



Finance Committee

Date: TUESDAY, 20 JULY 2021

Time: 1.45 pm

Venue: INFORMAL VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

Members:

Deputy Jamie Ingham Clark (Chairman)	Tim Levene
Jeremy Mayhew (Deputy Chairman)	Oliver Lodge
Munsur Ali	Paul Martinelli
Rehana Ameer	Andrew McMurtrie
Randall Anderson	Deputy Robert Merrett
Nicholas Bensted-Smith	Hugh Morris
Deputy Roger Chadwick	Benjamin Murphy
Henry Colthurst	Susan Pearson
Graeme Doshi-Smith	William Pimlott
Alderman Emma Edhem	James de Sausmarez
Alderman Sir Peter Estlin	Deputy John Scott
Alderman Prem Goyal	Ian Seaton
Michael Hudson	Sir Michael Snyder
Alderman Robert Hughes-Penney	Deputy James Thomson
Deputy Wendy Hyde	Mark Wheatley
Deputy Clare James	Deputy Philip Woodhouse
Alderman Alastair King	Deputy Catherine McGuinness, Policy and Resources Committee (Ex-Officio Member)
Angus Knowles-Cutler	Sheriff Christopher Hayward, Policy and Resources Committee (Ex-Officio Member)
Gregory Lawrence	Deputy Tom Sleigh, Investment Committee (Ex-Officio Member)

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Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:

<https://youtu.be/8Q6T9ZYTU-w>

This meeting will be a virtual meeting and therefore will not take place in a physical location. Any views reached by the Committee today will have to be considered by the Chamberlain after the meeting in accordance with the Court of Common Council's Covid Approval Procedure who will make a formal decision having considered all relevant matters. This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court of Common Council's decision of 15th April 2021 to continue with virtual meetings and take formal decisions through a delegation to the Town Clerk and other officers nominated by him after the informal meeting has taken place and the will of the Committee is known in open session. Details of all decisions taken under the Covid Approval Procedure will be available on line via the City Corporation's webpages.

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes of the meeting held on 15th June 2021.

For Decision
(Pages 7 - 14)

4. **FINANCE COMMITTEE'S FORWARD PLAN**
Report of the Chamberlain.

(Pages 15 - 16)

5. **REPORT OF THE WORK OF THE SUB-COMMITTEES**
Report of the Town Clerk.

To Follow - several Sub-Committee meetings are taking place after the FC publication date.

For Information

6. **CAPITAL AND SUPPLEMENTARY REVENUE PROJECT OUTTURN 2020/21 FOR CITY FUND AND CITY'S CASH AND PRUDENTIAL INDICATORS**
Report of the Chamberlain.
- For Information**
(Pages 17 - 22)
7. **REVENUE OUTTURN 2020/21 - FINANCE COMMITTEE - OPERATIONAL SERVICES**
Report of The Chamberlain, The Town Clerk, The City Surveyor, The Remembrancer, The Executive Director of Mansion House and Old Bailey and The Director of Community and Children's Services.
- For Information**
(Pages 23 - 36)
8. **PROVISIONAL OUTTURN 2020/21**
Report of the Chamberlain.
- For Information**
(Pages 37 - 48)
9. **RISK MANAGEMENT - TOP RISKS**
Report of the Chamberlain.
- For Information**
(Pages 49 - 54)
10. **UPDATE ON BUDGET SETTING APPROACH FOR 2022/23**
Oral update of the Chamberlain.
- For Information**
11. **REVENUE BUDGET MONITORING TO JUNE 2021**
Report of the Chamberlain.
- For Information**
(Pages 55 - 64)
12. **BUSINESS PLAN UPDATE**
Report of the Chamberlain.
- For Information**
(Pages 65 - 72)
13. **CITY PROCUREMENT EFFICIENCY AND SAVINGS TARGET 2021/22**
Report of the Chief Operating Officer.
- For Information**
(Pages 73 - 74)

14. **GUILDHALL COMPLEX FLAGPOLE**
Joint Report of the City Surveyor and the Remembrancer.
- For Information**
(Pages 75 - 78)
15. **IT DIVISION QUARTERLY UPDATE**
Report of the Chief Operating Officer.
- For Information**
(Pages 79 - 84)
16. **CENTRAL CONTINGENCIES**
Report of the Chamberlain.
- For Information**
(Pages 85 - 88)
17. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
18. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
19. **EXCLUSION OF THE PUBLIC**
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.
- For Decision**

Part 2 - Non-Public Agenda

20. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 15th June 2021.
- For Decision**
(Pages 89 - 90)
21. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**
Report of the Town Clerk.
- To Follow - several Sub-Committee meetings are taking place after the FC publication date.*
- For Information**

22. **INCREASE IN CONTRACT VALUE FOR THE CENTRAL LONDON FORWARD (JETS) PROGRAMME**

Report of the Chamberlain.

For Decision
(Pages 91 - 96)

23. **CLOUD SERVICE PROVIDER (CSP) AWARD**

Report of the Chief Operating Officer.

For Decision
(Pages 97 - 106)

24. **ARREARS WRITE OFF – CITY’S ESTATE AND CITY FUND**

Report of the City Surveyor.

To Follow.

For Information

25. **NON PUBLIC APPENDICES TO CENTRAL CONTINGENCIES REPORT**

To be read in conjunction with ITEM 16 (Central Contingencies)

For Information
(Pages 107 - 110)

26. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

Report of the Town Clerk.

For Information
(Pages 111 - 116)

27. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

28. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

29. **CONFIDENTIAL MINUTES**

To agree the confidential minutes of the meeting held on 15th June 2021.

For Decision

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FINANCE COMMITTEE

Tuesday, 15 June 2021

Draft Minutes of the meeting of the Finance Committee held as a hybrid meeting on
Tuesday, 15 June 2021 at 1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)
Jeremy Mayhew (Deputy Chairman)
Munsur Ali
Randall Anderson
Nicholas Bensted-Smith
Henry Colthurst
Graeme Doshi-Smith
Alderman Prem Goyal
Michael Hudson
Alderman Robert Hughes-Penney
Deputy Wendy Hyde

Angus Knowles-Cutler
Paul Martinelli
Deputy Robert Merrett
Hugh Morris
Benjamin Murphy
Susan Pearson
James de Sausmarez
Deputy John Scott
Mark Wheatley
Deputy Philip Woodhouse
Catherine McGuinness (Ex-Officio
Member)
Sheriff Christopher Hayward (Ex-Officio
Member)

Officers:

John Cater	- Committee Clerk
Caroline Al-Beyerty	- Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Paul Double	- City Remembrancer
Paul Wilkinson	- City Surveyor
Nigel Lefton	- Remembrancer's Department
Charles Griffiths	- City of London School
Nicholas Richmond-Smith	- Chamberlain's Department
Paul Wright	- Remembrancer's Department
Sonia Virdee	- Chamberlain's Department
Sean Green	- Chamberlain's Department
Sanjay Odera	- Communications Department
Graeme Quarrington Page	- Chamberlain's Department
Alistair Cook	- Chamberlain's Department

1. APOLOGIES

Apologies for absence were received from Rehana Ameer, Alderman Sir Peter Estlin, Clare James, Alderman Alastair King, Andrew McMurtrie, Ian Seaton, and Deputy James Thomson.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes of the meeting held on 11th May 2021 be approved as an accurate record.

4. **FINANCE COMMITTEE'S FORWARD PLAN**

The Committee received a Report of the Chamberlain outlining the workplan for the next eight months.

A Member queried whether there should be a Capital Projects Update Report in February 2022, to continue the bimonthly frequency (updates are due in October and December 2021). The Chamberlain responded that whilst discussions around capital project spending for the 2022/23 financial year should be concluded by that point, Members would be kept updated as to the final outcomes.

A Member asked about the delay to the delivery time for the audit. The Chairman and the Chamberlain confirmed that the delays were caused by resourcing issues with our auditors; whilst this was clearly unsatisfactory, this was an industry wide problem and officers would continue in their efforts to seek a positive resolution.

RESOLVED – that the Committee noted the Report.

5. **APPOINTMENTS TO DIGITAL SERVICES SUB-COMMITTEE**

The Committee considered a Report of the Town Clerk concerning three appointments of Members of the Court of Common Council to serve on the Digital Services (Finance) Sub-Committee for the remainder of the 2021/22 municipal year.

RESOLVED – that the Committee approved the appointments of John Chapman, Andy Mayer, and James Tumbridge to the Digital Services Sub (Finance) Committee for the 2021/22 municipal year.

6. **REPORT OF THE WORK OF THE SUB-COMMITTEES**

The Committee considered a report of the Town Clerk which advised Members of the key discussions which had taken place during recent meetings of the Committee's Sub-Committees.

RESOLVED – that the Committee noted the report.

7. RISK MANAGEMENT - TOP RISKS

The Committee received a report of the Chamberlain which provided updates regarding the top risks within the Departmental Risk Register.

A Member asked whether the Corporation purchased insurance cover for cyber risks. The Chamberlain responded that she would return to the Committee with further details.

A Member asked if the medium-term financial outlook would be improved by the Corporation's decision to defer the Centre for Music. The Chamberlain responded that the Barbican renewal costs needed to be scoped out first before a definitive savings figure could be confirmed.

In response to a separate query, the Chamberlain confirmed that a consultation concerning Business Rates was expected in the autumn. It was anticipated that multiple options would be examined, and the Corporation would respond formally when the time came.

Business Rates was included as a main component with the wider MTFP Risk on the Departmental Register.

RESOLVED – that the Committee noted the Report.

8. CITY OF LONDON SCHOOL PILOT: PROCUREMENT EMPOWERMENT AND CHOICE (TARGET OPERATING MODEL)

The Committee considered a Report of the Chamberlain concerning the Target Operating Model pilot for the City of London School.

Several Members were of the view that the talent was available within the respective Bursar's offices of each of the independent schools to manage many of their own procurement needs and that, when they became involved, the central procurement team had, on several occasions, been ineffective in securing positive outcomes. The thresholds outlined in the Report were too low and Members queried whether these should be increased to provide more operational flexibility.

The Chamberlain responded that when it came to values exceeding £180,000, it was appropriate and optimal, in terms of securing value-for-money, to carry out a full tender (as opposed to seeking quotes) with the central procurement team co-ordinating the process.

The Assistant Director of Category Management & Sourcing in the central procurement team pointed out that, whilst he was disappointed when things go wrong, it should be stressed that the team had delivered significant commercial benefits overall during the past 12 months and he and his colleagues would be working closely with the schools and other institutions to ensure that communication lines were more effective in the future.

The Chairman proposed that the Committee should review how the pilot goes and come back in six months to see if the thresholds should be raised.

RESOLVED – that the Committee:

- Considered and approved that:

the authority to run non-works procurements up to £180k be devolved to the City of London School with the option of drawing on the central procurement team to advise and provide support to the procurement process where necessary;

Non-works procurements above £180k up to £300k, may also have more freedom over procurement process, depending on applicability of UK procurement regulation. Agreement on process and lead will be made between City Procurement and the School. The proposed procurement approach within the (£180-330K spend bracket) will be considered in a short options report (PT3, which is set out in Appendix 1) by the Chair of the relevant Category Board.

In line with the City Surveyor's Integrated Facilities Management model, in relation to core property services that are delivered from the centre, the School's specific requirements will be included in the specification for the CoL School LOT. The School will be consulted in choosing the supplier (i.e. for specialist services whether these should be delivered in-house or via external contracts) and the provider of core school services (e.g. cleaning, facilities, swimming pool maintenance, etc). This will be considered by the City Surveyor when making the decision on the supplier.

- Noted that a new regular report be prepared to provide an annual update of procurements to the Board of Governors of the City of London School and the Procurement Sub Committee.
- Noted that, if the pilot is considered a success, a further request will be made in future to apply this process to all relevant institutions and departments.

9. **MEMBER GOVERNANCE OF THE ERP PROJECT DELIVERY**

The Committee considered a Report of the Chamberlain concerning the Enterprise Resource Planning (ERP) Solution project.

RESOLVED – that the Committee approved the governance approach of the ERP Solution as outlined in the Report.

10. **LORD MAYOR'S SHOW**

The Committee considered a Report of the City Remembrancer concerning the Lord Mayor's Show.

A Member commended the work of the Remembrancer, the Chairman of the Committee, and others for their sterling work in delivering the Report.

Whilst welcoming the recommendations as positive practical steps, that should guarantee the long-term viability and success of the Lord Mayor's Show, he stressed that, given the cost and reputational risks that would now be involved, robust commercial business plans needed to be produced each year.

Members expressed their concern that the costs involved still had to, ultimately, be borne by the Corporation. The Departments that had previously contributed to these costs should not be allowed to bank these as savings as they were essentially shunted costs. The provision should instead be deleted from the respective department's budgets. The Chairman asked the Chamberlain to liaise with the respective chief officers to take this forward.

Separately, a Member pointed to the lack of provision for a reserve fund as being a significant risk. The Chairman responded that he would raise this at the next meeting of the Board of the Lord Mayor's Show Limited.

RESOLVED – that the Committee approved:

(a) In principle funding by means of an ongoing payment to the Lord Mayor's Show Limited to reflect services hitherto paid for from local risk budgets principally by the Department of the Built Environment, the Town Clerk (Communications) and the City Surveyor, in support of the Lord Mayor's Show, to be used exclusively to meet the costs of those services. For the 2021 Show, assuming it proceeds in its customary form, the total funding need in the current financial year would be approximately £210,000 and a payment of this amount would be made out of City's Cash Finance Contingency. If agreed in principle, a further report would be provided setting out the proposed payment mechanism for future years;

(b) In the exceptional circumstances of this year, underwriting of potential losses in the operation of this year's Show (and any losses from a future Show were they to arise), noting that surpluses in delivery of the Show in future years will be transferred by the Lord Mayor's Show Limited to the City Corporation once a reserve of approximately £30,000 is established; And

(c) The appointment of the Chairman of the Finance Committee to the Board of the Lord Mayor's Show Limited, the Board of the company and the General Purposes Committee of Aldermen having agreed the appointment, as a prerequisite for this Committee agreeing to the funding arrangement set out in this report.

11. **CENTRAL CONTINGENCIES**

The Committee received a Report of the Chamberlain which provided Members with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

RESOLVED – that the Committee noted the report.

12. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

The Committee considered a report of the Town Clerk which provided information of the action taken by the Town Clerk since the last meeting of the Committee, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order 41(b).

13. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

14. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

15. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

16. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

The non-public minutes of the meeting held on 11th May were approved as an accurate record.

17. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**

The Committee noted a report of the Town Clerk which advised Members of the key discussions which had taken place during non-public session at recent meetings of the Committee's Sub-Committees.

18. **CORPORATE WAN CONTRACT EXTENSION**

The Committee considered a Report of the Chamberlain concerning Corporation's Local Area Network (LAN) and Wide Area Network (WAN).

19. **ANNUAL WAIVER REPORT**

The Committee received a Report of the Chamberlain concerning non-compliant waivers over £50,000 for 2020/21 and an update on the Waiver Danger campaign.

20. **NON-PUBLIC APPENDIX TO ITEM 11 - CENTRAL CONTINGENCIES**

The Committee noted the non-public appendix to ITEM 11 (Central Contingencies).

21. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

The Committee noted a report of the Town Clerk detailing non-public decisions taken under urgency procedures since the last meeting.

22. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no non-public questions relating to the work of the Committee.

23. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There were no items of urgent business.

24. CHAMBERLAIN'S DEPARTMENT - TIER 2 STRUCTURE (TARGET OPERATING MODEL)

The Committee received a Report of the Chamberlain concerning the Chamberlain's Departmental Tier 2 Structure.

The meeting ended at 3.30 pm

Chairman

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FINANCE COMMITTEE – WORK PROGRAMME 2021 - changes from June 2021 iteration highlighted in yellow

	Jul-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Budget Setting Process & Medium-Term Financial Planning	Update on Budget setting approach for 22/23			The Finance Committee's Estimate Report	Capital Funding- Prioritisation of 2022/23 Annual Capital Bids Autumn Budget- local government		City Fund Budget Report & MTFP Strategy City's Cash Budget Report & MTFP Strategy BHE Budget Report & MTFP Strategy	
Effective Financial Management Arrangements for The City Corporation	Capital Outturn Report Q1 Budget monitoring Provisional outturn report	City Re Limited – Performance Monitoring Provision for Bad and Doubtful Debts	Q2 Budget monitoring Capital Projects- Forecasting		Capital Projects- Forecasting	Q3 Budget monitoring		
Financial Statements		City Fund and Pension fund financial statements – Audit completion <i>(Dependent on Audit delivery- risk flagged by BDO)</i>	Draft BHE Annual Report & Financial Statements Draft city fund and pension fund statement of accounts	City's Cash Financial Statements Open Spaces and sundry trust annual reports and financial statements				
Finance Committee as a Service Committee	Central Contingencies Risk Management - Monthly Report IT Division Q Update Business plan update	Central Contingencies Risk Management – Quarterly Report FSD Quarterly Update	Central Contingencies Risk Management - Monthly Report City Procurement Q Update Update on Supplier Diversity Action Plan Responsible Procurement Policy Commitments and high level action plan	Central Contingencies Risk Management - Monthly Report IT Division Q Update	Central Contingencies Risk Management – Quarterly Report FSD Quarterly Update CHB 22-23 Business Plan	Central Contingencies Risk Management - Monthly Report City Procurement Q Update	Central Contingencies Risk Management – Quarterly Report IT Division Q Update	Central Contingencies Risk Management - Monthly Report FSD Quarterly Update

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Committee(s): Finance Committee	Date(s): 20 July 2021
Subject: Capital and Supplementary Revenue Project Outturn 2020/21 for City Fund and City's Cash and Prudential Indicators	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	Capital and SRP projects impact across most areas of service delivery and property investment
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For Information
Report author: Dianne Merrifield, Group Accountant	

Summary

This report provides a summary of the 2020/21 outturn for Capital and Supplementary Revenue Projects (SRPs) for City Fund and City's Cash, together with the Prudential Indicators for the City Fund. In accordance with changes arising from the governance review, the Bridge House Estates figures have been excluded and will be reported direct to the Bridge House Board.

