

Committee:	Date:
Policy and Resources Committee	24 September 2020
Subject: Revenue Outturn 2019/20	Public
Report of: The Town Clerk, the Chamberlain, the Remembrancer	For Information
Report Author: Laura Tuckey, Chamberlain's Department	

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2019/20 with the final budget for the year. Overall, total net expenditure during the year was £24.602m, against the budget of £29.429m representing an underspend of £4.827m (16% on revised budget), as summarised in the table below.

By Division of Service	Original Budget	Final Budget	Revenue Outturn	Variations Better/(Worse) against Final Budget
	£000	£000	£000	£000
Community, Safety and Resilience	944	1,085	888	197
Communications	2,219	2,419	2,339	80
Innovation and Growth	5,215	7,410	6,147	1,263
Grants and Contingencies	5,165	9,591	6,385	3,206
Remembrancer	6,814	7,145	7,207	(62)
Culture Mile	1,580	1,779	1,636	143
Division of Service Totals	21,937	29,429	24,602	4,827

The most significant of the reduced requirements were within Grants and Contingencies and related to; underspends on unused provisions and agreed carry forward contingency balances (£3,362,000) and underspends on professional fees within Innovation and Growth (£797,000).

Your Committee has carry forwards of £3,362,000 in relation to your Committees unspent/committed Contingency funds. In addition, the Chamberlain in consultation with the Chair and Deputy Chair of the Resource Allocation Sub Committee have approved proposals to carry forward £340,000 as detailed in paragraph 10.

Recommendations

It is recommended that this revenue outturn report for 2019/20 and the budgets carried forward to 2020/21 are noted.

Main Report

Budget Position for 2019/20

1. The 2019/20 original budget for the services overseen by your Committee was £21.937m as endorsed by the Court of Common Council in March 2019. This has subsequently been increased to a final budget of £29.429m. An analysis of the increase of £7.492m is provided in Appendix 1.

Revenue Outturn for 2019/20

2. The 2019/20 actual net expenditure for the services being reported to your Committee totalled £24.602m, an underspend of £4.827m compared to the budget of £29.429m. A comparison with the final budget for the year is set out in Appendix 2. The most significant variations were:
3. Reduced net expenditure on Grants and Contingencies £3,206,000 primarily due to: -
 - Unspent central risk provisions within the COVID Contingency Fund (£1,500,000), Policy Initiatives Fund (£719,000), Committee Contingency (£310,000), Project Reserve (£420,000) and the Brexit Contingency Fund (£413,000) which your Committee, on 19 March 2019, agreed to carry forward;
 - Supplementary Revenue Project costs of £301,000 which had no associated budgets resulting in an overspend;
 - An overspend in support costs of £90,000 due to increases in support services;
 - Promoting the City underspent by £65,000 due to vacant posts not being filled and lower than expected operational costs;
 - An underspend of £61,000 on grants and subscriptions relating to the Dragon Awards and the Guildhall School of Music and Drama hardship fund; and
 - Unspent local risk provisions relating to project Cyber Griffin of £34,000.
4. Reduced net expenditure by the Innovation and Growth of £1,263,000 largely in respect of: -
 - A local risk underspend of £990,000 relating to professional fees and staffing costs due to delays in recruiting new staff following the restructure of the service. This required lengthy consultations to best understand how to progress to with the restructure to ensure we were getting the best out of our staff and department structure. The new structure is now in place and staff are in post. The underspend related to professional fees was due to IG not having the staff to execute several projects that were planned early in the financial year. Although these projects were utilising consultancy staff, many also required IG resource to lead/support the project. Some of these projects were pushed into 20/21 and others have been cancelled due to new outcomes being prioritised; and
 - £185,000 underspent against budget due to events, conferences, travel and associated hospitality being postponed, rescheduled or cancelled due to the Coronavirus pandemic.

