to do this:
    - o Rationalisation of the server estate across all systems and applications.

- Decommissioning of test and development environments.
  - Deployment of tools to reduce the data footprint. Analysis of the various volumes of data and rationalisation of these.
- e. Additionally, the Corporation's policies on data storage and retention need to be revised to improve data management, minimise the storage of older data and increase archiving. The IT Division will support the business to adopt best practice.
- f. A more detailed report on the progress of this work, its technology and business impacts and finalisation of the required additional funds will be given to the March 2016 IT Sub Committee.
9. It is recommended that a request be made to the Policy and Resources Committee for an ongoing estimated budget increase of £505,000 to cover the additional usage of the Agilisys contract.
10. Other significant movements between the 2015/16 and 2016/17 budgets are set out in the following paragraphs.
11. There is an overall net increase in Surveyor's Repairs and Maintenance expenditure of £1.856m, with £1.817m relating to the Additional Works Programme - £1.310m for the Guildhall Complex, £232,000 in respect of the Central Criminal Court, £129,000 relating to Mansion House, £96,000 for the Mayor's Court and £50,000 relating to other premises. The original budget for 2016/17 includes works from the latest programme as well as schemes that are already underway and moving into the latter years of their three year cycle.
12. The increase in premises related expenditure of £1.537m mainly relates to:
- a. insurance premiums of £1.424m as a result of revaluation across the operational and investment property portfolio (the rates applied by insurers remain the same), an increase in Insurance Premium Tax from 6% to 9.5% and a restructure of the terrorism insurance provided by Pool Re which has increased premium charges. 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. All insurances, with the exception of employees and public liability, are being tendered during 2016.
  - b. the balance of the increase relates to a number of smaller adjustments across other budgets, including energy costs, water services, repairs and maintenance and cleaning and domestic supplies.
13. There is a decrease in employee costs of £185,000 mainly due to:
- Savings relating to the Service Based Review of £387,000.
  - A decrease in IT Division employee costs of £623,000 which is a net reduction of 11.8 full time equivalent employees. The IT Division is taking

a more flexible and strategic approach to staffing, decreasing the reliance on contractors and employing a core of highly skilled permanent staff supplemented by resource from our partner Agilisys. The Division is also implementing its financial strategy around a core of 'business as usual' spend which forms the majority of the present budget, delivery of projects and changes which are agreed with the business and primarily funded through Corporate and Departmental budgets, and services which are provided on a pay for what you use basis, e.g. printing and telephony.

14. This is partly offset by:

- an increase of £380,000 for potential pay awards; and
- an allowance for the National Insurance contribution increase of £442,000

15. Income is estimated to be £1.006m higher due to:

- The dividend income from the City's Reinsurance Captive Company has been reinstated to £750,000 for 2016/17. It has been reduced by £650,000 to £100,000 in 2015/16 as a result of potential high value claims.
- The majority of Central Criminal Court expenditure is recoverable from Her Majesty's Courts and Tribunal Service. There is an increase in income of £169,000 reflecting the increase in employee costs attributable to pay awards and National Insurance changes.
- an increase of £148,000 in income from lettings which includes the additional £50,000 Service Based Review income requirement as referred to in paragraph 7

16. A summary manpower statement is set out in the following table, with further detail at Annex D. The decrease of £185,000 from £23.350m to £23.165m is explained in paragraph 13 above.

Manpower statement	Latest Budget 2015/16		Original Budget 2016/17	
	Manpower Full-time equivalent	Estimated cost £'000	Manpower Full-time equivalent	Estimated cost £'000
Chamberlain's	303.7	15,277	287.9	14,735
Town Clerk <sup>1</sup>	101.1	3,792	105.1	3,962
Surveyor	83.0	3,519	83.0	3,589
Remembrancer <sup>2</sup>	11.5	739	12.5	855
Community & Children's Services	0.6	23	0.6	24
<b>TOTAL FINANCE COMMITTEE</b>	<b>499.9</b>	<b>23,350</b>	<b>489.1</b>	<b>23,165</b>

<sup>1</sup>The increase in full time equivalent posts reflects that there have been a number of vacancies in the current year, for which provision has been removed from budgets whereas, at this stage, 2016/17 provides for the full establishment.

<sup>2</sup>Includes a new post of Research and Development Officer and an increase in the cost of event related staff – both funded from additional lettings income.



