

Committee:	Date:
Finance Committee	18 October 2016
Subject:	Public
Revenue Outturn 2015/16 – Finance Committee Operational Services	
Report of:	For Information
The Chamberlain	
Report author:	
John James, Chamberlain's Department	

Summary

This report compares the revenue outturn for the operational services overseen by your Committee in 2015/16 with the budget for the year. It also details the carry forward requests which have now been approved. 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 £51.007m, whereas the total budget was £52.931m, representing a favourable variance of £1.924m, as summarised in the table below.

Summary Comparison of 2015/16 Revenue Outturn with Budget			
	Budget	Revenue Outturn	Variations Increase/ (Decrease)
	£000	£000	£000
Cost of Collection	882	799	(83)
Chamberlain's Court	149	174	25
Gresham	178	163	(15)
Chamberlain's – General	9,124	8,917	(207)
Chamberlain's – City Procurement	3,141	3,053	(88)
Chamberlain's – Insurance	11,883	11,099	(784)
Chamberlain's – IT	8,224	8,220	(4)
Central Criminal Court	4,304	4,113	(191)
Corporate Services – Town Clerk	706	571	(135)
Secondary's Office	431	389	(42)
Mayor's Court	111	76	(35)
Guildhall Complex - Surveyors	12,264	12,490	226
Corporate Services – Remembrancer	331	335	4
Guildhall Complex –Remembrancer	(438)	(930)	(492)
Mansion House Premises	1,641	1,538	(103)
Total Net Expenditure	52,931	51,007	(1,924)

The overall favourable position against the budget of £1.924m comprises variations on a number of services, the main ones being reduced requirements for Cost of Collection, Chamberlain's General, City Procurement, Corporate Services (Town Clerk), Mansion House Premises and increased income in Insurance, Central Criminal Court and Guildhall Complex (Remembrancer); partly offset by increased requirements in Guildhall Complex (Surveyors).

Members should note that this report has been prepared using the existing format. We are currently considering how financial management information will be presented going forward and changes will be reflected in future reports.

Recommendation

Members are asked to note the revenue outturn for 2015/16 and the budgets totalling £347,000 to be carried forward to 2016/17 as set out in Appendix 2.

Main Report

Revenue Outturn for 2015/16

1. The 2015/16 actual net expenditure for the operational services overseen by your Committee totalled £51.007m, a favourable variance of £1.924m compared to the budget of £52.931m. 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:-
 - Insurance £784,000 decrease;
 - the number and value of claims settled during the year within the policy excesses met by the City Corporation were £179,000 less than budget;
 - expenditure on premises and transport insurance premiums was £94,000 less than budgeted;
 - the employee budget was underspent by £42,000 due to a vacancy; and
 - income for the dividend from the City's Reinsurance Captive Company was higher than budgeted by £469,000. In 2014/15 a prudent accrual of £400,000 was made on the basis of information available in March 2015, however the actual position was confirmed in June 2015 and has meant the benefit was received in 2015/16.
 - Guildhall Complex – Remembrancer £492,000 increase in income – primarily due to increased usage for meetings and functions;
 - Chamberlain's General £207,000 decrease – relates to an underspend on the employee budget of £69,000 due to a number of vacant posts during the year and an underspend of £150,000 against a carry forward budget from 2014/15 for Oracle system work which was not in the end required;
 - Central Criminal Court £191,000 decrease – largely relates to higher than budgeted recovery of costs from Her Majesty's Courts and Tribunals Services of £199,000;
 - Corporate Services – Town Clerks £135,000 decrease – relates to an underspend on a carry forward request for a Cultural Hub. Funding was

agreed to cover a two year period, therefore the balance will be utilised in 2016/17;

- Mansion House Premises - £103,000 decrease – due to the re-phasing of the Additional Works Programme within the year, resulting in works being undertaken in future years of the programme;
- City Procurement £88,000 decrease – primarily relates to a number of vacant posts during the year;
- Cost of collection £83,000 decrease – primarily relates to a number of vacant posts during the year;

partly offset by;

- Guildhall Complex – Surveyors £226,000 increase - additional repairs and maintenance, higher energy and cleaning costs and increased security all as a result of increased usage of the building, partly offset by an underspend on Surveyor's Additional Works Programme due to a number of Guildhall projects not being completed on time. The City Surveyor was able to meet the increase in requirements from budgetary savings under other committees.

Local Risk Carry Forward to 2016/17

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 Committee.
4. The Chamberlain, Remembrancer and Town Clerk requested to carry forward £274,000, £40,000 and £33,000 respectively. Details of the proposed use of the carry forwards are set out in Appendix 2.
5. These proposals were agreed, and the amounts have been added to the Chamberlain, Remembrancer and Town Clerk's budgets for 2016/17.

Appendices

Appendix 1 – Comparison of 2015/16 Revenue Outturn with Budget

Appendix 2 – Agreed Carry Forwards to 2016/17

John James

Interim Deputy Financial Services Director, Chamberlain's Department

T: 020 7332 1284

E: john.james@cityoflondon.gov.uk

Appendix 1

Comparison of 2015/16 Revenue Outturn with Budget			
	Budget	Revenue Outturn	Variations Increase/ (Decrease)
	£000	£000	£000
By Chief Officer			
Local Risk			
The Chamberlain	20,318	20,043	(275)
The Town Clerk	1,466	1,350	(116)
The City Surveyor	8,615	8,865	250
The Remembrancer	(311)	(806)	(495)
The Private Secretary to the Lord Mayor	1,359	1,208	(151)
Total Local Risk	31,447	30,660	(787)
Central Risk			
The Chamberlain	10,616	9,780	(836)
The Town Clerk	1,289	996	(293)
The City Surveyor	3,787	3,726	(61)
The Remembrancer	177	180	3
The Private Secretary to the Lord Mayor	58	67	9
Director of Community & Children's Services	83	64	(19)
Total Central Risk	16,010	14,813	(1,197)
Support Services & Capital Charges	5,474	5,534	60
Committee Totals	52,931	51,007	(1,924)
By Division of Service			
Cost of Collection	882	799	(83)
Chamberlain's Court	149	174	25
Gresham	178	163	(15)
Chamberlain's – General	9,124	8,917	(207)
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Mansion House Premises	1,641	1,538	(103)
Division of Service Totals	52,931	51,007	(1,924)

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

Appendix 2

Agreed Carry Forwards	£000
By Chief Officer	
<u>The Chamberlain</u>	
To assist with the migration of the Capita Revenues System.	83
To provide short term assistance while a review of IT operations is being undertaken to establish the full extent of the resource requirements, and options identified to address the on-going budget shortfall	191
Total Chamberlain	274
<u>The Remembrancer</u>	
To help implement the Guildhall Marketing Strategy. Proposals include promoting the venue through a number of commercial showcases, attending trade shows and associated material	14
One year placement to provide additional business support which will primarily include a review of the Remembrancer's Office filing system, including data cleansing and archiving to LMA	26
Total Remembrancer	40
<u>The Town Clerk</u>	
Purchase of equipment to enhance the capability to deliver income generating events within the Central Criminal Court. This would include seating, staging and audio visual equipment	18
Funding for a detailed review of security staffing following on from the Corporate review of security conducted last financial year	15
Total Town Clerk	33