

Committee(s):	Date(s):
Policy and Resources Committee	8 September 2016
Subject: Revenue Outturn 2015/16	Public
Report of: The Town Clerk, the Chamberlain, the Remembrancer	For Information
Report Author: Ray Green, Chamberlain's Department	

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2015/16 with the final budget for the year. Overall, total net expenditure during the year was £17.17m, whereas the budget was £18.4m representing a better than budget position of £1.23m, as summarised in the table below.

	Final Budget	Revenue Outturn	Variations Worse/ (Better)
	£000	£000	£000
By Division of Service			
Security and Contingency Planning	802	710	(92)
Public Relations	2,440	2,480	40
Economic Development	4,612	4,388	(224)
Grants and Contingencies	4,545	3,904	(641)
Remembrancer	6,001	5,691	(310)
Division of Service Totals	18,400	17,173	(1,227)

The most significant reduced requirements were the Policy Initiatives Fund (£269,000), Committee Contingency (£303,000) corporate hospitality (£202,000) and Economic Development pending the outcome of the review (£224,000).

Your Committee has already agreed to carry forward the unspent balances on the Policy Initiatives Fund and Committee Contingency of £269,000 and £303,000 respectively. In addition, the Town Clerk and the Remembrancer have put forward proposals to carry forward £275,000 and £25,000 respectively. These proposals have been agreed by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee and have been added to budgets for 2016/17.

Recommendations

It is recommended that this revenue outturn report for 2015/16 and the budgets carried forward to 2016/17 are noted.

Main Report

Budget Position for 2015/16

1. The 2015/16 original budget for the services overseen by your Committee was £16.387m as endorsed by the Court of Common Council in March 2015. This has subsequently been increased to a final budget of £18.4m. An analysis of the increase of £2.013m is provided in Appendix 1.

Revenue Outturn for 2015/16

2. The 2015/16 actual net expenditure for the services being reported to your Committee totalled £17.17m, a decrease of £1.23m compared to the budget of £18.4m. A comparison with the final budget for the year is set out in Appendix 2.
3. The most significant variations were:
4. Reduced net expenditure on Grants and Contingencies £641,000 (Town Clerk's risk) primarily due to:-
 - unspent central risk provisions of £269,000 and £303,000 within the Policy Initiatives Fund and Committee Contingency respectively which your Committee, on 17 March 2016, agreed to carry forward; and
 - lower expenditure on the London Drug Policy Forum of £71,000 due to the early achievement of the planned Service Based Review savings and delivering the service in a different manner as agreed by your Committee on 30 April 2015.
5. Reduced net expenditure by the Remembrancer's Department of £310,000 largely in respect of:-
 - lower expenditure on corporate hospitality for 'State Visits/Guests of Government' of £202,000 principally due to only one state banquet (The President of China) taking place during the year; and
 - a decreased charge of £65,000 for accommodation to reflect the lower outturn costs of the Guildhall Complex.
6. Reduced net expenditure on Economic Development activities of £224,000 mainly due to:-
 - a formal review taking place on specific Economic Development activities resulting in a number of posts being held vacant and reduced expenditure on a number of operational budgets.
7. Reduced net expenditure on Security and Contingency Planning activities of £92,000 mainly as a result of:-
 - the contingency of £50,000 for security issues not being required, this saving has been retained centrally; and

- lower than anticipated expenditure on consultants of £38,000. This was originally intended for the Corporate Security Strategy, which was delayed. Additional funding has been provided in 2016/17, as agreed by your Committee on 21 January 2016.

Budgets Carried Forward to 2016/17

8. Chief Officers can request underspendings of up to 10% or £500,000 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. Such requests are considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee.
9. Overspendings are carried forward and recovered through reductions in 2016/17 budgets.
10. The Town Clerk and the Remembrancer proposed to carry forward £275,000 and £25,000 of their respective underspends. Details of the use of the carry forwards are set out in Appendix 3.
11. These proposals have been agreed by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee and the 2016/17 budgets increased accordingly.
12. In addition, as agreed at your Committee on 17 March 2016, provision of £42,000 for a grant to the Reserve Forces and Cadets Association has been carried forward from corporate underspends and added to the budget for 2016/17.