Actual capital and SRP expenditure in 2020/21 amounted to £153.7m, a net £107.8m less than the approved programmes of £261.5m. This reduction was largely due to the rephasing of expenditure to later years.

The Resource Allocation Sub Committee has agreed financial disciplines which include that central project funding may be withdrawn for schemes that slip by more than one year. A review is underway to identify any centrally funded schemes that are not progressing with a view to reallocating the funding to higher priority projects - to be brought to members after the recess.

The CIPFA Prudential Code provides the statutory framework for ensuring that capital expenditure is affordable, prudent and sustainable and requires the calculation of certain prudential indicators in respect of City Fund *capital* activities *only*. The 2020/21

actual indicators, drawn from the end of year balance sheet, highlight that the City Fund held no external debt as at 31 March 2021.

Recommendation

Members are asked to note the contents of this report.

Main Report

Background

1. In March each year, the Court of Common Council approves the Capital and SRP programmes as part of the annual budget setting process.
2. Chief Officers, in liaison with the Town Clerk's Programme Office, provide regular reports on the progress of individual schemes against milestones.
3. Capital expenditure generally results in an increase in asset values and typically relates to acquisitions/new build and enhancements, whereas supplementary revenue projects are one-off items which do not fulfil the capital criteria e.g. feasibility and option appraisal costs, major cyclical repairs and maintenance.
4. The Court of Common Council has delegated to the Chamberlain authority to determine the methods of financing capital and supplementary revenue project expenditure. In making such decisions consideration is taken of the strategic and tactical interests of the three funds.
5. The purpose of this report is to provide a summary of the 2020/21 actual expenditure for City Fund and City's Cash against the programmes approved by the Court of Common Council in March and to set out the actual Prudential Indicators for the City Fund.

2020/21 Outturn

6. Significant items of Capital and Supplementary Revenue Project expenditure in 2020/21 include investment property acquisitions and refurbishments, continued progression of the major projects and expenditure on operational assets including highways and public realm improvements, HRA cyclical works and new construction, Police IT and decant accommodation, enhancements to the Central Criminal Court and the final stages of the Freeman's School Main House refurbishment works.
7. The total expenditure incurred in 2020/21 was £153.7m which was £107.8m less than the approved capital and SRP programmes of £261.5m. A breakdown of expenditure analysed by fund is set out below:

2020/21	Actual Capital and Supplementary Revenue Project Expenditure and Financing					
		City Fund	City's Cash	Total	March 2021 Approved	Variation
		£m	£m	£m	£m	£m
Capital/SRP Expenditure						
	Investment Property	2.1	28.7	30.8	39.2	- 8.4
	Major Projects	21.0	32.7	53.7	113.0	- 59.3
	Operational	50.8	18.4	69.2	109.3	- 40.1
		73.9	79.8	153.7	261.5	- 107.8
Funded by						
	External Grants and Contributions	19.5	1.0	20.5	42.1	- 21.6
	Internal Resources	54.4	78.8	133.2	219.4	- 86.2
		73.9	79.8	153.7	261.5	- 107.8
March 2021 Approved		127.3	134.2	261.5		
Variation		- 53.4	- 54.4	- 107.8		

8. The following table analyses the variations between the approved capital/ SRP programmes and actual expenditures, together with the resulting impact on financing in 2020/21.

Analysis of Variations				
		City Fund	City's Cash	Total
		£m	£m	£m
Expenditure Variations				
	Net Rephasing of Expenditure to later years	- 48.7	- 54.2	- 102.9
	Net Savings	- 4.7	- 0.2	- 4.9
		- 53.4	- 54.4	- 107.8
Impact of Variations on Financing				
	External contributions	- 22.3	0.7	- 21.6
	Internal Resources	- 31.1	- 55.1	- 86.2
		- 53.4	- 54.4	- 107.8

The net underspend of £107.8m is largely comprised of deferred expenditure of £102.9m, together with net savings of £4.9m.

9. This magnitude of deferred expenditure is unusually high (39% compared with a more typical level of 15% in recent years). The major projects have been subject to delays which account for a significant proportion of the underspend (£59.3m or 22%). The ongoing nature of the pandemic has also caused delays to project programmes, although this cannot be easily quantified.
10. The deferred expenditure of £102.9m relates mainly to the following areas:

Major Projects – 59.3m
Highways and public realm - £9.3m
Investment property - £8.3m
Housing schemes - £15.6m
Police schemes - £4.9m
Freemen's School Masterplan - £3.9m

It should be noted that such deferred expenditure impacts on cash flows but does not reduce the overall cost or funding requirement.

11. The Resource Allocation Sub Committee has agreed financial disciplines which include that central project funding may be withdrawn for schemes that slip by more than one year. A review is underway to identify any centrally funded schemes that are not progressing with a view to reallocating funding to higher priority projects - to be brought to members after the recess.
12. The net savings of £4.9m relate mainly to HRA schemes. Of the £4.9m, £4.4m was to be funded from external contributions and £0.5m from internal sources.

Prudential Indicators

13. The CIPFA Prudential Code provides a framework for ensuring that capital expenditure and financing (in particular borrowing) is affordable, prudent and sustainable, and requires the calculation and monitoring of certain prudential indicators in respect of City Fund capital activities.
14. In addition to setting indicators for the forthcoming year during each budget cycle, the Code requires authorities to calculate certain indicators drawn from the end of year balance sheet. The appendix contains the actual indicators for 2020/21, including commentaries which highlight, in particular, that there was no underlying need to borrow externally.
15. The City Fund total expenditure figures used for the indicators vary from the figures in the tables above as the indicators relate only to capital, not supplementary revenue expenditure.
16. In the context of borrowing, it should also be noted that City's Cash has previously drawn down a loan of £250m to support 'green' spend on major projects.

Appendix: 2020/21 Actual Prudential Indicators

Dianne Merrifield
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PRUDENTIAL INDICATORS - 2020/21 OUTTURN

The tables below detail the four **Actual** prudential indicators applicable to 2020/21 which have been derived from the 2020/21 City Fund draft published accounts. These 'actual' indicators have been compared to the appropriate estimate indicators. The **Original** estimate indicators were prepared in February 2020 at the time of setting the 2020/21 budget and the **Revised** estimate indicators were prepared to inform the setting of the 2021/22 budget in February 2021.

1. Actual capital expenditure 2020/21

	HRA	Non-HRA	Total
Estimate of capital expenditure (Original)	£48.741 m	£102.03 m	£150.767 m
Estimate of capital expenditure (Revised)	£30.874 m	£93.04 m	£123.915 m
Actual Capital Expenditure	£13.233 m	£48.524 m	£61.757 m

The variation between the revised and actual indicators is mainly due to capital projects deferred to later years.

2. Actual capital financing requirement 2020/21

	HRA	Non-HRA	Total
Estimate of Capital Financing Requirement (Original)	£22,000 m	£56,458 m	£78,458 m
Estimate of Capital Financing Requirement (Revised)	£0.000 m	£64.877 m	£64.877 m
Actual Capital Financing Requirement	£0.000 m	£53.455 m	£53.455 m

The capital financing requirement (CFR) is an indicator of the underlying need to borrow, including 'internal borrowing'. The majority of the CFR relates to internal borrowing reflecting the use of cash received from the sale of long leases (treated as deferred income in accordance with accounting standards) to finance capital expenditure. The reductions against the original and revised estimates are reflective of slippage in the capital programme.

The zero CFR for the HRA reflects its current debt-free status, pending further planned borrowing to fund the decent homes improvement programme. The borrowing assumed in the original estimate was not required due to slippage in the HRA capital programme.

The method of calculating the HRA and non-HRA elements is prescribed under statute, with the overall figures derived directly from the balance sheet.

3. Actual External Debt as at 31.03.2021

	Borrowing	Other Long Term Liabilities	Total
Actual External Debt	£0	£0	£0

The City Fund currently remains free of external debt.

4. Actual Ratio of Financing Costs to Net Revenue Stream 2020/21

	HRA	Non-HRA	Total
Ratio of Financing Costs to Net Revenue Stream (Original)	0.43	-0.42	-0.30
Ratio of Financing Costs to Net Revenue Stream (Revised)	0.24	-0.30	-0.26
Actual Ratio of Financing Costs to Net Revenue Stream	0.25	-0.35	-0.30

This ratio aims to demonstrate the extent to which the net revenue consequences of capital finance and borrowing impact on the net revenue stream.

The actual HRA ratio *currently* represents the revenue contribution to capital financing as a proportion of the HRA revenue streams. The minimum amount of the contribution (via the Major Repairs Reserve) is set via legislation to equate to the depreciation charge. The original estimate was significantly higher than the actual as it assumed the need for additional funding through borrowing which was not required due to slippage in the HRA capital programme.

The City Fund is a net lender in its treasury operations and is in receipt of significant rental income from investment properties and therefore the Non-HRA and Total ratios are negative. The increase over the estimate arises from a combination of higher than anticipated income and lower than expected revenue expenditure.

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Agenda Item 7

Committee	Dated: 20 July 2021
Finance Committee	
Subject: Revenue Outturn 2020/21 – Finance Committee Operational Services	Public
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain The Town Clerk The City Surveyor The Remembrancer The Executive Director of Mansion House and Old Bailey Director of Community and Children's Services	For Information
Report author: Steven Reynolds, Group Accountant, Chamberlain's Department Jade Ighodalo, Senior Accountant, Chamberlain's Department	

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2020/21 with the final budget for the year. It also details the carry forward requests which have now been approved.

Overall total net expenditure on the operational services overseen by your Committee was £68m, representing an underspend of £3.6m compared to the final budget of £71.7m as set out in the table below.

Summary comparison of 2020-21 Revenue Outturn with Final Budget				
	Original Budget	Final Budget	Revenue Outturn	Variation Better / (Worse)
	£000	£000	£000	£000
Direct Net Expenditure				
The Chamberlain	(37,477)	(39,333)	(38,098)	1,235
The Town Clerk	1,040	(460)	(176)	284
The City Surveyor (excl. Cyclical Works Programme)	(14,862)	(15,549)	(14,527)	1,022
The Remembrancer	88	(997)	(895)	102
The Executive Director Mansion House and Old Bailey	(2,114)	(2,145)	(2,207)	(62)
Director of Community and Children's Services	(59)	(59)	(63)	(4)
Cyclical Works Programme	(6,364)	(4,031)	(2,523)	1,508
Total Direct Net Expenditure	(59,748)	(62,574)	(58,489)	4,085
Capital and Support Services	(9,722)	(9,087)	(9,591)	(504)
Total Net Expenditure	(69,470)	(71,661)	(68,080)	3,581

Expenditure and unfavourable variances are presented in brackets.

The 2020/21 final budget totals net expenditure of £71.7m, which is an increase of £2.2m (3.2%), compared with the original budget of £69.5m. The increase is analysed at Appendix 1, which shows the main variations relate to timing in Supplementary Revenue Projects £3m; £1.2m COVID-19 impacts in revised budgets, including contingency allocation for move to remote working IT expenses; Court approved uplifts of £0.7m for early retirement and pay increases; and £0.5m for Citizen tariff settlement. Partly offset by changes in the timing of the cyclical repairs and maintenance programme amounting to £2.3m; net movement in support services and capital charges of £0.6m; and an increase in Government grant income of £0.3m.

The overall outturn underspend of £3.6m comprises variations across several services which are detailed in paragraphs 2 to 5 in this report. The main variations are:

- Chamberlain's - decreased net expenditure of £1.2m – largely due to additional income from the New Burdens Grant £0.2m and contract savings £0.4m, plus an underspend of £0.16m from IT projects delayed as a result of Covid-19 (approved carry forward - 21/22).
- Town Clerk – £0.28m decrease in net expenditure largely due to no functions taking place in the year as a result of Covid-19; and
- City Surveyor - decreased net expenditure of £1.022m – mainly due to Covid-19 measures in place such as reduced expenditure as a consequence of working from home - £0.7m, plus £0.3m underspend at Walbrook Wharf as rates for the offices are now met by the Third Party occupant.

Agreed carry forward requests amount to £0.803m and are detailed at Appendix 2. Of these approvals £0.425m are for the Chamberlain's department and relate to funding for the ERP system, pump priming for IT fundamental review proposals and other transformation projects across the City. £0.320m relates to City Surveyor's department to finance additional spend required for Covid-19 compliance purposes in advance of staff returning to the Guildhall Complex.

Appendix 3 provides a detailed comparison of the local risk outturn against the final budget for each Chief Officer broken down by Division of Service and includes explanations of significant variations.

Recommendations

Members are asked to note the:

- revenue outturn for 2020/21 showing an overall favourable variance to final budget of £3.581m; and
- approved carry forwards of local and central risk underspends of £0.803m to 2021/22.

Main Report

Budget Position for 2020/21

1. The 2020/21 original budget for the services overseen by your Committee was £69.470m. This has subsequently been increased to a final budget of £71.661m. The increase of £2.191m is summarised below and by Chief Officer at Appendix 1.

Summary of Movements from 2020-21 Original Budget to 2020-21 Final Budget	Net £000
Original Budget 2020/21	(69,470)
Supplementary Revenue Projects, Transformation Fund budgets and budget adjustments	(3,112)
Realignment of budget £1.084m to reflect the impact of Covid-19 on income generation and HMCTS recharge adjustment (£180k) and Mercers adjustment relating to Gresham £1k	(905)
Court approved uplifts for LGPS, pay and early retirement costs	(728)
Contingency budget allocation to IT £188k and Surveyor's re Citigen tariff settlement £460k	(648)
Net increase in corporate security and cleaning contract	(68)
Changes in the timing of cyclical repairs and maintenance works programme	2,333
Net movement in support services and capital charges	562
Increase in Government Grant income	293
London Counter Fraud Hub budget refund £70k and net carry forwards from 2019/20	82
Final Budget 2020/21	(71,661)

Expenditure and unfavourable variances are presented in brackets.

Revenue Outturn for 2020/21

2. Actual net expenditure for the operational services overseen by your Committee totalled £68.080m, a favourable variance of £3.581m compared to the final budget of £71.661m. A summary comparison with the final budget is shown below.

Summary comparison of 2020-21 Revenue Outturn with Final Budget				
	Final Budget £000	Revenue Outturn £000	Variation Better / (Worse) £000	Notes at para.
Local Risk				
The Chamberlain	(24,293)	(23,573)	720	3i
The Town Clerk	(38)	(36)	2	
The City Surveyor (excl. Cyclical Works Programme)	(9,513)	(9,224)	289	3ii
The Remembrancer	(811)	(807)	4	
The Executive Director Mansion House & Old Bailey	(1,339)	(1,756)	(417)	3iii
Total Local Risk	(35,994)	(35,396)	598	
Central Risk				
The Chamberlain	(15,040)	(14,525)	515	4i
The Town Clerk	(422)	(140)	282	4ii
The City Surveyor	(6,036)	(5,303)	733	4iii
The Remembrancer	(186)	(88)	98	4iv
The Executive Director Mansion House & Old Bailey	(806)	(451)	355	4v
Director of Community and Children's Services	(59)	(63)	(4)	
Total Central Risk	(22,549)	(20,570)	1,979	
Cyclical Works Programme	(4,031)	(2,523)	1,508	5
Capital and Support Services	(9,087)	(9,591)	(504)	
Committee Total	(71,661)	(68,080)	3,581	

Expenditure and unfavourable variances are presented in brackets.

