

Committee(s)	Dated:
Policy and Resources	15 December 2016
Subject: Revenue and Capital Budgets 2017/18	Public
Report of: The Town Clerk, the Chamberlain, the Remembrancer	For Decision
Report Author: Ray Green, Chamberlain's Department	

Summary

This report is the annual submission of the revenue and capital budgets overseen by your Committee. In particular it seeks approval to the provisional revenue budgets for 2017/18, 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.

	Original Budget 2016/17 £000	Latest Approved Budget LAB 2016/17 £000	Proposed Original Budget 2017/18 £000	Movement 2016/17 LAB To 2017/18 £000
By Division of Service				
Community Safety and Resilience	794	1,428	868	(560)
Communications	1,921	1,940	1,905	(35)
Economic Development	5,205	5,350	5,269	(81)
Grants and Contingencies	2,478	4,837	4,909	72
Remembrancer	6,388	6,073	6,789	716
Division of Service Totals	16,786	19,628	19,740	112

Income and favourable variances are presented in brackets

Overall, the 2016/17 latest budget is £19.628m, an increase of £2.842m compared with the original budget. The main reasons for this increase are:

- ↑ provisions totalling £1.439m funded from underspends brought forward from 2015/16 (see paragraph 5 for further details);
- ↑ additional resources of £1.56m for 'Strengthening the City of London Corporation's support and Promotion of the City' as approved by the Court of Common Council in July 2016; partly offset by
- ↓ a decrease of £400,000 for the Town Clerk's and Remembrancer's proportionate shares of Guildhall complex costs reflecting the anticipated phasing of the Cyclical Works Programme.

The 2017/18 proposed revenue budget totals £19.74m, an increase of £112,000 compared with the latest budget for 2016/17. However, this overall increase reflects large variations.

- ↑ £780,000 for 'Strengthening Support and Promoting the City' (from £1.56m in 2016/17 to £2.34m in 2017/18);
- ↑ £765,000 for Town Clerk's and Remembrancer's proportionate shares of Guildhall complex costs reflecting the anticipated phasing of the Cyclical Works Programme;
- ↑ £88,000 (Town Clerk's £77,000, Remembrancer's £11,000) for the 1.0% allowance towards pay and prices as agreed by your Committee as part of the corporate budget guidelines.

The above increases are partly offset by the deletion in 2017/18 of the one-off carry forwards totalling £1.439m included in the latest approved budget for 2016/17.

This report also provides a summary of the Committee's capital and supplementary revenue project budgets. The most significant of which is Crossrail.

Recommendations

The Committee is requested to:

- note the latest 2016/17 revenue budget;
- critically review the provisional 2017/18 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee;
- authorise the Chamberlain to revise these budgets to allow for further implications arising from the Service Based Reviews and other corporate efficiency projects; and
- note the draft capital and supplementary revenue budget.

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;
- 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 and communications strategy;

- overseeing generally the security of the City and the City of London Corporation's resilience; 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). All the savings for services overseen by your Committee have been identified in 2016/17 or earlier years.
3. The implementation of the Service Based Review savings/increased incomes is being monitored by the Efficiency and Performance Sub-Committee.

Latest Revenue Budget for 2016/17

4. Overall there is an increase of £2.842m between the Committee's original and latest budget for 2016/17. The main reasons for this movement are explained by the variances set out in the following paragraphs.
5. Provisions totalling £1.439m (Policy Initiatives Fund £269,000, Committee Contingency £303,000, Economic Development £75,000, Community Safety and Resilience £626,000 (mainly in respect of 'One Safe City' programme), strengthening support and promotion of the City £141,000 and Remembrancer £25,000) funded from underspends brought forward from 2015/16.
6. Additional resources of £1.56m for 'Strengthening the City of London Corporation's support and Promotion of the City' as approved by the Court of Common Council in July 2016.
7. A decrease of £400,000 for the Town Clerk's and Remembrancer's proportionate shares of Guildhall complex costs reflecting the anticipated phasing of the Cyclical Works Programme.
8. Additional 'one-off' resources of £118,000 to cover contribution pay and redundancy/early retirement costs as a result of Service Based Reviews together with an allocation from the Transformation Fund for 'Responsible Business Benchmarking'.

Proposed Revenue Budget for 2017/18

9. The provisional 2017/18 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 1.0% cash limit increase for pay and prices increases.

