

Committee(s)	Dated:
Establishment	5 th December 2017
Subject: Revenue Budgets 2018/19	Public
Report of: The Town Clerk, the Chamberlain, the Comptroller and City Solicitor	For Decision
Report Author: Laura Tuckey, Chamberlain's Department	

Summary

This report is the annual submission of the revenue budgets overseen by your Committee. In particular it seeks approval of the provisional revenue budget for 2018/19, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated to the Town Clerk and the Comptroller and City Solicitor.

	Original Budget 2017/18 £000	Latest Approved Budget 2017/18 £000	Original Budget 2018/19 £000	Movement from 2017/18 to 2018/19 £000
Town Clerk				
Local Risk				
Expenditure	(7,044)	(7,354)	(7,144)	210
Income	746	630	615	(15)
Total Local Risk	(6,298)	(6,724)	(6,529)	195
Central Risk				
Expenditure	(122)	(647)	(110)	537
Income	(0)	(0)	(0)	(0)
Total Central Risk	(122)	(647)	(110)	537
Support Charges	(1,162)	(984)	(1,590)	(606)
Total Town Clerks	(7,582)	(8,355)	(8,229)	126
Comptroller and City Solicitor				
Local Risk				
Expenditure	(3,813)	(4,338)	(4,294)	44
Income	832	850	862	12
Total Local Risk	(2,981)	(3,488)	(3,432)	56
Central Risk				
Expenditure	(0)	(0)	(0)	(0)
Income	200	200	200	(0)
Total Central Risk	200	200	200	(0)
Support Charges	(488)	(533)	(561)	(28)
Total Comptroller and City Solicitor	(3,269)	(3,821)	(3,793)	28
Total Net Expenditure (recharged as support services across the City Corporations activities)	(10,851)	(12,176)	(12,022)	154

Expenditure and unfavourable variances are presented in brackets

Overall, the 2018/19 proposed revenue budget totals £12.022m, a decrease of £154,000 compared with the budget for 2017/18. The main reasons for this net decrease are: -

- the budget for 2017/18 includes one-off provisions for expenditure of £230,000 (Town Clerk £120,000 and Comptroller and City Solicitor £110,000) funded from underspends brought forward from 2016/17, as detailed to, and agreed by, the Chamberlain, the Chairman of Finance Committee and the Chairman of Policy & Resources Committee in July 2017;
- the budget for 2017/18 includes one-off provisions for expenditure of £116,000 to fund employees contribution pay in that year;
- a net increase in employee costs due to increments, re-grading and pay-awards that total £273,000;
- the budget for 2017/18 includes a one-off provision of £495,000 for Transformation Fund Supplies and Services related spend and
- an unidentified savings target of £358,000.

There is a savings target of 2% of the original 2017/18 net local risk budget as agreed by Finance Committee and Court of Common Council of £186,000 (£124,000 Town Clerk's Department and £62,000 Comptroller and City Solicitor's Department). The Town Clerk's budgets are prepared in line with the resource base but the Comptroller and City Solicitor's budgets are not within the local risk resource base.

The Town Clerk's business priorities for the forthcoming year are set out in the 2018/19 business plan. Priorities for the Comptroller and City Solicitor include providing governance and legal advice to support corporate projects and programmes, providing legal support to the City Surveyors to increase rental income, continue supporting the City of London Police and ensuring that the City of London is prepared for compliance with the General Data Protection Regulations due to come into force in May 2018 and the deployment of a new legal case management system.

Recommendations

The Committee is requested to:

- Critically review the provisional 2018/19 revenue budget to ensure that it reflects the Committee's objectives;
- note the unidentified savings lines for Town Clerk's Budgets of £358,000 and the estimated £169,000 over the local risk resource base on the Comptrollers and City Solicitor's Budgets;
- if the budget reflects the Committee's objectives, approve the budget for submission to the Finance Committee and

- authorise the Chamberlain to revise these budgets to reflect any further implications arising from the Service Based Reviews and other corporate efficiency projects.

Main Report

Introduction

1. This report sets out the proposed revenue budget for 2018/19 covering expenditures and incomes attributable to the Town Clerk's and the Comptroller and City Solicitor's Departments.
2. The Town Clerk's Office lies at the centre of the City Corporation's strategic management processes, helping to shape the development of corporate policy and strategy. It provides corporate leadership and co-ordination at officer level. The Town Clerk's Office is also responsible for promoting high standards of corporate governance and providing support to Members and Committees.
3. The Comptroller and City Solicitor is responsible for providing all legal services required by the City. This includes providing legal advice to Committees, Departments of the City, to the Commissioner of Police for the City, and to other organisations for whom the Comptroller and City Solicitor is required to act as legal adviser (e.g. the Museum of London).

Business Planning Priorities

4. The Town Clerk's draft business plan priorities for 2018/19 for the service areas covered by this committee are contained within a separate report on the high-level business plan.
5. The Comptroller and City Solicitor's priorities include:
 - To provide governance and legal advice to support corporate projects and programmes to enhance the City e.g. Multi Academy Trust, Museum of London relocation, Central London Forward and Centre for Music.
 - Provide legal support, advice and transactional work to assist the City Surveyor in the management and development of the City's Investment portfolio to achieve increased rental income.
 - Continue with the First Registration programme in order to comply with the proposed target date for completion in August 2018.
 - Continue to deliver support to the City of London Police (CoLP) e.g. dealing with suspected Ponzi schemes.
 - Ensure that the City of London is prepared for compliance with the General Data Protection Regulation, EU 2016/679 when it comes into force on 25 May 2018, and any related amendments to the Data Protection Act 1998.
 - Provide governance and support to the Agile Ways of Working Programme.
 - Achieve re-accreditation with a high level of compliance to the Law Society's LEXCEL quality standard.