3. The main local risk variations comprise:

i. Chamberlain £720,000 underspend

- £520,000 underspend in Cost of Collection being additional income of £206,000 in New Burdens Grant Funding for administering the Covid-19 Business Support Grants, £101,000 from the Greater London Authority which supports a Business Rates maximisation project and £235,000 Capital Cloud savings as a result of lower termination fees to Agilisys than initially estimated. £157,000 has been approved to be carried forward to finance part of the New Financial System and ERP project.
- an underspend across IT services of £162,000 largely due to various projects being delayed due to Covid-19, £160,000 of this underspend will be carried forward to 2021/22.
- £108,000 underspend in Internal Audit being a reduction in fees and services expenditure of £116,000 due to the reduced use of a third-party partner provider;
- £80,000 underspend in City Procurement mainly due to a reduction in internal legal fees of £54,000 and additional income of £30,000 from a volume rebate on an early payment scheme relating to a corporate supplier.
- £56,000 underspend in Chamberlain's Business Support mainly due to a reduction in staff training costs, equipment and stationery; these are offset by

- £136,000 overspend in Chamberlain's General which is mainly due to consultant fees for a Strategic Finance Adviser and
- £70,000 overspend in Chamberlain's court largely due to a reduction in income of £113,000 as a result of fewer physical Freedom ceremonies taking place and therefore reduced merchandise sales as a result of Covid-19, this is partly offset by net savings on staff costs of £26,000.

ii. **City Surveyor £289,000 underspend**

- £608,000 underspend on overtime costs as due to Covid-19 no events took place therefore no overtime costs were incurred;
- £338,000 reduction in premises related expenditure including energy and cleaning as a result of the reduced occupancy at Guildhall throughout the year; partly offset by
- £546,000 overspend on the purchase and installation of new technology to support new ways of working when staff return to the office; and £143,000 reduction in income from no events taking place. £25,000 has been approved to be carried forward to finance additional spend required for Covid-19 compliance purposes in advance of staff returning to the Guildhall Complex including additional lockers.

iii. **Executive Director Mansion House and Old Bailey £417,000 overspend**

- overspend of £257,000 on temporary cleaning staff, overtime and equipment to ensure the Central Criminal Court remained operational and Covid-19 safe throughout the year.
- £160,000 overspend carried forward from 2019/20 at Central Criminal Court.
- £149,000 overspend on security at the Mansion House being the requirement over and above the corporate contract.
- loss of £141,000 commission from the catering company at Mansion House as no events took place during the year; this is partly offset by
- net reduction of £131,000 on energy, premises related and, supplies and services costs at Mansion House due to the significantly reduced occupancy during the year, and
- additional income of £117,000 being the balancing charge to Her Majesty's Courts and Tribunal Service and higher than anticipated film income and
- a net reduction of £32,000 in the City Surveyor's cleaning contract at Mansion House.
- Note, given the impact of the pandemic the Chamberlain in consultation with the Chair and Deputy Chairman of the Resource Allocation Sub Committee agreed, on 28th June, not to carry forward the overspend into 2021/22 for this department.

4. The main central risk variations comprise:

i. **Chamberlain £515,000 underspend**

- a net reduction in insurance premiums and claims - £200,000, and an increase of £200,000 in the dividend from City RE the City's wholly owned subsidiary company;
- the cost of the Council Tax Reduction scheme being £64,000 less than budgeted due to a lower number of claimants and £50,000 additional income received from National non-domestic rates cost of collection allowance; and

- an underspend of £81,000 on the Transformation Fund E-invoicing project which was not able to proceed due to Covid-19 and a net £18,000 underspend on the Transformation Fund for Power Purchase Agreement consultants, both has been approved to be carried forward to 2021/22.
- ii. **Town Clerk £282,000 underspend** largely due to no functions taking place during the year as a result of Covid-19.
 - iii. **City Surveyor £733,000 underspend**
 - reduction in spend of £337,000 largely due to 20/21 Aldermanbury being rate exempt as it is currently vacant and is a listed building;
 - £319,000 underspend at Walbrook Wharf due to rates for the offices now being met by the Third Party occupant; and
 - £65,000 reduction in catering costs at the Guildhall due to Covid-19 the restaurant was closed and the contract was terminated. £295,000 has been approved to be carried forward to 2021/22 to fund expenditure required at Guildhall office workspace to meet Covid-19 guidance.
 - iv **Remembrancer £98,000 underspend** due to no events taking in place.
 - v **Executive Director Mansion House and Old Bailey £355,000 underspend**
 - recovery of costs from Her Majesty's Courts and Tribunal Services of £203k;
 - £124k - only required to meet the cost of two Judges pensions as opposed to three;
 - underspend of £58,000 being costs related to the balcony furniture and storage for the Lord Mayor's Show. As the Lord Mayor Show did not take place in 2020 this budget was not required – This sum has been approved to be carried forward to 2021/22 to provide assistance to the Lord Mayor's Show Limited.
5. **Cyclical Works Programme £1,508,000 underspend**
 - underspend of £1.029m on Guildhall repairs and maintenance due to the pandemic – the City Surveyor is reviewing the future work programme to ensure optimum delivery of priority works over a deliverable timeframe; and
 - an underspend of £0.470m at Mansion House due to a reduction in reactive expenditure and smoothing of the CWP Programme.
 6. Appendix 3 provides a more detailed comparison of the local risk outturn against the final budget, including explanation of significant variations.

Carry Forwards to 2021/22

7. Chief Officers can request underspends of up to 10% or £500,000 of their local risk budgets, whichever is the lesser (£1m for the City Surveyor and the Chamberlain and Director of IT may each carry forward a maximum of £500k), to be carried forward so long as the underspends 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.

8. Local risk carry forwards of £317,000 have been approved for the Chamberlain and £25,000 have been approved for the City Surveyor. Central risk carry forwards of £108,000 have been approved for the Chamberlain, £295,000 for City Surveyor and £58,000 for the Executive Director of Mansion House and Old Bailey. These carry forwards amounting to £803,000 have been added to the budgets for 2021/22. Details of the use of the carry forwards are set out in Appendix 2.

Appendices:

Appendix 1 – Analysis of Movements from 2020/21 Original Budget to 2020/21 Final Budget

Appendix 2 – Agreed Carry Forwards to 2021/22

Appendix 3 – Comparison of 2020-21 Revenue Outturn with the Final Budget for Local Risk

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Finance Committee Operational Services
Analysis of Movements from 2020/21 Original Budget to 2020/21 Final Budget

Local Risk Budget Movements by Chief Officer	£000
Original Local Risk Budget (Chamberlain)	(23,994)
Covid-19 Contingency budget allocation	(188)
Local Risk carry forward from underspend in 2019/20	(141)
Net movements including contribution pay, Covid-19 pay, apprentice funding and other minor changes	(40)
London Counter fraud hub budget refund	70
Final Local Risk Budget (Chamberlain)	(24,293)
Original Local Risk Budget (Town Clerk)	(38)
Final Local Risk Budget (Town Clerk)	(38)
Original Local Risk Budget (City Surveyor – excl. Cyclical Works Programme)	(9,690)
Overspend carried forward from 2019/20	199
Net energy increases	(20)
Contribution pay	(2)
Final Local Risk Budget (City Surveyor)	(9,513)
Original Local Risk Budget (Remembrancer)	274
Realignment of local risk budget due to impact of Covid-19	(1,084)
Contribution pay	(1)
Final Local Risk Budget (Remembrancer)	(811)
Original Local Risk Budget (Executive Director Mansion House and Old Bailey – excl. Cyclical Works Programme)	(1,398)
Overspend carried forward from 2019/20	160
Net increase in corporate security and cleaning contract	(68)
Contribution pay and Covid-19 payments	(33)
Final Local Risk Budget (Executive Director Mansion House and Old Bailey)	(1,339)
Original Budget Cyclical Works Programme	(6,364)
Net movement in Cyclical Works Programme	2,333
Final Budget Cyclical Works Programme	(4,031)
Total Local Risk Final Budget	(40,025)

Analysis of Movements from 2020/21 Original Budget to 2020/21 Final Budget (continued)

Central Risk Budget Movements by Chief Officer	£000
Original Central Risk Budget (Chamberlain)	(13,483)
Increase in Supplementary Revenue Projects	(1,146)
Corporate funding for redundancy costs	(443)
City Procurement and IT carry forward from 2019/20 - Transformation Fund and E invoicing scan and capture	(206)
Internal Responsible Business Strategy Position budget	(54)
Revised estimate provided by the Mercer's Company in relation to Gresham	(1)
Increase in Government Grant	293
Final Central Risk Budget (Chamberlain)	(15,040)
Original Central Risk Budget (Town Clerk)	1,078
Change in savings to be applied	(1,500)
Final Central Risk Budget (Town Clerk)	(422)
Original Central Risk Budget (City Surveyor)	(5,172)
Citigen Tariff settlement	(460)
Increase in Supplementary Revenue Projects	(225)
Transformation Fund Budget for off site delivery hub	(123)
Corporate funding for redundancy costs	(56)
Final Central Risk Budget (City Surveyor)	(6,036)
Original Central Risk Budget (Remembrancer)	(186)
Final Central Risk Budget (Remembrancer)	(186)
Original Central Risk Budget (Executive Director Mansion House and Old Bailey)	(716)
New Recorder's LGPS cost	(82)
Increase in Capital charges	(73)
Increase in Supplementary Revenue Projects budget for the Central Criminal Court	(64)
Corporate funding for redundancy costs	(51)
Budget adjusted to reflect the proportion of recharges chargeable to HMCTS	180
Final Central Risk Budget (Executive Director Mansion House and Old Bailey)	(806)
Original Central Risk Budget (Director of Community and Children's Services)	(59)
Final Central Risk Budget (Director of Community and Children's Services)	(59)
Total Central Risk Final Budget	(22,549)
Original Capital and Support Services Budget	(9,722)
Net movement in central recharges	635
Final Capital and Support Services Budget	(9,087)
TOTAL 2020/21 ORIGINAL BUDGET	(69,470)
MOVEMENT	(2,191)
TOTAL 2020/21 FINAL BUDGET	(71,661)

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

**Finance Committee Operational Services
Agreed Carry Forwards to 2021/22**

Local Risk Carry Forwards by Chief Officer	£000
<u>The Chamberlain (Guildhall Admin)</u> Fundamental Review Projects 2020/21 Delays due to COVID presenting other priorities for the IT team. The delayed projects include : Unified Service Desk/Removal of Unnecessary Storage Hardware & Software Licences. New Financial System and ERP Project.	 50 110 157
Total Chamberlain (Local Risk)	317
<u>The City Surveyor</u> Additional spend required for Covid-19 compliance purposes in advance of staff returning to the Guildhall Complex including additional lockers.	 25
Total City Surveyor (Local Risk)	25
Total Local Risk Carry Forwards	342
Central Risk Carry Forwards by Chief Officer	£000
<u>The Chamberlain (Guildhall Admin)</u> Procurement – E-invoicing scan and capture Procurement – Power Purchase Agreement specification for off-site renewable energy IT – Information Management Consultancy	 81 18 9
Total Chamberlain (Central Risk)	108
<u>The City Surveyor</u> Funding required at Guildhall Office workspace to meet Covid-19 guidance and to target areas/departments that require additional workspace.	 295
Total City Surveyor (Central Risk)	295
<u>Executive Director Mansion House and Old Bailey</u> Budget not required for Mansion House balcony furniture and storage costs for Lord Mayor's Show which did not take place in 2020. This is being requested as a carry forward to contribute towards any deficit sustained by Lord Mayor's Show Limited for the 2021 Show.	 58
Total Executive Director Mansion House and Old Bailey (Central Risk)	58
Total Central Risk Carry Forwards	461
TOTAL APPROVED CARRY FORWARDS	803

Finance Committee Operational Services
Comparison of 2020/21 Revenue Outturn with Final Budget for Local Risk

Comparison of 2020-21 Revenue Outturn with Final Budget				
Local Risk	Final Budget £000	Revenue Outturn £000	Variation Better / (Worse) £000	Notes
By Chief Officer				
Local Risk				
The Chamberlain	(24,293)	(23,573)	720	
The Town Clerk	(38)	(36)	2	
The City Surveyor	(9,513)	(9,224)	289	
The Remembrancer	(811)	(807)	4	
The Executive Director Mansion House and Old Bailey	(1,339)	(1,756)	(417)	
Cyclical Works Programme	(4,031)	(2,523)	1,508	
Total Local Risk	(40,025)	(37,919)	2,106	
By Division of Service				
<u>The Chamberlain</u>				
Chamberlain's - General	(7,570)	(7,706)	(136)	i
Chamberlain's - Internal Audit	(863)	(755)	108	ii
Chamberlain's - Business Support	(758)	(702)	56	iii
Chamberlain's - City Procurement	(2,654)	(2,574)	80	iv
Chamberlain's - IT	(10,602)	(10,440)	162	v
Chamberlain's Court	(99)	(169)	(70)	vi
Cost of Collection	(1,747)	(1,227)	520	vii
<u>The Town Clerk</u>				
Corporate Services - Town Clerk	(38)	(36)	2	
<u>The Executive Director Mansion House and Old Bailey</u>				
Central Criminal Court	(293)	(556)	(263)	viii
Shrieval Support	(270)	(224)	46	
Mansion House Premises	(776)	(976)	(200)	ix
<u>The City Surveyor</u>				
Mayor's Court	(23)	(32)	(9)	
Walbrook Wharf	(1,003)	(988)	15	
Guildhall Complex - City Surveyor	(8,487)	(8,204)	283	x
<u>The Remembrancer</u>				
Guildhall Complex - Remembrancer	(811)	(807)	4	
Cyclical Works Programme	(4,031)	(2,523)	1,508	xi
Division of Service Totals	(40,025)	(37,919)	2,106	

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

The local risk favourable variance of £2,106,000 against the final budget comprises of:

- i. **Chamberlain's General £136,000 overspend** – largely relates to additional fees of £166,000 towards consultant fees for software changes and tax advice for Members Financial Compensation Scheme and £134,000 for two temporary Strategic Financial Analysts to cover essential remodelling work for Major Projects, this includes costs of introducing further software changes to automate notifications to pension schemes of changes to pay, partly offset by £81,000 vacancies across Financial Services Division and additional LG Futures income of £68,000.
- ii. **Chamberlain's Internal Audit £108,000 underspend** – largely relates to a reduction in fees and services expenditure of £116,000 being a reduction in the use of a third party partner provider;
- iii. **Chamberlain's Business Support £56,000 underspend** – largely relates to underspends across a number of supplies and services headings including equipment, stationery and postage due to Covid-19 and the office being closed.
- iv. **Chamberlain's City Procurement £80,000 underspend** – relates to a reduction in internal legal fees of £54,000 and additional income of £30,000 from a volume rebate on an early payment scheme relating to a corporate supplier.
- v. **Chamberlain's IT £162,000 underspend** – largely due to various project delays due to Covid-19, £160,000 of this underspend has been approved to be carried forward to 2021/22.
- vi. **Chamberlain's Court £70,000 overspend** – largely due to a reduction in income of £113,000 due to Covid-19 and the impact on the number of physical Freedom ceremonies able to be held and associated income generated via the shop sales and spend on a system upgrade of £20,000; this was partly offset by net savings on staff costs of £26,000 due to a staff retirement, a reduction of £12,000 on Freedom expenses and £25,000 Furlough funding for staff by the Government.
- vii. **Cost of Collection £520,000 underspend** – additional income of £206,000 in New Burdens Grant Funding for administering the Covid Business Support Grants, £101,000 from the Greater London Authority which supports a Business Rates maximisation project and £235,000 Capital Cloud savings as a result of lower termination fees to Agilisys than initially estimated; this is offset by an upgrade made to the Northgate Document Management System totalling £15,000, which is aimed at improving process efficiencies. £157,000 has been approved to be carried forward to finance part of the New Financial System and ERP project.
- viii. **Central Criminal Court £263,000 overspend** – primarily due to:
 - additional costs of £205,000 incurred on temporary cleaning staff and overtime costs to ensure that the Court remained open and operational during the year.
 - £160,000 overspend carried forward from 2019/20;

- £52,000 additional equipment purchased to ensure the Court remained Covid safe and compliant; this is partly offset by
 - higher than budgeted recovery of costs from Her Majesty's Court and Tribunals Services of £63,000 and additional film income of £54,000
- ix. **Mansion House Premises £200,000 overspend** – due to increased security requirements of £149,000 over and above the corporate contract, loss of commission of £141,000 from the catering company as no events were held at Mansion House during the year; partly offset by a reduction of £59,000 in energy costs and £35,000 in cleaning costs due to the reduced occupancy level throughout the year.
- x. **Guildhall Complex City Surveyor £283,000 underspend** – due to a decrease in employee overtime costs of £608,000 as due to Covid-19 no events took place, and a reduction in premises related expenditure of £338,000 including energy and cleaning as a result of the reduced occupancy throughout the year. This was partly offset by an increase in supplies and services of £546,000 due to the purchase and installation of new technology equipment to ensure the Guildhall is adequately and suitably equipped for the new ways of working when staff return to the office, and a reduction in income of £143,000 as due to no events taking place, there was no ability to recover any overtime costs. £25,000 has been approved to be carried forward to finance additional spend required for Covid-19 compliance purposes in advance of staff returning to the Guildhall Complex including additional lockers.
- xi. **Cyclical Works Programme £1,508,000 underspend** – an underspend of £1.029m at the Guildhall, £470,000 at Mansion House and £180,000 at Walbrook Wharf due to a reduction in reactive expenditure and the rephasing/smoothing of the CWP programme due to the economic impact of Covid-19 and subsequent reduced income generation; this is partly offset by an overspend of £172,000 at Central Criminal Court due to three projects being completed ahead of schedule.

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Committee(s): Finance Committee	Date(s): 20 July 2021
Subject: Provisional Outturn 2020-21	Public
Report of: The Chamberlain	For Information
Report author: Ken Rogers – Senior Accountant	

Summary

The 2020-21 provisional net expenditure outturn position of £195.4.0m represents a better than budget position of £26.8m comprising £17.2m City Fund, £9.6m City's Cash. The outturn for Bridge House Estates is now reported, under the new governance arrangements, to the Bridge House Estate Board. Further detailed analyses and explanations will be included in revenue outturns to the relevant service committees.

Of the £26.8m for all two funds, some £2.1m relates to timing differences – mainly the costs of Cyclical Works Programme (CWP) that have been re-phased to later years. Carry forward requests totalling £9.1m have been approved by the Chair and Deputy Chairman of the Resource Allocation Sub Committee on 28th June, including £2.7m on the Finance and Policy & Resources Committees contingencies, £1.7m Local Risk and £4.7m Central Risk. The final benefit to reserves will therefore be the £15.6m balance.