10. The budgets are set out in Appendix 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.
11. Overall there is an increase of £112,000 between the 2016/17 latest approved budget and the 2017/18 original budget. The main reasons for this movement are explained by the increases set out below:
- £780,000 for ‘Strengthening Support and Promoting the City’ (from £1.56m in 2016/17 to £2.34m in 2017/18);
 - £765,000 for Town Clerk’s and Remembrancer’s proportionate shares of Guildhall complex costs reflecting the anticipated phasing of the Cyclical Works Programme; and
 - £88,000 (Town Clerk’s £77,000, Remembrancer’s £11,000) for the 1.0% allowance towards pay and prices as agreed by your Committee as part of the corporate budget guidelines.

The above increases are partly offset by the deletion in 2017/18 of the one-off items totalling £1.439m included in the latest approved budget for 2016/17.

12. A summary of employee related costs is shown in Table 1 below.

Table 1 - Staffing statement	Latest Approved Budget 2016/17		Original Budget 2017/18	
	Full-time equivalent	Estimated cost £000	Full-time equivalent	Estimated cost £000
Town Clerk	98.7	6,631	99.4	6,613
Remembrancer	14.8	997	15.5	1,020
TOTAL	113.5	7,628	114.9	7,633

This small movement is as expected as service based review savings have already been implemented.

Potential Further Budget Developments

13. 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.

Forecast Outturn 2016/17

14. The forecast outturn for the current year is in line with the latest approved budget of £19.628m as detailed in Appendix 1.

Draft Capital and Supplementary Revenue Budgets

15. The latest estimated costs for the Committee's draft capital and supplementary revenue projects are summarised in Appendix 2 where it will be noted that the most significant item is the Crossrail contribution of £200m due in 2016/17.
16. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2017.

Appendices

- Appendix 1 – Analysis of Revenue Budgets
- Appendix 2 – Draft Capital and Supplementary Revenue Budgets

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Analysis of Revenue Budgets

TABLE 1 Analysis of Service Expenditure	Original Budget 2016-17 £'000	Latest Approved Budget 2016-17 £'000	Original Budget 2017-18 £'000	Movement 2016-17 to 2017-18 £'000	note
EXPENDITURE					
Town Clerk	9,637	13,359	12,285	(1,074)	(i)
Remembrancer	2,367	2,419	2,451	32	
Total Expenditure	12,004	15,778	14,736	(1,042)	
INCOME					
Town Clerk	(264)	(813)	(430)	383	(ii)
Total Income	(264)	(813)	(430)	383	
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES	11,740	14,965	14,306	(659)	
SUPPORT SERVICES & CAPITAL CHARGES	5,046	4,663	5,434	771	(iii)
TOTAL NET EXPENDITURE	16,786	19,628	19,740	112	
BY DIVISION OF SERVICE:					
Community Safety and Resilience	794	1,428	868	(560)	
Communications	1,921	1,940	1,905	(35)	
Economic Development	5,205	5,350	5,269	(81)	
Grants and Contingencies	2,478	4,837	4,909	72	
Remembrancer	6,388	6,073	6,789	716	
TOTAL NET EXPENDITURE	16,786	19,628	19,740	112	

Notes:

- (i) Deletion of 'one-off' items of expenditure totalling £1.895m (including £363,000 of externally funded expenditure), partly offset by increase in strengthening support and promotion of the City of £763,000 and a cash limit increase of £77,000.
- (ii) Mainly reflects the reduction in externally funded expenditure in (i).
- (iii) Increase of £765,000 for the Town Clerk's and Remembrancer's proportionate shares of Guildhall complex costs.

Draft Capital and Supplementary Revenue Budgets

The latest estimated costs for the Committee's draft capital and supplementary revenue projects are summarised in the Table below.

Capital & Supplementary Revenue projects - latest estimated costs						
	Project	Exp. Pre 01/04/16	2016/17	2017/18	Later Years	Total
		£'000	£'000	£'000	£'000	£'000
Crossrail						
City Fund	Crossrail contribution		200,000			200,000
City's Cash	Crossrail Art Foundation	985	2,515			3,500
Guildhall schemes:						
<u>Pre-implementation</u>						
City's Cash	Visitor's WCs & cloakroom facilities		8	2		10
City's Cash	Accommodation & ways of working		165			165
Other schemes:						
<u>Pre-implementation</u>						
City Fund	Central Criminal Court security (2 schemes)		35			35
City's Cash	St Lawrence Jewry Church	2		36		38
City's Cash	Museum of London relocation	200	2,000			2,200
TOTAL POLICY & RESOURCES		1,187	204,723	38	0	205,948

Pre-implementation costs comprise feasibility and options appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work.

It should be noted that:

- a. the above figures exclude the capital costs of the various projects which have yet to reach authority to start work stage;
- b. the Crossrail sums represent the approved capital contributions towards the main construction works and public art; and
- c. the Museum of London sums are mainly comprised of contributions for the Museum to progress the relocation plan