17. Annex B analyses the revenue budget between local and central risk categories, between funds and by Chief Officer.

### **Revenue Budget 2015/16**

18. For the current year, the forecast outturn for the Chamberlain's local risk (cash limited) budget suggests an underspend of £222,000 (1.1%). However, this does not include additional Oracle project costs that total £585,000 and which will be detailed in a separate report presented to this Committee in February 2016. The underspend on the Chamberlain's local risk budget will be applied to the Oracle project costs which would leave an unfunded balance of £363,000. All budgets are being reviewed to identify less essential spend in an effort to further improve the position.

### **Guildhall Complex – City Surveyor**

19. The current demands being experienced by the Guildhall Complex continue to put a severe strain on the City Surveyor's Guildhall Administration budget and there are numerous factors now affecting this budget.
20. The on-going programme of staff being relocated to the Complex will continue to increase the energy required to power the building; and the associated IT requirements when combined with increasing prices will result in enormous budget pressure.
21. The requirement for more repairs and maintenance within the building is growing beyond the rate of inflation, and together with the rising demands for the events areas, is putting further strain on budgets. There is also a significant 'bow wave' of deferred maintenance and renewal which will need to be addressed in priority order over the medium term.
22. The Chamberlain and City Surveyor are currently reviewing the budgetary position and any proposed request for additional resources will be supported by an appropriate business case.

### **Potential Further Budget Adjustments**

23. 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**

24. The Committee's draft capital and supplementary revenue project budgets are summarised in the tables below.

	Exp. Pre 01/04/15	2015/16	2016/17	2017/18	2018/19	2019/20	Later Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>CITY FUND</b>								
<u>Pre-implementation</u>								
65 Basinghall Street opportunities <u>Authority to Start Work Granted</u>	9	2						11
Central Criminal Court	2,098	3,740	2,212	3,724	3,624	3,624	18,473	37,495
Museum of London contribution <u>Recharges Between Funds*</u>	74	713	18					805
Contribution to City's Cash re corporate capital schemes	18,646	127	17	18				18,808
<b>TOTAL CITY FUND</b>	<b>20,827</b>	<b>4,582</b>	<b>2,247</b>	<b>3,742</b>	<b>3,624</b>	<b>3,624</b>	<b>18,473</b>	<b>57,119</b>

*\*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.*

	Exp. Pre 01/04/15	2015/16	2016/17	2017/18	2018/19	2019/20	Later Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>CITY'S CASH</b>								
<b>Guildhall Complex schemes:</b>								
<u>Authority to Start Work Granted</u>								
- Guildhall fire alarm phase 2 & 3	662	58						720
- Guildhall improvement project Final Account Fees	656	17						673
<b>IT schemes:</b>								
<u>Pre-implementation</u>								
- Joint Network Refresh	22	258						280
- End User device renewal		95						95
<u>Authority to Start Work Granted</u>								
- HR & Payroll system	152	22	33	37				244
- Open mediated wi-fi		159						159
- Oracle ERP	2,738							2,738
- Superfast City	69	247						316
<b>Recharges between Funds*</b>								
Contribution from other Funds re corporate capital schemes	-19,492	-136	-19	-18				-19,665
<b>TOTAL CITY'S CASH</b>	<b>-15,193</b>	<b>720</b>	<b>14</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-14,440</b>

	<b>Exp. Pre 01/04/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</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>								
<u>Recharges Between Funds*</u>								
Contribution to City's Cash re corporate capital schemes	846	9	2					857
<b>TOTAL BRIDGE HOUSE ESTATES</b>	846	9	2	0	0	0	0	857

*\*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.*

25. 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.
26. The above figures exclude the implementation costs of those schemes which have yet to receive authority to start work, most notably the Joint Network Refresh and End User Device Renewal projects which are being considered by the Resource Allocation Sub Committee on 14 January.
27. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2016.

#### **Appendices**

- Annex A – Operational Service Overview
- Annex B – Finance Committee Summary Budget – by Risk, Fund and Chief Officer
- Annex C - Reconciliation between Latest Budget 2015/16 and Original Budget 2016/17
- Annex D – Manpower Statement

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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 4 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 IT services.

The department is organised into the Financial Services Division, Information Technology Division, City Procurement and Internal Audit.