During 2020-21, the impact of COVID-19 saw significant pressures on the City Corporation's budgets. It was therefore agreed by the Court of Common Council to adopt a revised budget in December 2020. Total agreed budget adjustments of £46.3m across City Fund and City Cash were incorporated into the budget, reflecting changes agreed as part of the financial pressures in response to COVID-19.

The 2020-21 provisional outturn position shows continued caution being exercised in the budget setting and forecasting of some income budgets, several of which were heavily impacted by the second lockdown due to COVID-19. Only two departments had an end of year local risk overspend position – Barbican and Mansion House & Central Criminal Court, mainly as a consequence of COVID-19. Finance Regulations state that Chief Officer overspends are to be carried forward (excluding those departments with special arrangements – in this case Barbican). However, on this occasion given the impact of the pandemic and overall budget reductions in 2021/22 the Chamberlain in consultation with the Chair and Deputy Chairman of Resource Allocation Sub Committee have agreed not to carry forward the overspend for Mansion House & Central Criminal Court on 28th June.

There are also several centrally funded projects that have suffered from slippage from one year to the next, the details are provided in the separate Capital and Supplementary Outturn report on the agenda. The ongoing implications of 2020-21 variances will be taken into account in developing future financial plans and the development of the medium-term financial strategy especially with regard to: the major projects; continuing impacts of COVID 19; and delivery of savings to ensure a balanced budget over the medium term.

The outturn detailed in this report is subject to external audit by BDO. The final audited City Fund and Pension Fund accounts is scheduled to be presented to the Audit and Risk Management and Finance Committees in October. The final audited City's Cash and various Trust financial statements is scheduled to be presented to those Committees in November. This is heavily dependent on when the auditors can complete their audits.

Recommendation(s)

Members are asked to:

- Note the provisional outturn for the year ended 31 March 2021.

Main Report

Background

1. The original revenue budget of £175.9m was set by Court of Common Council in March 2020, Table 1 shows the 2020-21 outturn of £195.4m compared to the original budget.

Table 1: City Corporation summary outturn 2020-21 (Original budget to provisional outturn)

2020/21 Original Budget v Outturn - By Fund					
Net (Expenditure)/Income					
	Final Budget £m	Provisional Outturn £m	Variation Better/(Worse)		
			Total £m	Local Risk £m	Central Risk and Support Services £m
City Fund	(137.8)	(147.9)	(10.1)	(3.3)	(6.7)
City's Cash	(38.1)	(47.5)	(9.4)	(0.5)	(9.0)
Total	(175.9)	(195.4)	(19.5)	(3.8)	(15.7)

2. During 2020-21, the impact of COVID-19 saw significant pressures on the City's budgets. It was therefore agreed by the Court of Common Council to adopt a revised budget in December 2020. A re-budgeting exercise was carried out in the autumn and reported to the Court of Common Council in March 2021.

Budget Movement	
Original Budget	(175.9)
Movements approved at Finance Committee 16th February 2021 and Court 4th March 2021	(46.3)
Final Budget	<u>(222.2)</u>

3. Further detailed analyses and explanations of the outturn position will be included in revenue outturn reports to the relevant service committees. This report summarises the overall revenue budget outturn for the City Corporation (excluding Bridge House Estates).
4. Due to the materiality of the budget changes shown above we are using the final budget in the analyses throughout this report.

Current Position

5. The net expenditure outturn position of £195.4m represents a better position against the revised budget, total underspend of £26.8m, a 12% variance on the final budget of £222.2m. This is summarised in Table 2 below comparing the net budget and provisional outturn for City Fund and City's Cash. A breakdown by Chief Officer is provided in Appendix 1.

6. The outturn detailed in this report is still subject to external audit by BDO. The final audited City Fund and Pension Fund accounts is scheduled to be presented to the Audit and Risk Management and Finance Committees in October. The final audited City's Cash and various Trust financial statements is scheduled to be presented to those Committees in November. This is heavily dependent on when the auditors can complete their audits.

Table 2: City Corporation summary outturn 2020-21 (Final budget to provisional outturn)

2020/21 Final Budget v Outturn - By Fund					
Net (Expenditure)/Income					
	Final Budget £m	Provisional Outturn £m	Variation Better/(Worse)		
			Total £m	Local Risk £m	Central Risk and Support Services £m
City Fund	(165.1)	(147.9)	17.2	8.5	8.7
City's Cash	(57.1)	(47.5)	9.6	(0.6)	10.2
Total	(222.2)	(195.4)	26.8	7.9	18.9

7. Within the £26.8m budget variation are the costs of the CWP that have been re-phased into later years, £2.1m and other items over and above service-related underspends. The capital outturn position is the subject of another paper on the committee's agenda.
8. The underspend position above includes budget bids for carry forward which were agreed by the Chamberlain in consultation with the Chairman and Deputy Chairman of Resource Allocation Sub Committee on 28th June. Requests for carry forward total £9.1m including £2.7m on the Finance and Policy & Resources Committees contingencies, £1.7m Local Risk and £4.7m Central Risk.
9. The final benefit to reserves will therefore be the £15.6m balance.
10. Throughout the year forecast expenditure is monitored by Chief Officers to ensure that expenditure and income received is in line with budget and to highlight variances as they occur. The outturn position for the cash limited budget for each department by fund is shown at Appendix 2.
11. Two departments had a local risk overspend; Mansion House & Central Criminal Court, indicative of the continuing financial pressures on the City's overall budget position. For the Barbican and Mansion House & Central Criminal Court this was mainly due to losses in income as a result of the second lockdown due to the COVID-19 pandemic. The details will be provided in Service Committee Outturn reports.
12. Finance Regulations state that Chief Officer local risk overspends are to be carried forward (excluding those departments with special arrangements – in this case

Barbican). However, on this occasion given the impact of the pandemic and overall budget reductions in 2021/22 the Chamberlain in consultation with the Chair and Deputy Chairman of Resource Allocation Sub Committee have agreed, not to carry forward the overspend for Mansion House and Central Criminal Court, on 28th June.

13. The provisional outturn has been compared to the local risk forecast as at 31 Dec 2020. This shows significant movements between the forecast produced in December and the final outturn shown in the table below. Overall, the local risk outturn worsened from the position reported in December by £3.0m (1.2%) as a result of the continuing impact of COVID 19.

Table 3: Variance in forecast between Dec 2020 and Outturn

Chief Officer	Variance between December forecast and Outturn Better/(Worse)	% of total final budget
Chamberlain	(611)	(2.5)
City Surveyor (Excluding CWP)	(519)	(1.7)
Commissioner of Police	1,652	2.0
Comptroller and City Solicitor	417	31.7
Director of the Built Environmental	(587)	(2.8)
Director of Community and Children's Services	605	3.8
Director of Markets and Consumer Protection	(143)	(3.1)
Director of Open Spaces	(1,092)	(9.2)
Executive Director Mansion House and Old Bailey	(101)	(2.9)
Headmaster of the City of London Boys School	59	5.3
Headmaster City of London Freeman's School	235	123.7
Headmistress City of London School for Girls	48	20.0
Managing Director Barbican Centre	(1,270)	(4.4)
Principal Guildhall School of Music and Drama	(1,422)	(21.2)
Remembrancer	(428)	(19.4)
Town Clerk	158	0.7
Total	(2,999)	(1.2)

14. The Chamberlain continues to take steps to improve the quality of financial management information across the City Corporation. Whilst continuing to increase utilisation of our existing Oracle system to collect and report on data, this is becoming increasingly challenging with the requirements of the new Target Operating Model (TOM) and no longer fit for purpose. In order to support the behavioural and cultural change piece needed to make the step change in enabling services under the new TOM, there is an opportunity to establish a seamless flow of real time information across functional processes, to utilise data more powerfully to help better plan for risk and opportunities. The Chamberlain, in collaboration with

the now Chief Operating Officer department, has received approval from the relevant committee's to progress with the tender of a new financial system and Enterprise Resource Planning (ERP). Further enhancing efficiencies and quality of information across the Corporation through integrated rationalisation of the financial, HR, payroll and procurement applications. In addition, support from each department will continue to be required to ensure that realistic forecasts are produced on a regular basis throughout 2021/22 particularly with the on-going impact of COVID 19, requirement of delivery of TOM/12% and Fundamental Review year on year savings to balance the City's budgets across the medium term.

15. Where budget lines perform consistently better or worse than budget on a year on year basis, budget holders will continue to be challenged throughout the year, building on the effectiveness of the 'bi-lateral' approach undertaken during 2020/21. Where fundamental review proposals have been unable to be implemented in 2020/21 the additional budget provided to pump prime the savings will be amended accordingly.
16. Whilst it is recognised that some budget lines can be volatile, e.g. trading income, a balance must be struck between prudence and ambition. Service budgets should not include elements of contingency as contingency funds are available from Finance Committee should they be required during the year.
17. The following tables show each fund in turn and compares net budget with outturn position by committee, with summaries of the main variances set out below each table. More detailed analyses and explanations will be included in outturn reports to the various service committees.

CITY FUND

Table 4: City Fund summary outturn 2020-21 by committee

2020/21 Budget v Outturn - City Fund Summary by Committee						
Net (Expenditure)/Income	Budget Net	Provisional Outturn	Variation Better/(Worse)			
	£m	£m	Total £m	Local Risk £m	Central Risk £m	Support Services £m
Barbican Centre	(39.5)	(35.2)	4.3	4.5	0.1	(0.3)
Barbican Residential	(3.0)	(2.9)	0.1	0.1	0.0	0.0
Community and Children's Services	(16.3)	(17.0)	(0.7)	0.3	(0.5)	(0.5)
Culture Heritage and Libraries	(21.4)	(20.9)	0.5	0.2	0.3	0.0
Finance	10.9	21.6	10.7	0.2	9.4	1.1
Licensing	(0.3)	(0.4)	(0.1)	(0.1)	0.0	0.0
Markets	0.4	0.5	0.1	0.1	0.0	0.0
Open Spaces	(1.7)	(1.9)	(0.2)	(0.1)	0.0	(0.1)
Planning and Transportation	(16.7)	(16.2)	0.5	0.7	0.0	(0.2)
Police	(92.8)	(92.8)	0.0	0.2	0.1	(0.3)
Policy and Resources	(6.6)	(6.1)	0.5	0.2	(0.2)	0.5
Port Health and Environmental Services	(18.6)	(16.3)	2.3	2.1	0.1	0.1
Property Investment Board	40.5	39.7	(0.8)	0.1	(0.4)	(0.5)
City Fund requirement to be met from government grants, local taxation and transfers to/(from) reserves.	(165.1)	(147.9)	17.2	8.5	8.9	(0.2)

18. The net better than budget position of £17.2m includes the following significant variances:

	£m	Driver
• Cash limited local risk budgets:		
○ Net reduction in operating costs across services, including employee costs	3.0	Non-Spend
• Barbican Centre	4.5	Non Spend
• Central Contingencies not required in 2020-21	6.0	Non-Spend
• Repairs & Maintenance (AWP/CWP)	1.0	Slippage
• SRP's and Capital Financing	3.5	Higher Income

19. Where the driver above is 'non-spend' this may be indicative of careful management throughout the year. An underspend on operating costs of 0.1% of the total City Fund budget demonstrates that services are being managed prudently within budget despite the pressures of COVID-19. Furthermore, departments have carefully managed recruitment into vacant positions as the Corporation progresses with the new TOM delivery in 2021-22.

20. The underspend on central contingencies relate to officer termination costs. These costs have been delayed as they form part of the TOM delivery. However, approval has been agreed to carry forward the underspend to reflect this against expenditure in the correct financial year 2021-22 as noted under section 8 of the report.

21. As mentioned above in section 7 of this report, repairs and maintenance work has slipped and will progress in 2021/22 financial year.

22. Under supplementary revenue projects and capital financing, a higher income was received from external sources than anticipated.

23. Careful monitoring of income forecasts will be required during 2021-22 and impacts assessed for 2022-23, to take account of the impacts of COVID-19 as the lockdown eases to enable up to date and realistic forecasting on the City's financial position. Budgets are set with prudence in mind and care should be taken to ensure that assumptions are not over-cautious in the forthcoming year. Central risk budgets, including many income budgets, are being reviewed as part of the impacts of COVID-19 on fundamental review savings for the 2022/23 budget setting cycle, and any knock-on implications to current in year budgets assessed [2021/22 budgets].

CITY'S CASH

Table 5: City's Cash summary outturn 2020-21 by committee

2020/21 Budget v Outturn - City's Cash Summary by Committee						
Net (Expenditure)/Income	Budget Net	Outturn	Variation (Better)/Worse			
			Total	Local Risk	Central Risk	Support Services
	£m	£m	£m	£m		£m
Culture, Heritage & Libraries	(0.9)	(0.7)	0.2	0.2	0.0	0.0
Education Board	(3.5)	(3.5)	0.0	0.0	0.0	0.0
Finance	(34.7)	(29.0)	5.7	0.2	3.5	2.0
G. P. Committee of Aldermen	(4.3)	(3.6)	0.7	0.0	0.7	0.0
Guildhall School of Music and Drama	(12.3)	(14.6)	(2.3)	(1.9)	(0.1)	(0.3)
Markets	(1.3)	(1.1)	0.2	0.6	(0.3)	(0.1)
Open Spaces :-						
Open Spaces Directorate	0.0	0.0	0.0	0.1	0.0	(0.1)
Epping Forest and Commons	(8.5)	(7.9)	0.6	0.5	0.1	0.0
Hampstead, Queen's Park and Highgate	(7.6)	(7.5)	0.1	0.1	0.0	0.0
Bunhill Fields	(0.3)	(0.2)	0.1	0.1	0.0	0.0
West Ham Park	(1.4)	(1.3)	0.1	0.1	0.0	0.0
Policy and Resources	(20.0)	(16.9)	3.1	0.2	3.0	(0.1)
Property Investment Board	42.1	43.4	1.3	(0.6)	1.8	0.1
Schools :-						
City of London School	(1.8)	(1.8)	0.0	(0.1)	0.1	0.0
City of London Freeman's School	(1.9)	(2.0)	(0.1)	(0.1)	0.0	0.0
City of London School for Girls	(0.7)	(0.8)	(0.1)	0.0	0.0	(0.1)
Deficit (Surplus) from (to) reserves	(57.1)	(47.5)	9.6	(0.6)	8.8	1.4

24. The net better than budget position of £9.6m includes the following significant variances:

	£m	Driver
• Cash limited local risk budgets:		
○ Reduction in operating costs across services, including employee costs	1.3	Non-Spend
• GSMD	(2.3)	Overspend
• Central Contingencies not required in 2020-21	3.7	Non-Spend
• Property Investment Board income	6.0	Higher Income

• Repairs & Maintenance (AWP/CWP)	£m 1.1	Driver Slippage
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Conclusion

25. Despite the global pandemic and worsening economic position, the Corporation (excluding Bridge House Estates) has delivered an underspend of £26.8m. This is as a result of careful management of local risk budgets and holding vacancies in light of delivering the new Target Operating Model.

Appendices

- Appendix 1 – Overall position by department (all risks)
- Appendix 2 – Cash Limited Outturn position by department

Ken Rogers

Senior Accountant

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Annex 1

Original Budget £'000	Chief Officer Total Outturn	LAB Budget £'000	Final Budget £'000	Provisional Outturn £'000
	City Fund			
12,781	Chamberlain	7,089	17,384	28,155
44,340	City Surveyor	37,926	39,162	38,232
(84,898)	Commissioner of Police	(84,898)	(92,752)	(92,752)
(25,902)	Director of the Built Environmental	(27,376)	(28,022)	(27,085)
(19,763)	Director of Community and Children's Services	(22,254)	(22,851)	(23,146)
(3,644)	Director of Markets and Consumer Protection	(4,542)	(5,734)	(5,489)
(1,490)	Director of Open Spaces	(1,292)	(1,361)	(290)
(5,977)	Executive Director Mansion House and Old Bailey	(5,117)	(5,280)	(5,318)
(25,841)	Managing Director Barbican Centre	(37,676)	(38,009)	(34,475)
(19,544)	Town Clerk	(23,681)	(24,358)	(23,466)
(129,938)	Total City Fund	(161,821)	(161,821)	(145,634)
	City's Cash			
(25,117)	Chamberlain	(30,762)	(24,998)	(20,445)
48,343	City Surveyor	39,386	34,252	36,069
(2,843)	Director of Community and Children's Services	(3,264)	(3,584)	(3,523)
1,063	Director of Markets and Consumer Protection	752	171	(228)
(13,584)	Director of Open Spaces	(14,522)	(14,909)	(14,845)
(4,836)	Executive Director Mansion House and Old Bailey	(4,902)	(5,024)	(4,536)
(1,861)	Headmaster of the City of London Boys School	(1,750)	(1,750)	(1,805)
(1,819)	Headmaster City of London Freeman's School	(1,902)	(1,902)	(2,025)
(774)	Headmistress City of London School for Girls	(724)	(724)	(837)
(11,311)	Principal Guildhall School of Music and Drama	(11,387)	(11,387)	(13,956)
(8,008)	Remembrancer	(8,123)	(8,123)	(6,558)
(11,031)	Town Clerk	(14,829)	(14,049)	(11,879)
(31,778)	Total City's Cash	(52,027)	(52,027)	(44,568)
	Guildhall Admin			
(39,003)	Chamberlain	(39,424)	(41,070)	(40,222)
(22,142)	City Surveyor	(22,788)	(23,497)	(22,782)
(1,249)	Comptroller and City Solicitor	(1,718)	(1,808)	(1,957)
0	Remembrancer	0	0	0
(9,634)	Town Clerk	(9,675)	(9,601)	(9,644)
(72,028)	Total Guildhall Administration	(73,605)	(75,976)	(74,605)
(233,744)	Grand Totals (before CWP and Projects)	(287,453)	(289,824)	(264,807)
(17,010)	CWP and Major Projects	(10,109)	(10,109)	(5,923)
(250,754)	Grand Totals (after CWP and Projects)	(297,562)	(299,933)	(270,730)
74,899	Reapportionment of Guildhall Admin (Recharges)	75,375	77,746	75,346
(175,855)	Grand Totals	(222,187)	(222,187)	(195,384)

Note any differences in totals to numbers quoted in the main body of the report are due to rounding differences.