5. Reduced net expenditure on Community, Safety and Resilience activities of £197,000 mainly as a result of: -
- An increase of £64,000 of income against budget which relates to charges for community safety work for the GLA and contingency planning;
 - £52,000 underspend on Project Investment Pot projects which was due to delays in filling vacancies;
 - Unspent Security Initiatives contingency budgets of £50,000; and
 - Underspends of £23,000 due to vacancies.
6. Reduced net expenditure on Culture Mile of £143,000 largely in respect of: -
- A £54,000 underspend as a number of events/programmes that were due to take place in March/April were cancelled due to COVID including an all staff session, a photography exhibition for The Hidden City, OpenFest and The Family Destination Creative;
 - Culture Mile's 2019/20 annual report and the Property Strategy were planned to be launched at the cancelled events so design and printing costs of £25,000 were not spent as expected; and
 - An underspend of £14,000 against salaries due to delays in filling vacancies.
7. Increased net expenditure for the Remembrancer's Department of £62,000 largely in respect of: -
- A £243,000k overspend relating to works approved by the Peer Review Group throughout the North Wing and adjoining areas to regulate heating;
 - An underspend in support costs of £145,000 due to decreases in support services and Admin building costs;
 - Underspends of £77,000 against central risk due to lower expenditure than expected due to several events having to be cancelled due to COVID19; and
 - A £41,000 overspend on Hospitality Working Party Chief Commoner events.

Budgets Carried Forward to 2020/21

8. Chief Officers can request local risk underspends of up to 10% or £500,000 whichever is the lesser, to be carried forward, so long as the underspend is not clearly fortuitous, and the resources are required for a planned purpose. Such requests are considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee.
9. Overspending is carried forward and recovered through reductions in 2020/21 budgets. There has been no local risk overspends this financial year.
10. The Chamberlain in consultation with the Chair and Deputy Chair of the Resource Allocation Sub Committee have agreed to carry forward £240,000 local risk (Climate Action Strategy) and £3,462,000 central risk underspend (Contingency balances £3,362,000 and Innovate Finance £100,00). Details of the use of the

carry forwards are set out in Appendix 3. These budgets will be increased accordingly.

11. The revenue outturn for Cultural Services 2019/20 which falls within the responsibilities of the Culture, Heritage and Libraries Committee comprised of a £122,000 overspend. This overspend is to be met by underspends within the Town Clerk's Department as a whole but specifically from the Policy and Resources central risk underspend.

Appendices

- Appendix 1 – Analysis of movements from the 2019/20 Original Budget to 2019/20 Final Budget
- Appendix 2 – Comparison of 2019/20 Revenue Outturn against Final Budget
- Appendix 3 – Carry forward requests

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APPENDIX 1

Analysis of movements 2019/20 Original Budget to Final Budget	£000
Original Local Risk Budget (Town Clerk)	7,499
Innovation and Growth budget uplift as agreed in December 2018	1,800
Local Risk carry forward from Town Clerk's underspend in 2018/19	241
Transfer of Budget for Climate Action from DBE & Open Spaces	175
Sports Engagement post and activities budget creation	80
Internal Legal fee expenditure budget creation	54
CoL Website Revenue budget creation relating to capital project	40
London Pan Resilience Fund budget creation	30
Net other movements including Contribution Pay & Redundancy/Early Retirement Costs	30
Strategic Advisor post and activities budget creation	20
Final Local Risk Budget (Town Clerk)	9,969
Original Local Risk Budget (Remembrancer)	1,196
Net other movements including contribution pay adjustment	17
Final Local Risk Budget (Remembrancer)	1,213
Original Central Risk Budget (Town Clerk)	4,868
Brexit Contingency Fund carry forward 2018/19	1,970
Green Finance Initiative budget uplift	667
Project Reserve Established from Project Sub Committee Budget transfer	450
Central Risk carry forward from Policy Initiatives Fund 2018/19	429
Central Risk carry forward from Committee Contingency 2018/19	380
Heart of the City budget uplift	300
CityUK budget uplift	100
Priority Investment Pot Bids	85
Reprofiling of Future London budgets	50
Final Central Risk Budget (Town Clerk)	9,299
Original Central Risk Budget (Remembrancer)	1,600
Decrease of Capital charges	(281)
Final Central Risk Budget (Remembrancer)	1,319
Original Central Risk Budget (Culture Mile)	1,580
Reprofiling of 2018/19 Budget	88
Central Risk carry forward from underspend in 2018/19	116
Transfer of budget to GSMD for services provided.	(3)
Transfer of budget to the Barbican Centre for services provided.	(2)
Final Central Risk Budget (Culture Mile)	1,779
Original Support Services and Capital Charges Budget	5,194
Net movements	656
Final Support Services and Capital Charges Budget	5,850
Total Original Budget	21,937
Total increase	7,492
Total Final Budget	29,429