The work of the department (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 Division:-

- revenue and capital budget preparation and financing
- 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
- Oracle System Team
- revenue collection

- support to corporate governance
- internal audit
- payroll and pension

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

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 – IT**

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 IT 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.

The 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 renewing 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 renewing 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. Capital projects are undertaken for significant Guildhall complex improvements.

### **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	Original Budget 2015-16 £'000	Latest Approved Budget 2015-16 £'000	Original Budget 2016-17 £'000	Movement 2015-16 to 2016-17 £'000
<b>LOCAL RISK</b> <i>(budgets largely within direct control of Chief Officer)</i>				
<b>EXPENDITURE</b>				
Employees	23,086	22,605	22,446	(159)
Premises Related Expenses (note i)	4,592	4,977	5,109	132
Transport Related Expenses	67	62	61	(1)
Supplies & Services (note ii)	6,428	6,848	7,607	759
<b>Total Expenditure</b>	<b>34,173</b>	<b>34,492</b>	<b>35,223</b>	<b>731</b>
<b>INCOME</b>				
Grants, Reimbursements & Contributions (note iii)	(3,385)	(3,407)	(3,579)	(172)
Customer, Client Receipts (note iv)	(2,285)	(2,192)	(2,350)	(158)
<b>Total Income</b>	<b>(5,670)</b>	<b>(5,599)</b>	<b>(5,929)</b>	<b>(330)</b>
<b>TOTAL LOCAL RISK (excl. R&amp;M City Surveyor)</b>	<b>28,503</b>	<b>28,893</b>	<b>29,294</b>	<b>401</b>
<b>Repairs &amp; Maintenance (City Surveyor)</b>	<b>3,553</b>	<b>2,831</b>	<b>4,687</b>	<b>1,856</b>
<b>TOTAL LOCAL RISK</b>	<b>32,056</b>	<b>31,724</b>	<b>33,981</b>	<b>2,257</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	604	745	719	(26)
Premises Related Expenses (note v)	16,890	17,168	18,573	1,405
Transport Related Expenses (note vi)	79	79	85	6
Supplies & Services (note vii)	2,976	3,517	3,293	(224)
Council Tax reduction scheme	256	256	256	
<b>Total Expenditure</b>	<b>20,805</b>	<b>21,765</b>	<b>22,926</b>	<b>1,161</b>
<b>INCOME</b>				
Government Grants - Collection of NNDR	(1,729)	(1,729)	(1,729)	0
Other Grants, Reimbursements & Contributions (note viii)	(1,670)	(1,808)	(1,812)	(4)
Customer, Client Receipts (note ix)	(3,556)	(2,831)	(3,503)	(672)
<b>Total Income</b>	<b>(6,955)</b>	<b>(6,368)</b>	<b>(7,044)</b>	<b>(676)</b>
<b>TOTAL CENTRAL RISK</b>	<b>13,850</b>	<b>15,397</b>	<b>15,882</b>	<b>485</b>
<b>TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES</b>	<b>45,906</b>	<b>47,121</b>	<b>49,863</b>	<b>2,742</b>
CONTINUED ON NEXT PAGE				



## ANNEX B

Analysis of Service Expenditure by Risk	Original Budget  2015-16 £'000	Latest Approved Budget 2015-16 £'000	Original Budget  2016-17 £'000	Movement 2015-16 to 2016-17 £'000
CONTINUED FROM PREVIOUS PAGE				
<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>				
Central Support Services	4,215	4,815	4,928	113
Capital Charges	3,318	3,007	2,922	(85)
Recharges Within Fund	(2,247)	(2,298)	(2,400)	(102)
Recharges Across Funds	384	376	375	(1)
<b>Total Support Services and Capital Charges</b>	<b>5,670</b>	<b>5,900</b>	<b>5,825</b>	<b>(75)</b>
<b>TOTAL NET EXPENDITURE</b>	<b>51,576</b>	<b>53,021</b>	<b>55,688</b>	<b>2,667</b>

<b>ANALYSIS BY FUND</b>				
City Fund	5,829	5,811	6,142	331
City's Cash	3,209	3,666	3,720	54
Guildhall Administration	42,538	43,544	45,826	2,282
<b>TOTAL NET EXPENDITURE</b>	<b>51,576</b>	<b>53,021</b>	<b>55,688</b>	<b>2,667</b>