Annex 2

Original Budget £'000	Chief Officer Cash Limited Budgets	Final Budget £'000	Provisional Outturn £'000
	City Fund		
(1,731)	Chamberlain	(1,771)	(1,282)
(5,240)	City Surveyor	(5,074)	(4,885)
(20,196)	Director of the Built Environmental	(20,862)	(20,286)
(11,168)	Director of Community and Children's Services	(14,476)	(13,945)
(2,199)	Director of Markets and Consumer Protection	(2,864)	(2,472)
564	Director of Open Spaces	618	1,867
(402)	Executive Director Mansion House and Old Bailey	(275)	(535)
(17,389)	Managing Director Barbican Centre	(28,960)	(25,216)
(15,065)	Town Clerk	(15,788)	(15,423)
(72,826)	Total City Fund (excluding Police)	(89,452)	(82,177)
	City's Cash		
(99)	Chamberlain	(100)	(169)
(16,080)	City Surveyor	(15,939)	(16,313)
(1,052)	Director of Community and Children's Services	(1,447)	(1,398)
(1,365)	Director of Markets and Consumer Protection	(1,731)	(1,711)
(11,822)	Director of Open Spaces	(12,470)	(12,386)
(3,334)	Executive Director Mansion House and Old Bailey	(3,263)	(3,408)
(1,217)	Headmaster of the City of London Boys School	(1,114)	(1,173)
(82)	Headmaster City of London Freeman's School	(190)	(309)
(275)	Headmistress City of London School for Girls	(240)	(288)
(6,799)	Principal Guildhall School of Music and Drama	(6,698)	(8,892)
(1,391)	Remembrancer	(1,400)	(1,232)
(215)	Town Clerk	(273)	(278)
(43,731)	Total City's Cash	(44,865)	(47,557)
	Guildhall Admin		
(22,165)	Chamberlain	(22,447)	(22,177)
(8,666)	City Surveyor	(8,487)	(8,204)
(845)	Comptroller and City Solicitor	(1,317)	(1,311)
274	Remembrancer	(811)	(807)
(6,536)	Town Clerk	(6,629)	(6,353)
(37,938)	Total Guildhall Administration	(39,691)	(38,852)
(154,495)	Grand Totals (excluding Police)	(174,008)	(168,586)
(81,458)	Commissioner of Police	(81,277)	(81,096)
(235,953)	Grand Totals	(255,285)	(249,682)

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Committee(s)	Dated:
Finance Committee	20 July 2021
Subject: Chamberlain's Department Risk Management – Monthly Report	Public
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Chamberlain	For Information
Report author: Hayley Hajduczek, Chamberlain's Department	

Summary

This report has been produced to provide Finance Committee with an update on the most significant risks faced by the Chamberlain's department.

There are currently no red risks on the Corporate Risk Register within the responsibility of Chamberlain's Department, there are also no RED risks currently listed on the departmental risk register. Following the last committee, no triggers for CR35 have been tripped to date.

The Chamberlain's Senior Leadership Team continue to monitor closely the progress being made to mitigate all risks on the risk register (appendix 1).

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department. Finance Committee has determined that it will receive the Chamberlain's risk register on a quarterly basis with update reports on RED rated risks at the intervening Committee meetings.

Current Position

2. This report provides an update on the current risks that exist in relation to the operations of the Chamberlain's department. It is to be noted that there are currently no RED risks on the Chamberlain's risk register, however close monitoring continues for all risks.
3. As of this update CR35 Unsustainable Medium-Term Finances risk has remained with a risk score of 12 (amber). There has been no event to cause a trigger (as agreed by this committee) to increase this score.

Conclusion

4. Members are asked to note the actions taken by Chamberlain's Department to manage all risks. Actions aim to continue monitoring and reducing the risk level and will be reported on at future Finance Committees.

Appendices

- Chamberlain's Department Risk Register

Background Papers

Appendix 1 - CHB Corporate and Departmental Risk Register

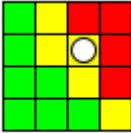
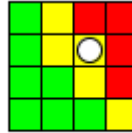

Hayley Hajduczek

Business Manager

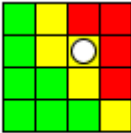
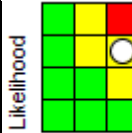

Chamberlain's Department

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Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR23 Police Funding <div>Page 54</div> 24 Nov-2016 Caroline Al-Beyerty; Ian Dyson	Cause: Reduction in government funding, workforce costs and growing demand in Policing services leading to pressures for the City Fund -Police. Event: Reduction in government funding. Failure to deliver VfM savings. Budget deficit forecast for next 5 years requiring action to balance the budget Effect: Potential impact on security and safety in the City as need to make savings, prioritise activity, review funding City of London Police will be unable to maintain a balanced budget and current service levels as reflected in their Medium Term Financial Plan.	Likelihood  Impact	12	<ul style="list-style-type: none"> Finance Committee has approved the reduction of the risk rating from Red to Amber, subject to further work and assurances on medium-term mitigations. There remain some significant pressures and risks to medium-term Police finances, including Action Fraud extension costs. Police Authority Board has recently commissioned a joint review of the opportunities and options within the CoLP budget to mitigate the pressures, most immediately to support the 22/23 budgeting round and bilaterals. 07 July 2021	Likelihood  Impact	12	30-Sep-2021	 Constant
							Accept	

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CR23g	Implement sustainable medium-term financial settlement for CoLP: - Revenue position, Capital financing	Loan based capital financing model implemented in April 2020. Balanced budget set for 21/22. Mitigation plans to be developed to address future year deficits, including Action Fraud and other pressures / risks.			Alistair Cook / Cecilie Booth	07-Jul-2021	30-Sep-2021

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR35 Unsustainable Medium Term Finances 19-Jun-2020 Caroline Al-Beyerty	Causes: Anticipated decline in public sector funding (local government and Police), increasing demands (revenue and capital) and an ambitious programme of major project delivery threaten our ability to continue to deliver a vibrant and thriving Square Mile Normal course of business unable to function due to COVID 19 restrictions BREXIT compounding market uncertainty and exacerbating the economic downturn. Major contraction in key income streams and increase in bad debts. In particular that lower occupancy levels in city properties reduce investment property income over the medium term. Police Transform programme fails to realise the budget mitigations anticipated Reduction in the value of investments- property and securities- reduces available capital for major project financing. Event: Inability to contain financial pressures within year (2020/21) and compensatory savings and/or income generation to meet the Corporation's forecast medium term financial deficit will not be realised. Effects: Additional savings over and above those identified through the Fundamental Review to meet this challenge are required and/or closure in some areas reserves are utilised and/or services stopped. The City Corporation's reputation is damaged due to failure to meet financial objectives or the need to reduce services / service levels to business and community. Being unable to set a balanced budget which is a statutory requirement for City Fund. Spend is not aligned to Corporate Plan outcomes resulting in suboptimal use of resources and/or poor performance. Capital projects stalled due to COVID restrictions. Stakeholders experiencing reduced services and service	 Likelihood Impact	12	<ul style="list-style-type: none"> The risk score is being maintained at amber 12. The proposed triggers agreed by May finance committee have been added to the actions listed below. None of these have been triggered in May 21, close monitoring will continue. Work has commenced on the update on the MTFP to RASC away day. Close monitoring is being undertaken by the finance units to monitor the delivery of TOM and FR savings through 21/22 and across the MTFP (Deep Dive Reports to be presented to E&P Sub Committee). 01 Jun 2021	 Likelihood Impact	12	31-Mar-2022	 Constant
							Accept	

	closures.						
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR 35a	A reduction in key income streams and increase in bad debt	This is being monitored monthly, with action being taken to reduce spend where possible. Budget forecast for 21/22 includes reduced income, with recovery profiled across the medium term.	Sonia Virdee	02-Jun-2021	31-Mar-2022
CR 35b	To reduce strain on cash flow.	<ul style="list-style-type: none"> The Corporation remains very liquid and the outlook for near term cash flows is robust. Cash flowing modelling for major commitments is being carried out. Next tranche, £200m, of private placement monies for City's Cash will be in July 2021. 	James Graham; Sonia Virdee	02-Jun-2021	31-Mar-2022
CR 35c	Increased expenditure related to COVID measures- maximise recovery from government <i>Triggers:</i> <ul style="list-style-type: none"> Any changes to funding arrangements below the baseline 	<ul style="list-style-type: none"> Maximising recovery from government- spend is being coded and monitored. Estimated claim of up to £11.7m for loss of fees & charges on City Fund. Total claim made to date is £5.3m (£1.5m received for qtr1 and £3.8m pending). Furloughing workers where appropriate has been done recovering the total furlough claim to end of May is £6.5m (£6,467,740.94) 	Sonia Virdee	01-Jun-2021	31-Mar-2022
CR 35d	Inability of occupiers to pay rates as their income falls as business models are damaged. A reduction in demand for office space in the square mile, leading to lower occupation and business rate income. The Corporation is currently benefitting from growth in business rates retained income of c£40m. Non-payment of rates across London leading to difficulties in meeting cash flow payments as host of the pool. <i>Triggers</i> <ul style="list-style-type: none"> Change to business rate reset (further deferral will result in a positive impact). Shift from commercial to residential (hot off the press). Reduction in Rateable Value (the risk is minimal). Changes to methodology in business rate calculations. Alternative funding sources e.g. sales tax. 	<ul style="list-style-type: none"> Monthly monitoring in place. The impact of COVID-19 has been to lower the collection rate for business rates. The 20/21 collection rate was 3% down on the previous year, an improvement on the 5% previously reported. 21/22 collection to date has been in line with pre-COVID level. The Govt has recognised the cashflow impacts of business rates and has deferred its share for April-June, which has been re-profiled over the remainder of the year. The Govt is also allowing authorities to spread the impact of business rate deficits over 3 years. Business Rate appeals linked to COVID have been ruled out due to Govt legislation, but we are seeing an increase in appeals on other grounds. Impacts will continue to be monitored. 	Phil Black	01-Jun-2021	31-Mar-2022
CR 35e	Impact on investments: securities/property <i>Triggers:</i>	<ul style="list-style-type: none"> The values of the three main financial investment portfolios have continued to grow steadily The total value of the investment property portfolios has declined by c 4% to £4.05bn. 	Nicholas Gill; James Graham	02-Jun-2021	31-Mar-2022

Page 54		<ul style="list-style-type: none"> • Increase in loss of income over £5m p.a. 	<ul style="list-style-type: none"> • COL's Pension Fund contributions are fixed until 2023, providing some protection, whilst the diversified asset allocation strategies and use of active management across all three funds should continue to deliver some stability if general market moves become extreme again. • Our voids have not increased significantly, the latest vacancy report, as at 1st December, showed our vacancy rate was 2.52%, which was lower than the City vacancy rate of 5.1% and the West End vacancy rate of 5.9%. There was a slight increase of 15,232 sq ft in vacant space from 1st June to 1st December. • The total annual rental income from the investment property portfolio for 2021/22 is estimated to reduce from £123.656m (December 2020 quarter estimate) to £121.787m (March 2021 quarter estimate). • The total arrears for the investment property portfolio as at 28th May 2021 stand at 17.74% against a target of 1% which is equivalent to £32.3m. 			
	CR 35f	Impact on the MTFP	<ul style="list-style-type: none"> • Lower investment income modelled into MTFP and business rate reset in 22/23. • Sums to mitigate risk are being held in Reserves- £30m on City Fund and £20m on BHE. Already drawing down on City's Cash Reserves by £526m across the planning horizon to 2024/25 (which is sustainable given modelling of balance sheet recovery) • Update on MTFP is being prepared for the RASC Away Day in July. 	Caroline Al-Beyerty; Sonia Virdee	01-Jun-2021	31-Mar-2022
	CR 35h	<p>To implement the Fundamental Review project plan- TOM Triggers:</p> <ul style="list-style-type: none"> • Delays/Reduction to 12% savings. • Delays/Reduction to fundamental review savings. 	<ul style="list-style-type: none"> • An exercise is being undertaken and will continue throughout 21/22 to monitor the achievement of TOM & FR savings across the corporation • Deep-dive reports on departments savings will be reported to E&P committee, deep dives will align with the TOM waves. 	Chrissie Morgan; Sonia Virdee	01-Jun-2021	31-Mar-2022

Committee	Dated:
Finance Committee	20 July 2021
Subject: Revenue Budget Monitoring to June 2021	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Chamberlain	For Information
Report author: Amanda Luk, Senior Accountant, Financial Services Division	

Summary

The overall forecast year-end position at Quarter 1 is £13.3m worse than budget. This comprises adverse variances of £10.3m (4%) on Chief Officer Cash Limited Budgets and £3.0 (6%) on Central Risk Budgets.

The adverse variances on Chief Officer budgets is largely caused by the delay in the implementation of the target operating model, consequently a number of departments are working on savings measures to bring forecasts back within budgets over the coming months.

On central risk the adverse variances are due to reduced rental income. However, this does not increase the Medium-Term Financial Plan risk rating from amber to red.

This report has been prepared based on the new Chief Officer structure. Please note parts of the sub-structure is yet to be finalised and therefore may change in future reports to Committee.

This report covers City Fund, City's Cash and Guildhall Admin only. Revenue budget monitoring on Bridge House Estate (BHE) and their City Bridge Trust grant giving is now reported to the BHE Board.

Chief Officer Cash Limited Budgets

The year-end forecast for Chief Officer Cash Limited Budgets is an overspend of £10.3m against the latest approved budget of £228.9m. This includes significant forecast overspends across a number of Chief Officers.

Central Risk Budgets

At Quarter 1 the year-end Central Risk Budgets are forecast to be £3.0m worse than the latest approved budget of £46.5m. This principally relates to Property Investment Income which is forecasting lower rental income.

Fund Position

The overall (Local and Central Risk) forecast year-end position is £13.3m worse than budget with Guildhall Administration apportioned across the two funds gives adverse positions of £5.9m on City Fund and £7.0m on City's Cash.

Recommendation(s)

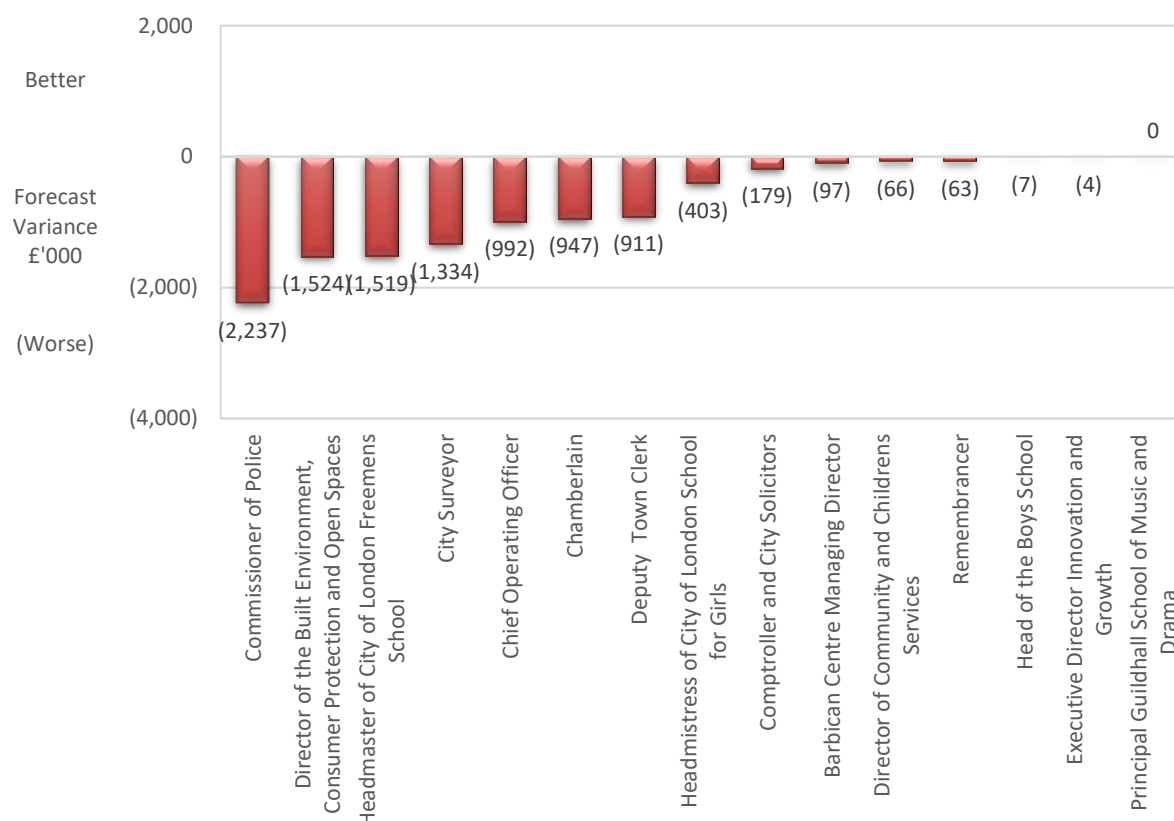
Members are asked:

- i. to note the report.