APPENDIX 2

Comparison of 2019/20 Revenue Outturn with Final Budget				
By Chief Officer	Original Budget £000	Final Budget £000	Revenue Outturn £000	Variations Better/ (Worse) £000
Local Risk				
The Town Clerk	7,499	9,969	8,534	1,435
The Remembrancer	1,196	1,213	1,525	(312)
Culture Mile	0	0	0	0
Total Local Risk	8,695	11,182	10,059	1,123
Central Risk				
The Town Clerk	4,868	9,299	5,910	3,389
The Remembrancer	1,600	1,319	1,214	105
Culture Mile	1,580	1,779	1,636	143
Total Central Risk	8,048	12,397	8,760	3,637
Support Services & Capital Charges	5,194	5,850	5,783	67
Committee Totals	21,937	29,429	24,602	4,827
By Division of Service				
Community, Safety and Resilience	944	1,085	888	197
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APPENDIX 3

Carry forwards By Chief Officer	£000
<u>Town Clerk</u> <u>Local Risk</u> <u>Economic Development</u> Securing a Climate Action strategy is a named priority in the Corporation's Responsible Business Strategy. The lack of a strategy has the highest current risk rating across the Corporation. Actions and budget to prepare a strategy were approved at Summit (Sept 2019) with the work to take place between October 2019 and June 2020. We require funds to carry over into 20/21 to cover the work of phase of work involving external advice on the Corporation's baseline of emissions and the programme manager who is managing the workstreams across the Corporation.	240
<u>Central Risk</u> <u>Grants and Contingencies</u> Policy Initiative Fund: - This carry forward is due to agreed bids which have not been fully spent and completed in 2019/20 and any uncommitted balances which have been rolled forwards.	719
Policy and Resources Contingency Fund: - This carry forward is due to agreed bids which have not been fully spent and completed in 2019/20 and any uncommitted balances which have been rolled forwards.	310
Brexit Contingency Fund: - This carry forward is due to agreed bids which have not been fully spent and completed in 2019/20 and any uncommitted balances which have been rolled forwards.	413
COVID Contingency Fund: This carry forward is for the newly established COVID Contingency Fund which while established in 2019/20 had no bids until Financial Year 2020/21.	1,500
Policy and Resources Project Reserve: - This carry forward is due to agreed bids which have not been fully spent and completed in 2019/20 and any uncommitted balances which have been rolled forwards.	420
<u>Innovation and Growth</u> Innovate Finance: - The Fintech sector remains a key part of the UK's London's competitive edge in financial services. London has led the world with initiatives like the Regulatory Sandbox, Open Banking and the sector deal for AI. The fintech sector is a necessary condition of our future success and is why the City Corporation founded and continues to support Innovate Finance, who have done vital work since inception in growing the fintech industry and expanding the UK's offer Unfortunately, COVID has caused the cancellation of IFGS 2020. Whilst the reputational damage is manageable, the financial impact on Innovate Finance is significant.	100
Total Town Clerk	3,702