<b>ANALYSIS BY CHIEF OFFICER</b>				
The Chamberlain	31,611	33,276	34,106	830
The Town Clerk	5,458	5,339	5,589	250
The City Surveyor	13,194	12,795	14,378	1,583
The Remembrancer	(205)	(116)	(222)	(106)
The Private Secretary to the Lord Mayor	1,467	1,641	1,783	142
Director of Community & Children's Services	51	86	54	(32)
<b>TOTAL NET EXPENDITURE</b>	<b>51,576</b>	<b>53,021</b>	<b>55,688</b>	<b>2,667</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) 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, dividend income from the City's Reinsurance Captive Company and Gresham Estate income.

**Reconciliation between Latest Budget 2015/16  
and Original Budget 2016/17**

	£'000	£'000
<b>2015/16 Latest Budget</b>		53,021
<b>Chamberlain's Service Based Review reductions</b>		
Employees	(387)	
IT Division - Agilisys contract	(186)	
Vacation of Guildhall Justice Rooms	(170)	
		(743)
<b>Remembrancer Service Based Review reductions</b>		
Remembrancer - additional lettings income to be achieved		(50)
<b>IT Division - base budget adjustment requested to cover increased usage of managed service contract</b>		505
<b>Other significant budget adjustments</b>		
1.5% Allowance towards pay and price increases	428	
Allowance for national insurance contribution increase	442	
Less Central Criminal Court national insurance contribution increase recoverable from Her Majesty's Courts and Tribunal Service	(81)	
Additional Works Programme	1,817	
Removal of carried forward underspends from 2014/15, which are included in the 2015/16 budget.	(299)	
Removal of allocation for contribution pay included in the 2015/16 budget	(107)	
Increase in insurance premiums	1,424	
Reinstatement of 'City Re' income for 2016/17 (increased from £100,000 to £750,000)	(650)	
Other movements (including support services and capital charges)	(19)	
		2,955
<b>2016/17 Original Budget</b>		55,688

**Manpower Statement**

Manpower statement	Latest Budget 2015/16		Original Budget 2016/17	
	Manpower Full-time equivalent	Estimated cost £'000	Manpower Full-time equivalent	Estimated cost £'000
Cost of Collection	37.8	1,392	36.8	1,442
Chamberlain's Court	5.0	178	5.0	179
Chamberlain's – General	147.1	7,642	144.4	7,661
Chamberlain's – City Procurement	54.2	2,390	53.9	2,254
Chamberlain's – Insurance	5.0	269	5.0	273
Chamberlain's – IT	54.6	3,406	42.8	2,926
<b>TOTAL CHAMBERLAIN'S (local risk)</b>	<b>303.7</b>	<b>15,277</b>	<b>287.9</b>	<b>14,735</b>
Central Criminal Court (local risk)	90.5	2,780	94.5	2,970
Central Criminal Court – Judges' Pensions (central risk)	-	200	-	200
Central Criminal Court – Common Serjeant and Recorder (central risk)	2.0	350	2.0	346
Cultural Hub – Programme and Project Director	1.0	128	1.0	102
Secondary's Office	7.6	334	7.6	344
<b>TOTAL TOWN CLERK</b>	<b>101.1</b>	<b>3,792</b>	<b>105.1</b>	<b>3,962</b>
Walbrook Wharf	3.0	115	3.0	115
Guildhall Complex	80.0	3,404	80.0	3,474
<b>TOTAL SURVEYOR (local risk)</b>	<b>83.0</b>	<b>3,519</b>	<b>83.0</b>	<b>3,589</b>
Corporate Services – Parliamentary	1.0	44	1.0	47
Guildhall Complex (local risk) (Administration & Attendants)	10.5	422	11.5	462
Guildhall Complex (local risk) (Event Related)	-	273		346
<b>TOTAL REMEMBRANCER</b>	<b>11.5</b>	<b>739</b>	<b>12.5</b>	<b>855</b>
Gresham	0.6	23	0.6	24
<b>TOTAL COMMUNITY &amp; CHILDREN'S SERVICES (central risk)</b>	<b>0.6</b>	<b>23</b>	<b>0.6</b>	<b>24</b>
<b>TOTAL FINANCE COMMITTEE</b>	<b>499.9</b>	<b>23,350</b>	<b>489.1</b>	<b>23,165</b>