Main Report

Chief Officer Cash Limited Budgets

1. The year-end forecast is an overspend of £10.3m against the latest approved budget of £228.9m.
2. The forecast position comprises:
 - a. an adverse variance of £5.2m against budgeted expenditure of £511.9m largely attributable to the multiple Chief Officers
 - b. an adverse variance of £5.0m attributable to the City of London Police and the City of London Freeman's School against budgeted income of £283.0m.
3. This report excludes Carry Forward requests which were recently approved on the 28th June and will be included in the next report to Committee.
4. Chief Officer variances against net local risk budgets are shown in the below chart and are addressed in the following paragraphs. Appendix 2 provides income and expenditure budget variances by Chief Officer.



5. The City of London Police are forecasting an overspend of £2.2m by the end of the year. The overspend is primarily due to estate costs of £1.2m following the consolidation of Police Sites and an overspend of £1.0m on IT recharges to City of London Police from the Corporation. This is being carefully monitored and work is being taken to reduce this to budget by year-end.
6. Director of Built Environment, Consumer Protection and Open Spaces is forecasting a overspend of £1.5m. This is primarily due to the 12% Target Operating Model savings still to be identified and allocated to specific budgets. There is also a forecasted overspend due to inflationary price increases in the street cleansing contract. Steps are being taken to seek mitigation of any further overspends for contract changes, however this has yet to reach an agreement.
7. The Headmaster of the City of London Freeman's school is forecasting an adverse variance of £1.5m due to reduced income. This is due to the School offering fee discounts for Spring 2021 and pupil numbers being lower than anticipated, partly due to building works at the School going on for longer than anticipated. To mitigate the loss in income, the school requested to Resource Allocation Sub-Committee in March 2021 to reprofile the repayments of the Freeman's Estate Development Plan loan. This has allowed the school's drawdown on reserves to be lower.
8. The City Surveyor is forecasting an adverse variance of £1.3m at year end. This is primarily due to an overspend on expenditure because of higher employee costs than anticipated due to delayed staff restructuring and unidentified Target Operating Model savings. The City Surveyor is currently going through the

transition process of the TOM and has identified savings with a gap of £0.9m which is being reviewed and reported through the Efficiency and Performance Sub-Committee as part of their bilateral review meeting.

9. The Chief Operating Officer is forecasting an overspend of £1.0m at year end. This is due to delay in TOM implementation. One off savings are being secured largely through holding vacancies and the new management team is working on further savings plans. This comprises an overspend of £0.9m on expenditure which is linked to the IT budgets savings plans which have been identified and yet to be delivered and therefore not included in the Quarter 1 forecast. There is forecasted reduced income at New Spitalfields Market of £0.1m due to anticipated reduction in service charge income as a result of reduced expenditure.

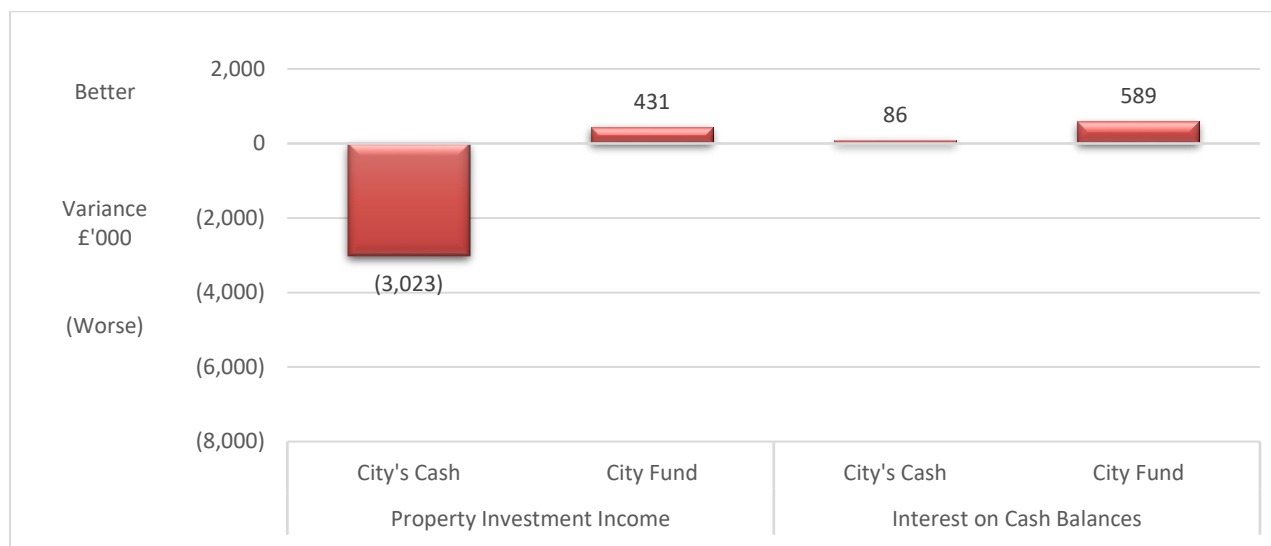
Central Risk Budgets

10. At Quarter 1 the forecast for Central Risk Budgets is an adverse variance of £3.0m against the latest approved budget of £46.5m. This is mainly due to an adverse variance of £3.4m on City Surveyor, partially offset by minor underspends by the Chamberlain and the Deputy Town Clerk.
11. The City Surveyor is forecasting an adverse variance of £3.4m at the end of the year. This is primarily due to property investment income forecasting a £2.6m variance because of lower rental income, this is addressed in the following paragraphs. This forecast does not trigger the Medium-Term Financial Plan risk rating from amber to red. The remaining £0.8m of reduced forecasted income is due to higher rental forecasts and higher rates costs anticipated.

Corporate Income Budgets

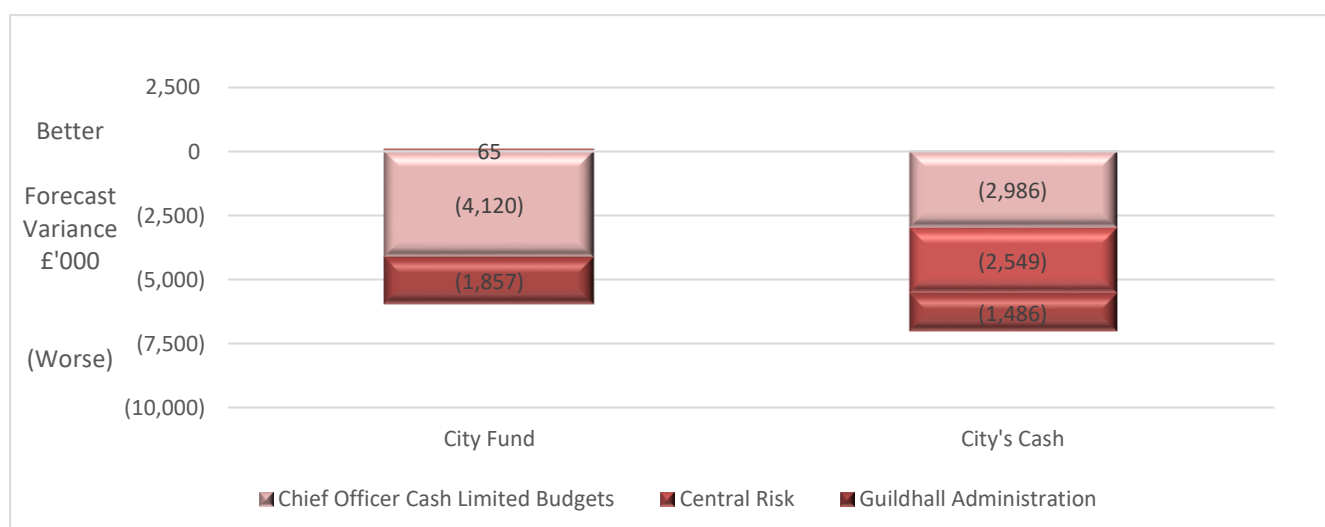
12. Property Investment income at Quarter 1 is forecast to be £97.3m at year-end which is £3.4m worse than budget of £100.8m. This comprises:
 - City Fund £0.4m favourable – This is due to a combination of rent increases, new leases and delay to property disposal at Fleet House, 1 Bishops Square, International House and 80-81 Fleet House.
 - City's Cash £3.0m adverse – Lower rental income has been forecast to reflect the rent-free periods to existing tenants and a number of lease expiries following by rent free periods for new tenants. The 2021/22 budget was based on the City Surveyor's September forecast so there is a timing difference with rent frees and turnover rents granted.

13. Interest on cash balances are anticipated to be £3.6m at year-end which is an overachievement of £0.6m above the budget of £3.0m and is due to the partial pickup in the markets providing a slightly higher interest outturn.



Fund Position

14. The overall (Local and Central Risk) forecast year-end position reported at Quarter 1 is £13.3m worse than budget. With Guildhall Administration apportioned across the two funds this gives adverse positions of £5.9m on City Fund and £7.0m on City's Cash.



Conclusion

15. Members are asked to note the forecast year-end overspend position of £13.3m at the end of June (Quarter 1) and the actions being taken to address the position.

Appendices

- Appendix 1: Chief Officers Cash Limited Budgets by Fund
- Appendix 2: Chief Officers Cash Limited Budgets – Income and Expenditure Budget Variances
- Appendix 3: COVID Contingency Allocations

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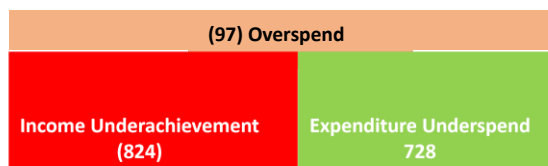
E: Neilesh.Kakad@cityoflondon.gov.uk

Revenue Budget Monitoring Quarter 1 2021/22 – Appendices

Appendix 1

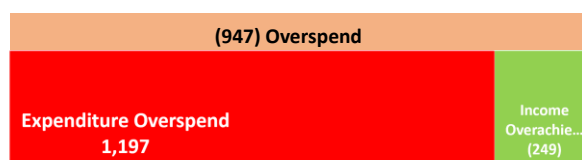
Chief Officer Cash Limited Budgets by Fund					
Original Budget £'000	Chief Officer	Full Year Forecast as at 30 June 2021			
		Latest Budget £'000	Forecast £'000	Variance Better / (Worse) £'000	%
	City Fund				
(24,227)	Barbican Centre Managing Director	(24,600)	(24,696)	(97)	(0%)
(1,477)	Chamberlain	(1,477)	(1,354)	123	8%
(65)	Chief Operating Officer	(65)	(65)	0	0%
(5,287)	City Surveyor	(5,267)	(5,236)	31	1%
(6,060)	Deputy Town Clerk	(6,060)	(6,234)	(174)	(3%)
(11,482)	Director of Community and Childrens Services	(11,381)	(11,313)	68	1%
(18,893)	Director of the Built Environment, Consumer Protection and Open Spaces	(18,934)	(20,770)	(1,836)	(10%)
(6,769)	Executive Director Innovation and Growth	(6,969)	(6,973)	(4)	(0%)
(74,260)	Total City Fund (excluding Police)	(74,753)	(76,642)	(1,889)	(3%)
	City's Cash				
(67)	Chamberlain	(67)	(101)	(34)	0%
(1,131)	Chief Operating Officer	(1,131)	(1,023)	108	10%
(14,327)	City Surveyor	(14,147)	(15,671)	(1,524)	(11%)
(3,231)	Deputy Town Clerk	(3,231)	(3,074)	157	5%
(786)	Director of Community and Childrens Services	(786)	(920)	(134)	(17%)
(10,271)	Director of the Built Environment, Consumer Protection and Open Spaces	(10,164)	(9,852)	312	3%
(1,017)	Head of the Boys School	(1,017)	(1,024)	(7)	(1%)
(147)	Headmaster of City of London Freemans School	2,037	518	(1,519)	(75%)
(250)	Headmistress of City of London School for Girls	(250)	(653)	(403)	(161%)
(8,129)	Principal Guildhall School of Music and Drama	(8,129)	(8,129)	0	0%
(1,381)	Remembrancer	(1,381)	(1,300)	81	6%
(40,737)	Total City's Cash	(38,266)	(41,228)	(2,962)	(8%)
	Guildhall Administration				
(8,270)	Chamberlain	(8,374)	(9,410)	(1,036)	(12%)
(12,030)	Chief Operating Officer	(12,056)	(13,156)	(1,100)	(9%)
(7,946)	City Surveyor	(7,907)	(7,748)	159	2%
(744)	Comptroller and City Solicitors	(744)	(923)	(179)	(24%)
(5,053)	Deputy Town Clerk	(5,053)	(5,948)	(895)	(18%)
307	Remembrancer	307	163	(144)	(47%)
(33,736)	Total Guildhall Administration	(33,827)	(37,022)	(3,195)	(9%)
(148,733)	Grand Total (excluding Police)	(146,846)	(154,892)	(8,046)	(5%)
(81,603)	Commissioner of Police	(82,066)	(84,303)	(2,237)	(3%)
(230,336)	Grand Total	(228,912)	(239,195)	(10,283)	(4%)

Barbican Centre Managing Director



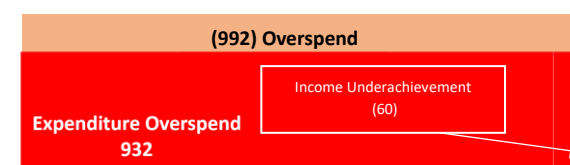
The loss of income forecast is due to a change in programming at the Box Office partially offset by an increase in rental income as Anything Goes opens in July with restrictions being limited. Expenditure savings are due to the change in programming at the Box Office, reducing the costs required.

Chamberlain



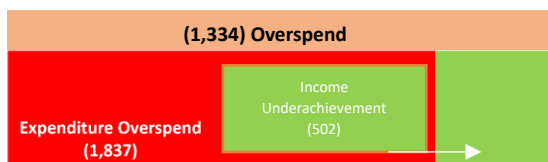
Chamberlain's is overall overspent as a result of the 12% budget reduction and Fundamental Review savings. Income is forecast to be above budget due to the receipt of the New Burden funding for Business Grant, this is partially offset by the reduction in Freedom Ceremonies income, which is anticipated to be busier once restrictions lift.

Chief Operating Officer



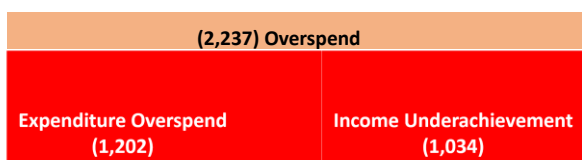
The expenditure overspend principally comprises unidentified savings plans currently being identified and therefore not included in the Quarter 1 forecast. The IT department are currently working through the unidentified savings plan and focusing on the key areas of: Azure - CSP & Rightsizing of servers/storage; Data Retention & Licence Management; End User Services; Reduction in Support Services & Change Management; Ceasing of Circuits and Telephony. Income is forecasted to be under budget due to a reduction in anticipated service charge income.

City Surveyor



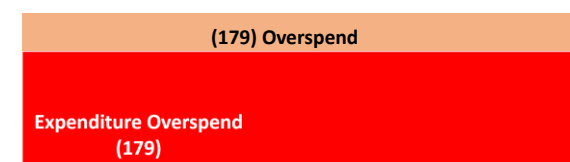
City Surveyor is forecasting an overspend due to higher employee costs than anticipated. This is due to a delay in staff restructure and unidentified Target Operating Model savings. Higher income is forecasted due to a contribution from reserves which is offset by lower fee income expected from property deals and anticipated shortage in service charge income

Commissioner of Police



The City of London Police are forecasting a overspend due to estates cost pressures for the full year, following consolidation of Police sites and IT recharges from the Corporation to the City of London Police showing a overspend. This is being carefully monitored and work is being taken to reduce this to budget by year-end.

Comptroller & City Solicitors



The Comptroller and City Solicitors Officer is forecasting an overspend due to unidentified savings yet to be identified.

Deputy Town Clerk

(911) Overspend	
Expenditure Overspend (516)	Income Underachievement (395)

The forecast underspend on expenditure is due to reduced Mayoral travel anticipated because of travel restrictions in place for the first half of the year and a reduction in overtime expenditure because no events have taken place so far this year. The Chief Officer post will remain vacant until August and there has been a reduction in spend on office equipment due to staff not being in the office. Income is currently forecast to be underachieved due to the continuation of Covid restrictions. It has not been possible to hold any events/dinners at Mansion House so far this year but it is hoped that with the imminent lifting of restrictions events will be able to held from the second half of the year.

Director of Community & Children's Services

(66) Overspend	
Income Underachievement (545)	Expenditure Underspend 479

Forecast underspend for the Director of Community and Children's Services relates to projects pending sign off or in the process of having orders raised. The projected underspend is expected to reduce as the orders for commissioned projects are processed.

The projected income underachievement results from loss of income from Community Centre and Guest Flats commercial units as well as reduced income from the libraries which due to reduced footfall in the City are not expected to meet income targets.

