

<b>Committee(s)</b>	<b>Dated:</b>
Policy & Resources Committee	14 December 2017
<b>Subject:</b> City Office in Brussels – Budget Implications for 2018/19	<b>Public</b>
<b>Report of:</b> Director of Economic Development	<b>For Decision</b>
<b>Report author:</b> Giles French	

### Summary

Following approval by the Policy & Resources Committee, Establishment Committee and Common Council, the Economic Development Office is implementing the recommendations of the review of the effectiveness of the City Office in Brussels in representing the UK-based financial and professional services industry.

The paper approved by the Committees and Common Council included an approximated budget uplift of £520,000. Since then, more detailed work has been completed to clarify the budgetary implications of implementing the review, which are detailed below.

It will be necessary to increase the budget of the Economic Development Office by £571,500 to be able to implement the recommendations on an ongoing basis, and this report requests Members' support for a budget to be submitted to Your Committee for the financial year 2018/19 to include this additional cost.

### Recommendation

Members are requested to support the increase in the budget for the Economic Development Office for the financial year 2018/19 by £571,500 to enable the implementation of the review of the City Office in Brussels, as approved by Your Committee in June 2017.

### Main Report

#### Background

1. The City of London Corporation asked Flint Global to conduct a review of the effectiveness of the City Office in Brussels in representing the UK-based financial and professional services industry. A number of recommendations were made including increasing the resources dedicated to EU engagement, the creation of a more senior Managing Director role, and to work in closer partnership with industry representative groups.

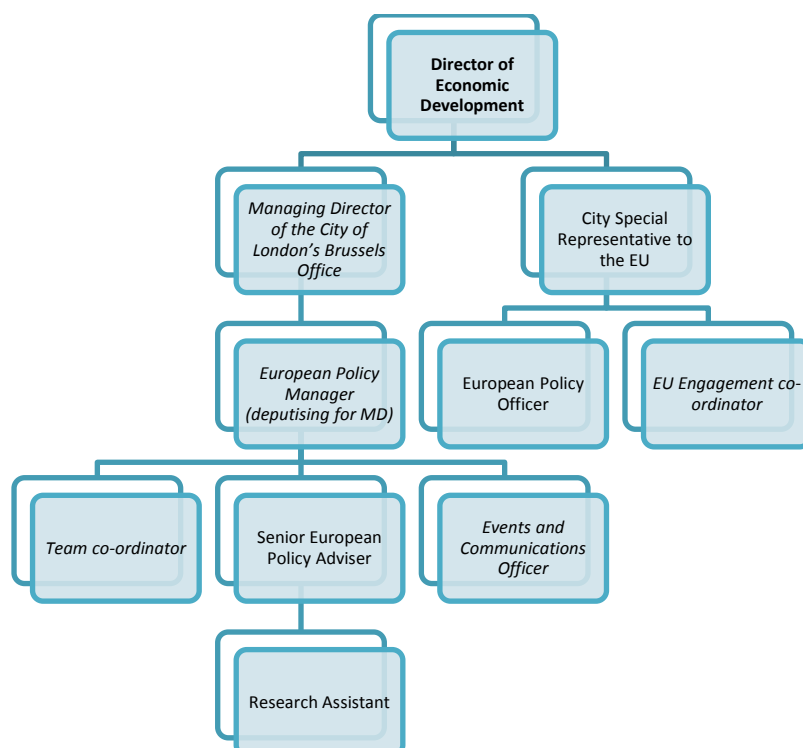
2. The recommendations were approved by the Policy & Resources Committee in June 2017, by the Establishment Committee in July 2017, and the creation of the Managing Director role was approved by Common Council in September 2017.

## Current Position

3. Since then, work has taken place to refine the proposed new structure and to provide greater clarity on the anticipated budgetary implications. A settlement agreement has also been successfully concluded with the former Head of the City Office in Brussels. An executive search company is being appointed to support the recruitment of the new Managing Director role and the recruitment process has already commenced for the other roles that have been created to strengthen the City Office in Brussels.

## New Structure

4. In addition to the new role of Managing Director, the following posts are to be created: European Policy Manager, Events & Communications Officer and Team Co-ordinator. The expanded team will require a larger office accommodation.
5. The new Managing Director role will strongly complement the work of the Special Representative to the EU, ensuring our systematic engagement with key policy makers, regulators and business groups in both the EU institutions and in Member States.
6. The Director of Economic Development will have overall responsibility for the City Office in Brussels, as well as for the work of the Special Representative to the EU based in London. The new structure will be as follows (*new roles in italics*):



## Budget and Financial Implications

7. The Economic Development Office is currently anticipated to spend all its budget for the financial year 2017/18, partly because of the increased costs of the strengthened Asia team that has been created this year. Consequently, it will not be possible to absorb the additional costs within the existing budget.
8. The estimated cost for the existing City Office in Brussels for 2017/18, including staff costs (salary, pension, social security costs), office accommodation, travel, IT, events and other operational costs is £315,000.
9. The estimated cost for the City Office in Brussels for 2018/19, including staff costs (salary, pension, social security costs), office accommodation, travel, IT, events and other operational costs is £886,500. This is based on the anticipated costs for employing all the posts in the City Office in Brussels, and associated costs for a full year. A full breakdown of the budget is as follows:

	<b>Current Budget £</b>	<b>Restructured Budget £</b>	<b>Increase / (Decrease) £</b>
<i>Staff Costs</i>			
2 staff: 1 Head of Office, 1 Policy Officer			
Salary	165,000		(165,000)
Pension	32,000		(32,000)
Health insurance costs for year	60,000		(60,000)
6 staff: 1 MD, 1 Eur Policy Mgr, 1 Snr Eur Policy Advisor, 1 Events & Comms Officer, 1 Team Co-ord, 1 Research Asst (Intern)			
Salary		445,000	445,000
Pension		92,000	92,000
National Insurance		2,500	2,500
Health insurance costs for year		160,000	160,000
<b>Total staff costs</b>	<b>257,000</b>	<b>699,500</b>	<b>442,500</b>
Premises	52,000	110,000	58,000
Travel		30,000	30,000
Other Operational costs			
Computer	1,000	7,000	6,000
Events		25,000	25,000
Phone	4,000	12,000	8,000
Printing	1,000	3,000	2,000
<b>Total Costs</b>	<b>315,000</b>	<b>886,500</b>	<b>571,500</b>

10. Consequently, the Economic Development Office will require an uplift in its budget of £571,500 for the financial year 2018/19. Officers in EDO and the Chamberlain's Department will work together to submit a revised budget for approval at the meeting of Your Committee in January 2018.
11. In consultation with the Chamberlain's Department, an evaluation of the revised Promoting the City budget after the UK has left the EU in 2019.

## **Conclusion**

12. Members are requested to approve the ongoing budget uplift of £571,500 for the Economic Development Office, to be included in the financial year 2018/19 to enable the implementation of the recommendations of the review of the City Office in Brussels, approved by Your Committee in June 2017.

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