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APPENDIX 1

Analysis of movements 2015/16 Original Budget to Final Budget	
	£000
Original Local Risk Budget (Town Clerk)	6,757
Local risk carry forward from Town Clerk's underspend in 2014/15	85
Overseas Economic Development activity	270
Net other movements including contribution pay adjustment	24
Final Local Risk Budget (Town Clerk)	7,136
Original Local Risk Budget (Remembrancer)	1,034
Local risk carry forward from Remembrancer's underspend in 2014/15	8
Contribution pay adjustment	11
Final Local Risk Budget (Remembrancer)	1,053
Original Central Risk Budget (Town Clerk)	2,374
Central Risk carry forward from Policy Initiatives Fund 2014/15	193
Central Risk carry forward from Committee Contingency 2014/15	181
Central Risk carry forward from Crossrail Art Strategy core funding 2014/15	190
Increase to the Policy Initiatives Fund	300
Service Based Review redundancy costs	47
Allocations from Policy Initiatives Fund to other Committees/areas	(39)
Crossrail Arts Foundation – City's matched funding agreed December 2013	985
Final Central Risk Budget (Town Clerk)	4,231
Original Central Risk Budget (Remembrancer)	1,363
Capital charges adjustment	(7)
Final Central Risk Budget (Remembrancer)	1,356
Original Support Services and Capital Charges Budget	4,859
Net movements	(235)
Final Support Services and Capital Charges Budget	4,624
Total Original Budget	16,387
Total increase	2,013
Total Final Budget	18,400

APPENDIX 2

Comparison of 2015/16 Revenue Outturn with Final Budget				
	<i>Original Budget</i>	Final Budget	Revenue Outturn	Variations Worse/ (Better)
	<i>£000</i>	£000	£000	£000
By Chief Officer				
Local Risk				
The Town Clerk	6,757	7,136	6,873	(263)
The Remembrancer	1,034	1,053	1,028	(25)
The City Surveyor	0	0	(4)	(4)
Total Local Risk	7,791	8,189	7,897	(292)
Central Risk				
The Town Clerk	2,374	4,231	3,582	(649)
The Remembrancer	1,363	1,356	1,177	(179)
Total Central Risk	3,737	5,587	4,759	(828)
Support Services & Capital Charges	4,859	4,624	4,517	(107)
Committee Totals	16,387	18,400	17,173	(1,227)
By Division of Service				
Security and Contingency Planning	779	802	710	(92)
Public Relations	2,311	2,440	2,480	40
Economic Development	4,295	4,612	4,388	(224)
Grants and Contingencies	2,736	4,545	3,904	(641)
Remembrancer	6,266	6,001	5,691	(310)
Division of Service Totals	16,387	18,400	17,173	(1,227)

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

APPENDIX 3

Carry forwards	£000
By Chief Officer	
<u>The Town Clerk</u>	
<p>Strengthening support to, and promotion of, the City - initial budget to help facilitate the implementation of the recommendations of the Fraser Review.</p>	141
<p>The current Customer Record Management (CRM) system will cease to be supported after July 2016. To ensure operational efficiency and avoid reputational damage, an effective system is required. £23,000 was set aside in the EDO & PR budget for this project in 2015/16 but it was unable to proceed before year-end. The project to identify and implement a new Events and Contacts Management System (ECMS) for use by multiple stakeholders across City Corporation has been approved by the Customer Services Steering Group. The implementation costs and licence fees are divided between the 4 principal users, Mansion House, Remembrancer's, EDO and Town Clerk's. Following a tender process and as agreed at a recent Project Board meeting, the contract has been awarded to Cvent with project costs due to fall in 2016/17.</p>	23
<p>Consideration has been continuing on the most effective role for the City Corporation in advancing the UK's Social Investment (SI) agenda, given the current state of the SI marketplace. It is proposed to use £52k to fund a 'Green Finance' conference, which will be the centre-piece of delivery for the coming year. Without this funding, the effectiveness of the initiative will be seriously compromised.</p>	52
<p>Funding to cover an on-going Home Office requirement to investigate a serious incident within the City.</p>	16
<p>Additional resource to ensure training is delivered to meet the City Corporation's PREVENT obligations. This is a new Government priority. However, only £10k of funding has been provided. As this is a major Corporate Risk, the budget for providing this training needs to be reviewed. As there is no specific resource aside from the Government grant, this carry forward will bridge the gap in the interim.</p>	43
<p>Total Town Clerk</p>	<p>275</p>
<u>The Remembrancer</u>	
<p>Cost of appointing a trainee under the City Business Trainee Scheme.</p>	8
<p>To fund the Remembrancer's Office contribution to the new Events and Contacts Management System (ECMS) for use across the City Corporation. See details under 'Town Clerk' above.</p>	17
<p>Total Remembrancer</p>	<p>25</p>