Director of the Built Environment, Consumer Protection & Open Spaces

(1,524) Overspend	
Expenditure Overspend (1,428)	Income Underachievement (96)

Projected overspend relates primarily to the 12% Target Operating Model savings that remain to be identified and allocated to specific budgets, it is expected that 158k of unidentified savings will not be met due to TOM. The forecast underachievement on income relates to an anticipated under-recovery of staff costs from capital projects as well as an expected reduction in income from sources such as parking, season tickets and licence fees.

Executive Director Innovation & Growth

(4) Overspend	
Income Underachievement (28)	Expenditure Underspend 24

The Income underachievement for the Executive Director of Innovation and Growth relates to expected income that has not been realized. This is due to delays in recruiting to the position of Commercial Business Manager.

Head of the Boys School

(7) Underspend	
Expenditure Overspend 417	Income Overachievement (410)

The income overachievement relates to the increase in pupil numbers anticipated in September 2021. The expenditure overspend relates to an increased transfer to Capital Reserves relating to the increase in pupil numbers.

Headmaster of the City of London Freemans School

(1,519) Underspend	
Income Underachievement (1,604)	Expenditure Underspend 85

The forecast underspend is due to a decision agreed by Resource Allocation Sub-Committee in March 2021, to reprofile the repayment of the Freeman's Estate Development Plan loan. This has allowed the school to lower its planned fee increase and reduce the drawdown on reserves.

Headmistress of City of London School for Girls

(403) Overspend	
Income Underachievement (1,113)	Expenditure Underspend 710

The forecast underspend relates to a reduction in the repairs and maintenance works to be carried out. This is due to time constraints as the works must take place during the school holidays.

The current income underachievement is attributed to a reduction in the transfer from the repairs and maintenance fund as a result of the reduced spend planned.

Principal Guildhall School of Music and Drama

0 Variance

GSMD is expected to be forecast to be in line with budget at year end due to the academic year timing.

Remembrancer

(63) Overspend	
Income Underachievement (506)	Expenditure Underspend 442

Forecast savings arising from the lack of events has lead to reduced expenditure on overtime and a reduction in premises related expenditure such as equipment and cleaning costs. Income underachievement relates to the lack of events though this is likely to improve throughout the year. The final position for the year is expected to be a shortfall against budgeted income.

Committee(s) Finance Committee	Dated: July 2021
Subject: Chamberlain's Key workstreams and business plan update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	Outcome 5: <i>Businesses are trusted and socially and environmentally responsible</i> Outcome 8: <i>We have access to the skills and talent we need</i> Outcome 9: <i>We are digitally and physically well-connected and responsive</i>
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: The Chamberlain	For Information
Report author: Hayley Hajduczek	

Summary

This report provides Members with a brief update on key areas of work in the Chamberlain's department and assurance that the department has made a good start in delivering the 2021/22 Departmental Business Plan.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The Chamberlain's Departmental Business Plan for 2021-22 was approved by Finance Committee on 8 December 2020. This report has been produced to provide Members with a summary of key work streams, progress against key deliverables in quarter one.

Progress on Key Priorities

Developing the Finance Target Operating Model underpinning the CoL TOM

2. The Chamberlain's Department has begun embedding the new structure of the TOM, starting with most of the City Procurement and IT divisions moving into the new Chief Operating Officer's department on 1 July. The focus has now shifted to consultation on the new tier two level of management within the new Chamberlain's department. A proposal for tier two has been circulated to those affected and consultation has begun.

Supporting the Fundamental Review and New Operating Model for the Organisation through providing Strategic Financial and Commercial Advice

3. The impact of the global pandemic continues to affect the Corporation into 2021/22 financial year. Significant work carries on in supporting the organisation with financial and commercial advice, in particular to address the adverse impacts of COVID-19 and delivery of flightpath savings. The Chamberlain in consultation with the Chair and Deputy Chairman of the Resource Allocation Sub Committee agreed to carry forward a total of £9.1m from 2020/21 underspends in accordance with guidelines. This will further support departments to deliver activities delayed by COVID-19 whilst protecting their budgets to continue with planned services for 2021/22.
4. The Chamberlain's Finance department in collaboration with Commercial and Procurement services (Chief Operating Officer department) continue to work closely with departments to review opportunities to derive efficiencies, savings or income that will assist the services operate within their new budget envelope.
5. The delivery of flightpath savings is fundamental in ensuring the medium-term financial plan remains balanced and on track to support the Corporation's delivery of services and Major Projects. Whilst savings are being identified across the Corporation, there have been delays to securing them due to the delay in TOM implementation. In order to support the Corporation's objectives, the Chamberlain's Department is working closely with the Chief Strategic Officer and City Surveyor to challenge departments as they prepare their deep dives to Efficiency and Performance Sub Committee and departmental plans to the Design Authority Board. This provides a higher level of officer scrutiny prior to taking proposals to the relevant boards/committees focusing on delivery of 12%/TOM and Fundamental Review savings; challenge of existing and future business plans; impact on service delivery etc. In addition, a tracker has now been implemented to capture progress to date.

Delivering an Ambitious Programme of Departmental Change to ensure fit for the future, responsive and value for money

6. As the Chamberlain's department progresses with the Tier 2 structure, all divisions have been considering their proposed future working practices in the lead up to the TOM implementation. The strategies are being designed in line with the TOM as well as ensuring they are fit for the future, responsive and value for money.
7. FSD are continuing to work on an internal transformation programme – Finance for the future. Six workstreams have previously been identified to achieve savings and transformation in FSD including: improved ways of working, processes and procedures, improved strategic financial modelling capability; cultural and structural improvements; staff development; and better communication.

Driving Process Standardisation and Enterprise Resource Planning System implementation

8. The project for the ERP replacement of the Finance, HR Payroll and Procurement system is progressing. Workshops are to be held throughout July and August 2021 organised by Society for Innovation, Technology and Modernisation (SOCITM) who will lead on this alongside industry experts. The workshops will be used to scope the needs for the new system inform the scope for the tender process. The scope will also be reviewed by the Berkley Partnership at no additional cost to the organisation, to ensure alignment to the TOM. A project board has been set up and is chaired by the Chamberlain and attended by the HR director and COO. A Member steering group is also proposed and is going through the final stages of committee sign off – final date 23rd July. These groups will provide additional scrutiny to ensure we deliver an efficient and effective system that is fit for purpose. Finance, IT and Procurement colleagues will also be working together to review case studies of organisations that have recently gone through this process to attain an understanding of lessons learned.
9. The ERP replacement will bring about huge efficiencies and move away from transactional processing to more strategic financing. Where implementation of the ERP replacement is still some 2 years away, the Chamberlain department continues to review current processes and recommend and look to drive through process standardisation for: project accounting (BAU and Major Projects); budget monitoring; and budget estimates and capital.

Delivering an annual audit plan that is aligned to the Corporate Plan and provides assurance to key stakeholders

10. Good progress has been made in the first quarter of the year in delivering the Internal Audit Plan; as reported to the July Audit and Risk Management Committee, 25% of all planned work for 2021/22 has been delivered to at least Draft Report stage, with work in progress in relation to a further 25% of the plan.

The Internal Audit Plan is designed to provide assurance as to the adequacy of the City of London Corporation's systems of internal control and governance. This programme of activity is aligned with the Corporate Plan, Corporate Risk Register and Departmental Top Risks. There are some resourcing challenges facing Internal Audit in securing the required efficiency savings, the Head of Internal Audit and Risk Management is working with the Chamberlain to resolve these and is confident that the net impact on overall assurance provision will be minimal.

As part of the wider organisational focus on supporting and ensuring value for money, Internal Audit are currently exploring ways to incorporate a more explicit consideration of VFM within planned audit work. For the remainder of the current year this will be through the inclusion of an objective within each audit review to consider the adequacy and effectiveness of arrangements in place to ensure value for money. For subsequent years, it is anticipated that the Internal Audit Plan will include some specific and more targeted VFM assessments, including looking at crosscutting governance and wider organisational arrangements in place to ensure VFM and financial sustainability. It is hoped that this may also prove to be an area where there can be closer alignment between the work of Internal and External Audit.

Additional COVID-19 priorities

The COVID Recovery fund went live in April 2021 recently extended to 31st July 2021. The Finance Team have worked with Town Clerk's to deliver the COVID recovery fund for local/curb-side businesses within the square mile and have received 490 applications to date, requesting £33.6m. Of the 490 applications:

- 48 applications (£3.3m) are on hold pending further clarification before forwarding on for assessment.
- 134 applications (£9.0m) have been declined, either due to not meeting the criteria or applying as a non-ratepayer and have been advised to reapply as a ratepayer.
- 308 applications (£21.3m) have passed for financial viability assessment.

From the 308 applications a total of £5.6mm has been paid to date. £0.36m are conditional subject to rent concessions being granted, and £802m is committed subject to further review.

Returning to the Guildhall

11. Chamberlain's Senior Leadership Team have agreed a return to the workplace plan for the department to use as a guide to prepare their own individual team plans. Teams are now applying this to their own return plans ready for when the government advice on working from home changes, expected to be 19 July. Particular attention is being paid to the Chamberlain's Court to ensure safety of both employees' recipients and their guests.

Key Data

12. The departmental scorecard can be found in Appendix 1 and details progress against key performance indicators.

Corporate & Strategic Implications

Strategic implications

13. The Chamberlain's Business plan supports the following outcomes in the Corporate Plan:
 1. Outcome 5: Businesses are trusted and socially and environmentally responsible
 2. Outcome 8: We have access to the skills and talent we need
 3. Outcome 9: We are digitally and physically well-connected and responsive
14. The Department, alongside IT and Procurement colleagues under the Chief Operations Officer, leads corporately and supports a variety of strategies which are represented in the business plan:
 - Responsible Business Strategy
 - Climate Action Strategy
 - Digital Skills Strategy
 - Information Management Strategy
 - Procurement and Commercial Strategy

Financial implications

15. The department is working hard to identify savings to meet the 12% savings target. Due to delay in the implementation of the TOM, one-off savings are being secured for 2021/22, largely through holding vacancies. The impact of COVID-19 has seen a significant increase in workload across the Corporation, for Finance this is in addition to the implementation of TOM and FSD transformation programme. In the short term this places a huge amount of pressure on the team as they work through these challenging workstreams over and above business as usual, until new structures can be put in place to secure savings. First quarter budget monitoring has been presented as a separate item to this committee, this demonstrates further work is required to identify alternative savings whilst reducing impact on delivery.

Equalities implications

16. The department's ED&I working group is working to progress the Equalities, Diversity and Inclusion plan centred around 4 themes (support, education, insight and structure).

Conclusion

1. Members are asked to note that good progress made on key work streams and in the delivery of the Chamberlain's business plan. Performance for the first quarter of the year is in line with expectations.

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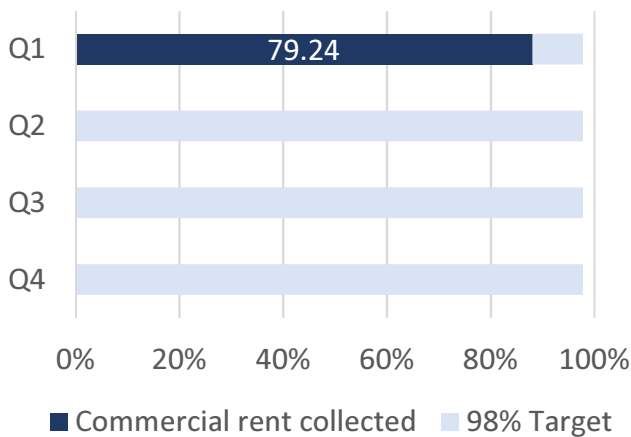
Chamberlain's

21/22 Scorecard

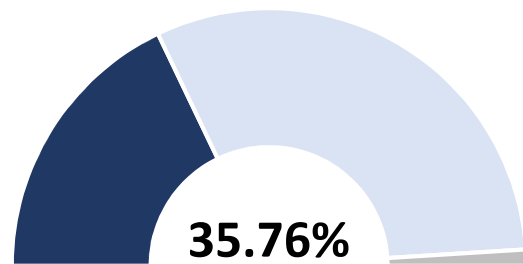
At the end of quarter 1, Departmental performance has reached or exceeded the target for most indicators. Below target performance can be explained by the impact of CV19 in all cases and is documented in divisional quarterly updates to the relevant Sub-Committees.

Departmental performance at end of quarter 1

Commercial rent collected

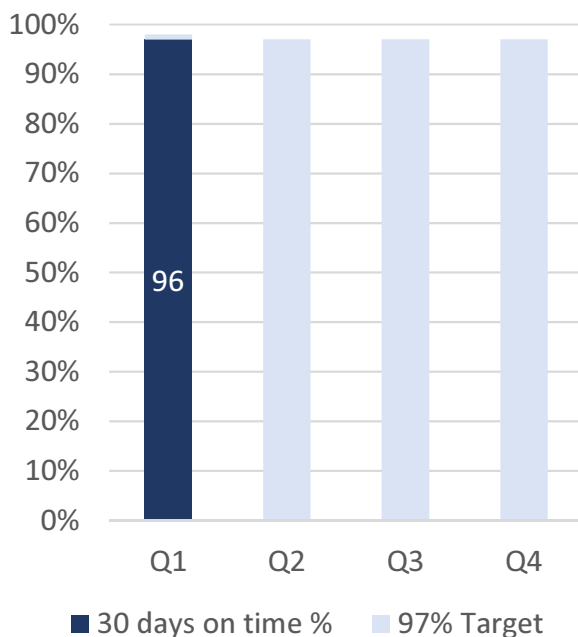


Business Rates collected

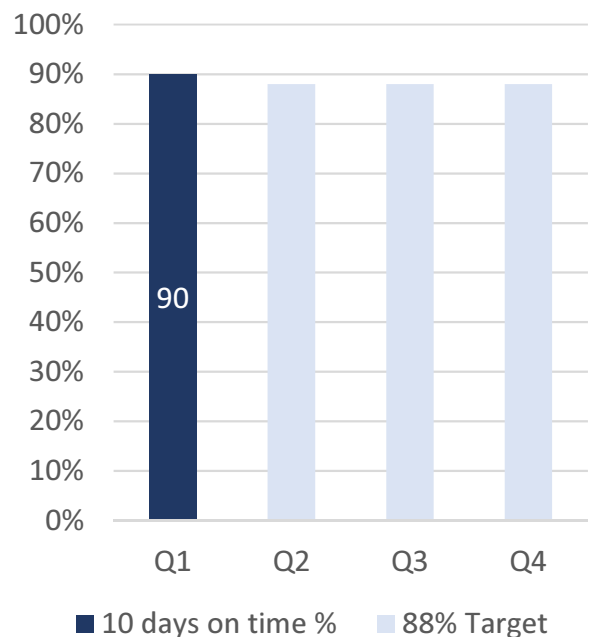


Target for Q1 is 28% full year target is 98%

30 day invoices paid on time



10 day invoices paid on time



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Committee(s):	Date:
Procurement Sub Committee Finance Committee	15th July 2021 20 th July 2021
Subject: City Procurement Efficiency and Savings Target 2021/22	Public
Report of: The Chief Operating Officer	For Information
Report author: Nick Richmond-Smith – Assistant Director – Sourcing and Category Management Darran Reid Assistant Director Commercial Contract Management	

Summary

The report is to advise members of the Efficiency and Savings target set for City Procurement; for the financial year 2021/22 of £9,944,417

This is derived from three elements

- £6,000,000 of new sourcing savings to be generated within this financial year.
- £2,607,417 from savings from previous procurement activity that delivers savings in this financial year
- £1,337,000 from Commercial Contract Management

Recommendation(s)

Members are asked to:

- Note the Procurement Efficiency and Savings target of £9,944,417 for the financial year 2021/22

Main Report

Background

1. City Procurement is set an annual savings target at the start of each year. This target is based on the contracts to be let during the financial year and savings from commercial contract management.
2. This year's target is £9944417

Method for Target Calculation

The process in setting the annual target includes:

The annual savings from Sourcing activity is set using two types of in-year savings.

Those are:

- *Previously let contracts generating savings (known as run-rate)* – Savings already guaranteed for the current financial year from contracts let in previous years. This is for contracts that span different financial years and

is typically for service contracts that are let for a 2-7 year period when the savings are spread across the life of the contract.

- *New contracts let generating savings* – Savings targeted to be generated from new contracts let and commence during the financial year.
- *Commercial Contract Management Savings*: The savings target for Commercial Contract Management is derived from a return of 2.5:1 on salary costs.

The target is a significant increase from previous targets. This target includes projected savings from the Major Projects Programme and supports the challenge of the Medium Term Financial plan. It reflects the work of Procurement with Category Boards to provide greater challenge to delivering savings. It is important that services work at early stages of service 'commissioning' in order that the commercial approach can be shaped to drive savings.

It is to be noted that the set target has excluded projects that relate to income generation.

Whilst the above focuses on the savings target for Procurement, there is a broader consideration about Best Value – i.e. the cheapest may not always deliver the best value contract, so savings as an aim should not be considered in isolation. The more 'nuanced' approach to deriving price/quality ratios needs to continue to be refined, along with a robust understanding of risk trade-offs. Additionally, the Procurement team will more robustly seek to challenge through stage gates the reasons for procurement and alternate make/buy options which may be appropriate.