- Deliver a transformational departmental information management project which will facilitate paper light working, achieve process efficiencies and improve customer communication.

Savings Target

6. The Finance Committee and the Court of Common Council agreed that a 2% savings target based on the Original 2017/18 net local risk budgets should be made by all departments in their 2018/19 local risk budgets. This amounts to £124,000 for the Town Clerk's Department and £62,000 for the Comptroller and City Solicitor's Department.
7. The Town Clerk's Department and Comptroller and City Solicitor's Department budgets have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees. The Town Clerk's budget is within the 2018/19 resource base allocated but with unidentified savings of £358,000. The Comptroller and City Solicitor's budget is not within the local risk resource base allocation and is currently estimating costs of £169,000 above the 2018/19 local risk resource base.

Proposed Revenue Budget for 2018/19

8. The proposed Revenue Budget for 2018/19 is analysed between:
 - Local Risk budgets – these are budgets deemed to be largely within the Chief Officer's control.
 - Central Risk budgets – these are budgets comprising specific items where a Chief Officer manages the underlying service, but where the eventual financial outturn can be strongly influenced by external factors outside of his/her control or are budgets of a corporate nature (e.g. interest on balances and rent incomes from investment properties).
 - Support Services and Capital Charges – these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk.
9. The provisional 2018/19 budgets, have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees and are within the resources allocated to the Town Clerk's Department, which include a 2.0% savings target.
10. The Comptroller and City Solicitor's Department is not within the 2018/19 local risk resource allocation and is currently £169,000 over the resource allocation. This is due to an increased demand on services particularly in legal property work requiring increased resource which has increased costs with little scope to increase income to counteract the cost increase and external income from property deals that has not been charged out by the City Surveyor's Department with an estimated loss of income of £91,000. Additionally budget pressures have arisen from the Service Based Review savings target of £62,000, estimated salary increment costs of £45,000, estimated pay award

costs of £50,000 and maternity leave cover costs for two lawyer posts at an estimated £60,000 the latter at much lower cost than the alternative which is to outsource the legal work at much higher cost. A report will be presented to the Finance Committee by the Chamberlains Department early next year with regard to the review of the Comptrollers and City Solicitors Department's charging regime to departments.

11. The overall budget for this Committee is set out in Appendix 1. Further details at a departmental level, including service overviews, are set out in Appendices 2 (Town Clerk) and 3 (Comptroller and City Solicitor). Expenditure and unfavourable variances are presented in brackets. Only significant variances (generally those greater than £100,000) are commented on.
12. Overall there is a reduction of £154,000 between the 2017/18 latest approved budget and the 2018/19 original budget. This movement is explained by the variances set out in the following paragraphs.
13. An increase in employee expenditure of £389,000 (£312,000 Town Clerk & £77,000 Comptroller and City Solicitor) mainly a result of increasing salary costs such as yearly increments, estimated pay awards and re-gradings.
14. There is a net decrease in the local risk budget for Supplies and Services of £283,000. The 2017/18 budget includes one-off items such as carry forwards from 2016/17 amounting to £230,000 with the remaining £53,000 (£42,000 Town Clerk & £11,000 Comptroller & City Solicitor) decrease being attributed to savings found within services.
15. There is a net reduction in the central risk budget for Supplies and Services of £495,000. The 2017/18 budget is for a one-off allocation to the Town Clerk's Office, from the Transformation Fund to implement the cross cutting changes needed for service transformation (there is also a corresponding reduction in income from other funds as this expenditure is recharged to all funds, see paragraph 17 below).
16. There are currently £358,000 unidentified savings to be found within the Town Clerk's Departmental Budget. The department will be working towards finding these savings between now and into 2018/19.
17. There is a decrease of £537,000 for the support service income directly related to the one-off allocation for the Transformation Fund (£495,000 on Supplies and Services and £42,000 on Employees, both on central risk) as detailed in paragraph 15 above.
18. A summary of employee related costs is shown in Table 1 below.

Table 1 - Staffing statement	Latest Approved Budget 2017/18		Proposed Original Budget 2018/19	
	Full-time equivalent	Estimated cost £000	Full-time equivalent	Estimated cost £000
Town Clerk	120.0	6,584	125.0	6,854
Comptroller and City Solicitor	57.4	4,038	57.8	4,115

TOTAL	177.4	10,622	182.8	10,969
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Potential Further Budget Developments

19. 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:
- corporate efficiency projects.
 - support service apportionments.

Revenue Budget 2017/18

20. The Town Clerk's Department and Comptroller and City Solicitor's Departments forecast outturn for the current year is in line with the latest approved budget of £12.176m (£8.355m Town Clerk and £3.821m Comptroller and City Solicitor).

Appendices

- Appendix 1 – Committee budgets.
- Appendix 2 – Town Clerk's budgets and service overview.
- Appendix 3 – Comptroller and City Solicitor's budgets and service overview.

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