Conclusion

City Procurement has finalised its Sourcing Plan for 2021/22 by gathering information from all departments on potentially new tenders to be run, combined with the expiry of contracts from our corporate contract register. The target set is £9,944,417

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Committees:	Dated:
Corporate Asset Sub Committee – For decision	19 July 2021
Finance Committee – For Information	20 July 2021
Subject: Guildhall Complex Flagpole Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1, 2, 3, 4, 5,9,10
Does this proposal require extra revenue and/or capital spending?	Y
If so, how much?	£5k for initial feasibility survey to establish full scope and cost.
What is the source of Funding?	City Surveyor's Guildhall local risk
Has this Funding Source been agreed with the Chamberlain's Department?	Y
Report of: The City Surveyor and Remembrancer	For Decision
Report author: Dorian Price	

Summary

During discussion at the April Hospitality Working Party, Members discussed a flag-raising ceremony in September 2021 for Emergency Services Day, noting that Guildhall Yard has only one flagpole and will already have the Pride Flag flying. Members were agreed that the issue of flagpoles at Guildhall needed to be reviewed, with a view to increasing the number, and also indicated that it was possible that funding for this might be available through Finance Committee's contingency.

Officers have reviewed and provided options and propose that in order to expedite this project, an architect and structural engineer are appointed (estimated cost £5k) to undertake a feasibility survey of the options to ensure wind loading and flagpole fixings are suitable, to establish a cost of installation and to commence consent applications. Officers then propose to report back to Members once the proposal is fully developed with costs, and seek Members preferred option.

This report only covers the proposed location and installation of a flagpole/s. Any decisions about what flags are flown is not part of this report.

Recommendations

All Members are asked to:

- Note the report.
- Approve that a more detailed feasibility survey will be undertaken at an estimated cost of £5k to be met from the City Surveyor's Guildhall local risk budget to clarify options and identify the most suitable location, to ensure wind

loading and flagpole fixings are suitable, to commence pre-planning application discussions and to determine the final cost of all options.

- Note that officers will then report back to Members once the proposal is fully developed with costs, and seek Members preferred option.

Finance Committee Members are asked to:

- Note that once full costs are established, a request will be made to Finance Committee, seeking funding for this project and whether this is available through your committee's Contingency.

Main Report

Background

1. Flags are a very British way of expressing joy and pride and at Guildhall, flags have been flown to support a wide range of national, sub-national, community and international events.

Current Position

2. There are currently 4 flagpoles at Guildhall complex:
 - i. 2 x Projecting Flagpoles - projecting from the side of the North Wing entrance.
 - ii. 1 x Projecting Flagpole - projecting from the side of the Livery Hall entrance on Basinghall Street.
 - iii. 1 x Vertical Flagpole – located in the centre on the Dance Porch roof, overlooking Guildhall Yard.
3. A flag flying ceremony is due to take place in Guildhall Yard in September 2021 for Emergency Services Day at a time when the flagpole overlooking the Yard will already have the Pride Flag flying.
4. Current permissions allow one flag flying on a vertical flagpole on the roof of a building and one flag within the grounds or gardens of the building without consent (subject to standard restrictions). However, planning and Listed Building consent will be required to have a further flag/s on a flagpole.

Options

All options are subject to a site survey and perhaps due to current Covid times, the companies approached have been slow to respond and have also requested substantial and detailed information before they are willing to visit Guildhall. However, officers have also discussed options with Julian Harrap Architects LLP, who are currently CoL architects for the St Lawrence Jewry Project and who have experience of flagpole installation on historic buildings.

- Option 1 – 2 x Vertical Flagpoles situated on either side of the current centre flagpole on the Dance Porch roof. This may raise issues given the listed status of the building.
- Option 2 – 1 or 2 x Vertical Flagpoles located around the edge of the pond at West Wing. This option would not be available until the completion of the St Lawrence Jewry Church refurbishment project circa July/August 2022.

- Option 3 – 1 or 2 Ground Mounted Flagpoles in Guildhall Yard – May have an effect on vehicle access, depending on location i.e. close to Dance Porch. When windy, cable and flapping hardware clanging against the pole may be annoying for neighbours e.g. the Vicar of St Lawrence Jewry.

Proposals

5. Officers propose to explore each option and then report back to Members once the proposal is fully developed with costs, and seek Members preferred option.
6. Officers further propose that Julian Harrap Architects LLP and a structural engineer undertake a feasibility survey of the options to ensure wind loading and flagpole fixings are suitable, to establish a cost of installation and to prepare consent applications.
7. The cost of the feasibility survey, estimated at £5k, will be funded from City Surveyor's Guildhall Complex Local Risk Budget.

Corporate & Strategic Implications

8. With the installation of 1 or 2 extra flagpoles, the City could fly multiple flags, when the need arises, to support a wide range of national, sub-national, community and international events whose foreign delegations we wish to recognise.
9. The proposals align with the Corporate Plan outcomes.

Conclusion

10. Members are asked to approve that a more detailed feasibility survey will be undertaken at an estimated cost of £5k to be met from the City Surveyor's Guildhall local risk budget to progress options to undertake a feasibility survey of the options to ensure wind loading and flagpole fixings are suitable, to establish a cost of installation and to prepare consent applications.
11. Officers will then report back to Members once the proposal is fully developed with costs, and seek Members preferred option.
12. This report only covers the location and installation of a flagpole/s. Any decisions about what flags are flown is not part of this report.

Appendices

- Appendix 1 – None

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Committee(s)	Dated:
Finance Committee	20 th July 2021
Subject: IT Division – Member Update	Public
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Chief Operating Officer	For Information
Report author: Sean Green, Chamberlain's Department	

Summary

This report updates Members on the work of the IT Division and the key areas of progress for the last quarter:

- i. Progress with strategic programmes;
- ii. Performance of business-as-usual IT services;
- iii. £2.4m of revenue collected through new online forms produced with other digital improvements made throughout the period;
- iv. A new Digital Services Strategic roadmap for CoLP agreed with senior officers.

Recommendation(s)

Members are asked to note this report

Main Report

Background

1. The IT Division provides services to the City of London Corporation (CoL), City of London Police (CoLP) and London Councils. 5 main functions are provided from the in-house IT team: i) IT Finance and Performance Management, ii) Change and Engagement Management iii) Projects and Programmes Management, iv) IT Operations and Service Management and v) Police IT Services.
2. This report updates on progress on critical programmes, business as usual service performance, the updates to the CoLP Digital Services Strategy and the rate of adoption of digital ways of working.

Service Performance and Self-Service

3. There were 2 P1 and 2 P2 Incidents for CoL and COLP over the period Apr to Jun 2021.
4. Excellent customer service feedback (averaging 93%) each month and are working to increase the responses currently averaging around 130 responses.
5. Work has begun on the Social Values programme in support of the new Agilisys contract which provide for 3 new apprentices, digital training and support for our schools, residents and businesses.

New Projects and Programmes

6. IT Programmes are classified under five themes (see appendix A CoL main programmes and appendix B CoLP main programmes):
 - a. End user experience;
 - b. Security and compliance;
 - c. Service transformation;
 - d. Connectivity and resilience ;
 - e. Applications and data.
7. Gateway papers and project business cases are currently in progress for new CoL and CoLP projects including:
 - a. Gateway paper in progress for a new IT Wide Area Network;
 - b. Replacement of all the Corporation laptop computers about to kick off;
 - c. A Business case has been prepared to review options with Members for a new telephony platform.
8. Police airwave radios are now being replaced alongside the implementation of a new managed service with Motorola.

Financial Savings Programme

9. IT have a significant savings challenge with £1m in year saving with the CoL IT budget and a £700k in year saving for CoLP. Proposals have been presented to CoL and CoLP Finance colleagues on how the bulk of the savings can be achieved alongside expected TOM savings towards the end of 2021.
10. Savings are being made through contract negotiations, holding vacancies, reducing the scope of existing IT services and the management of our cloud computing environment.

Digital Transformation

11. In the first quarter of 2021/22 CoL took £2.44m in payments with 7.5k online form submissions.

12. Key areas of usage for online payments include council tax payments, housing rent payments and the new Hampstead Heath swimming application.
13. New online services added include a new online enquiries form, a COVID 19 Surge Testing post code checker, open spaces donations, city events registrations and amendments to the city voter registration form to support the drive to increase election participation.
14. IT have launched the new Intranet CoL homepage with improved search engine.
15. IT have gone live with the Events E-Invitations functionality on Dynamics 365, enabling Events to be managed electronically end to end and saving significant staff time.
16. IT have started development on a PowerApp to replace the legacy Central Criminal Court lunches application.
17. The in-house Content and Collaboration Team have now taken on Office 365 support for both the City of London Corporation and City of London Police.
18. IT have also launched a new O2 mobile phone provisioning process, including a new self-service process for ordering new mobile devices.

Digital Services Strategic Roadmap (DSSR) for the City of London Police (CoLP)

19. The Digital Services Strategic Roadmap is due review/sign off at the Police Authority Board on the 19th of July and the Digital Services Sub-Committee on the 23rd of July 2021.
20. **‘Vision:** People getting the best out of cost-effective services via digitally-enabled collaboration & continual improvement in their design & delivery’

21. Principles

This vision will be realised through service digitalisation – i.e., transforming services digitally – that enables the following:

- Efficiency and effectiveness in service delivery work
- Service simplification and automation
- Delivery of secure and stable services accessible anywhere
- Creation of service insight coupled with service commoditisation

The vision relies on widespread adoption by individual stakeholders of Digital ways of working and has a strong thread back to the National Police Digital Strategy. <https://pds.police.uk/national-policing-digital-strategy-2020/>

The themes covered in the CoLP DSSR include support for: Digital Policing; Safe and Secure City; Police Accommodation; Action Fraud, National Fraud Intelligence Bureau and Cyber Crime; Police Modernisation and Digital Service Delivery (including skills and behaviours).

Financial Appraisal & Risks

22. There are no additional financial implications arising from this report.

Corporate & Strategic Implications

23. The CoLP Digital Services Strategic Roadmap with a thread to the CoLP Policing Plan and the National Police Digital Strategy has been agreed by senior CoLP officers.

<https://pds.police.uk/national-policing-digital-strategy-2020/>

Legal implications

24. There are no additional legal implications arising from this report.

Risk implications

25. There are no additional risk implications arising from this report.

Equalities implications

26. There are no additional Equality implications arising from this report.

Climate implications

27. There are no additional Climate implications arising from this report.

Security implications

28. CoL IT will continue to follow all relevant security advice from vendors and the National Cyber Security centre.

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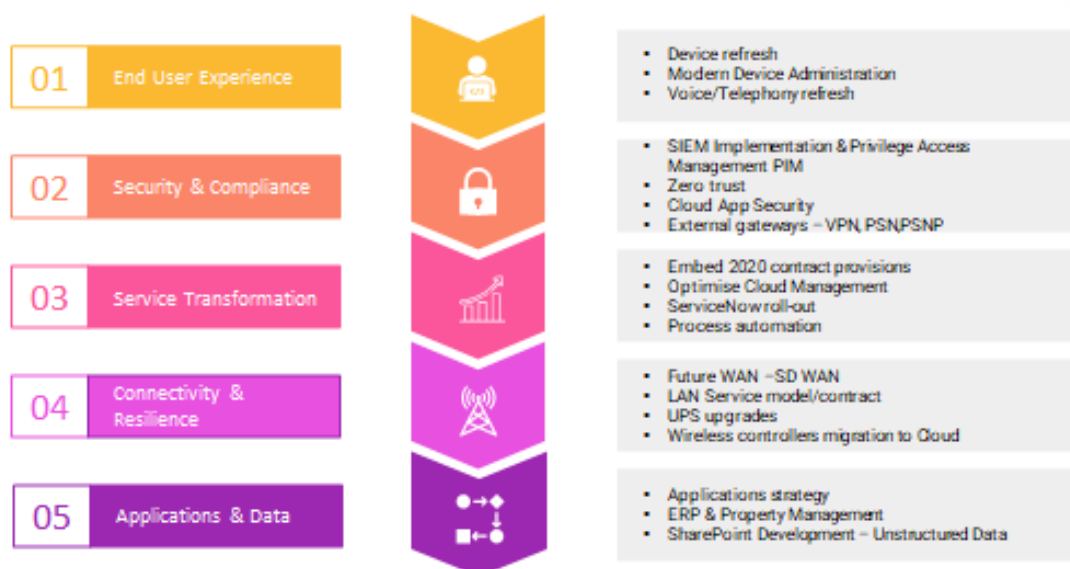
Appendices

Appendix A – CoL Programmes and Projects

Appendix B – CoLP Programmes and Projects

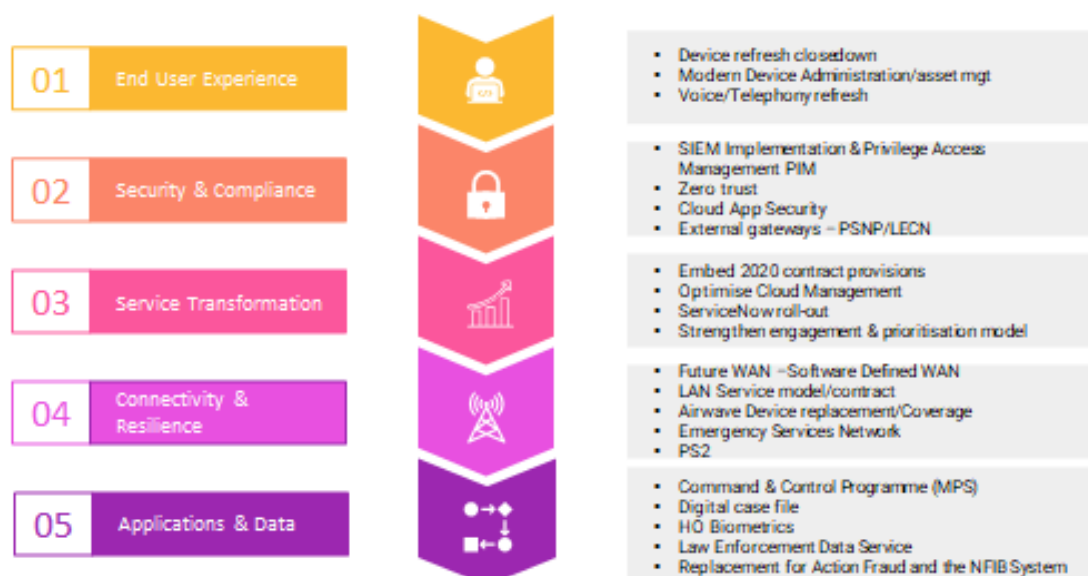
Appendix A – CoL Programmes and Projects

Core CoL IT Service Programme Streams 2021



Appendix B – CoLP Programmes and Projects

Core CoLP IT Service Programme Streams 2021



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Committee(s): Finance Committee	Dated: 20 July 2021
Subject: Central Contingencies 2021/22	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: The Chamberlain	For Information
Report author: Amanda Luk, Senior Accountant, Financial Services Division	

Summary

This report has been produced to provide Members with an update on the Central Contingencies 2021/22 uncommitted balances.

Recommendation(s)

Members are asked to:

- Note the Central Contingencies 2021/22 uncommitted balances

Main Report

Background

1. Service Committee budgets are prepared within the resources allocated by the Policy and Resources Committee and, with the exception of the Policy and Resources Committee, such budgets do not include any significant contingencies. The budgets directly overseen by the Finance Committee therefore include central contingencies to meet unforeseen and/or exceptional items that may be identified across the City Corporation's range of activities. Requests for allocations from the contingencies should demonstrate why the costs cannot, or should not, be met from existing provisions.
2. In addition to the Central Contingencies, the Committee has a specific City's Cash Contingency of £125,000 to support humanitarian disaster relief efforts both nationally and internationally.

Current Position

- The uncommitted balances that are currently available for 2021/22 are set out in the table below.

2021/22 Central Contingencies – Uncommitted Balances 07 July 2021			
	City's Cash	City Fund	Total
	£'000	£'000	£'000
Contingencies			
2021/22 Provision	950	800	1,750
2020/21 Pending brought forward	0	206	206
Total Provision	950	1,006	1,956
Previously agreed allocations	(510)	(429)	(939)
Pending recommended allocation	0	0	0
Pending request on the agenda	0	0	0
Total Commitments	(510)	(429)	(939)
Uncommitted Balances	440	577	1,017
National and International Disasters			
Total Provision	125	0	125
Previous allocations	(25)	0	(25)
Uncommitted Balance	100	0	100

- A contingency of £50,000 is held by Bridge House Estates (BHE). This is in case of a request for additional funding for a project that affects all three funds, enabling this Committee to consider the impact of the total request. The BHE Board would approve its portion of any such joint project. To date in 2021/22, there have been no requests for joint funding that affects all three funds. All requests specific to BHE only are considered solely by the BHE Board.
- At the time of preparing this report, there are no requests for allocations from contingency funds elsewhere on the agenda.
- As agreed at this Committee's April meeting, the proposal to carry forward a sum of £206,000 from 2020/21 to 2021/22 for the City Fund Contingency to ensure that a full year's provision is available during 2021/22. The Chamberlain in consultation with the Chair and Deputy Chairman of the Resource Allocation Sub Committee approved the carry forward on 28th June. A paper will be reported on carry forwards to the Resource Allocation Sub Committee for information in September.
- The sums which the Committee has previously allocated from the 2021/22 contingencies are detailed in Appendix 1.

Conclusion

8. Members are asked to note the Central Contingencies uncommitted balances.

Appendices

- Non- Public: Appendix 1 – Allocations from 2021/22 Contingencies

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