

<b>Committee(s):</b> Licensing Committee	<b>Dated:</b> 13 October 2021
<b>Subject:</b> Revenue Budgets 2022/23	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	n/a
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	n/a
<b>Report of:</b> The Chamberlain Executive Director Environment	<b>For Decision</b>
<b>Report author:</b> Jenny Pitcairn, Chamberlain's Department	

### Summary

This report presents for approval the revenue budgets for the Licensing Committee for 2022/23.

Overall, the proposed revenue budget for 2022/23 totals (£79,000), an increase of (£5,000) in net expenditure compared to the 2021/22 Original Budget of (£74,000).

The proposed budget for 2022/23 has been prepared within the provisional resource envelope anticipated to be allocated to the Executive Director by Resource Allocation Sub Committee in October 2021, but is dependent on the delivery of savings proposals which are still being developed.

The resource envelope must be adhered to, as failure to do so will impact Finance Committee's ability to set Council Tax rates for the year ahead and the requirement in law for the City to set a balanced budget.

### Recommendations

Members are asked to:

- i) review and approve the proposed revenue budget for 2022/23 for submission to Finance Committee;
- ii) authorise the Chamberlain, in consultation with the Executive Director Environment to revise these budgets to allow for any further implications arising from subsequently approved savings proposals, Target Operating Model (TOM) implementation, or changes to the resource envelope; and
- iii) agree that amendments for 2021/22 and 2022/23 budgets arising from changes to recharges during budget setting be delegated to the Chamberlain.

## Main Report

### Background

1. This report sets out the latest budget for 2021/22 and the proposed revenue and capital budgets for 2022/23 for your Committee and under the control of the Executive Director Environment, analysed between:
  - (i) **Local Risk Budgets** – these are budgets deemed to be largely within the Chief Officer's control.
  - (ii) **Support Services and Capital Charges** – these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk.
2. In the various tables, income, increases in income, and reductions in expenditure are shown as positive balances, whereas brackets will be used to denote expenditure, increases in expenditure, or reductions in income.
3. The latest 2021/22 budget and provisional 2022/23 budgets are summarised in Table 1 below.

<b>Table 1 Summary Revenue Budgets 2021/22 and 2022/23</b>	<b>Original Budget 2021/22 £'000</b>	<b>Latest Budget 2021/22 £'000</b>	<b>Original Budget 2022/23 £'000</b>
Local Risk Expenditure	(806)	(806)	(726)
Local Risk Income	755	755	670
<b>Total Local Risk</b>	<b>(51)</b>	<b>(51)</b>	<b>(56)</b>
Support Services and Capital Charges	(23)	(23)	(23)
<b>Total Net Expenditure</b>	<b>(74)</b>	<b>(74)</b>	<b>(79)</b>

4. The 2021/22 latest budget is unchanged from the 2021/22 original budget.

### Proposed Revenue Budget for 2022/23

5. The proposed 2022/23 budget is net expenditure of (£79,000), an increase of (£5,000) in net expenditure compared to the 2021/22 original budget.
6. For 2022/23 budgets include:
  - (i) 2% uplift for inflation offset by 2% efficiency savings (a flat cash position)
  - (ii) Pay increases at 1.525% for grades A-C from 1st July.
  - (iii) Increase of 1.25% in employer's National Insurance contributions.

The resulting resource envelope must be adhered to, as failure to do so will impact Finance Committee's ability to set Council Tax rates for the year ahead and the requirement in law for the City to set a balanced budget.

7. The budget has been prepared within the provisional resource envelope anticipated to be allocated to the Executive Director by Resource Allocation Sub Committee in October 2021, with the following exceptions and assumptions:

- The Executive Director is still in the process of identifying savings proposals which, if delivered, will enable her to remain within her City Fund resource envelope. As a result, the savings required have been incorporated into the 2022/23 budget as “Savings to be Applied” and will be revised as necessary throughout the year. These have been ring-fenced by Committee in the first instance, but this does not necessarily reflect the likely distribution of savings across the Department, which is yet to be determined.
- The Department is not expected to complete implementation of the TOM until early 2022 therefore the budgets set out here do not reflect any changes to structures that may result from that process, including any associated savings as set out above.
- Support services and capital charges budgets reflect the attribution and cost of central departments. However, the full budgets for these departments have not yet been finalised, so further changes to these budgets may be required.

8. Table 2 below summarises the movements between the 2021/22 and 2022/23 original budgets.

<b>Provisional Revenue Budgets 2022/23</b>	<b>Original Budget (OR) 2021/22 £'000</b>	<b>Original Budget (OR) 2022/23 £'000</b>	<b>Movement OR to OR £'000</b>	<b>Para Ref</b>
<b>LOCAL RISK</b>				
<b>Expenditure</b>				
Employees	(696)	(701)	(5)	9(i)
Premises Related Expenses	(48)	(48)	0	
Supplies and Services	(26)	(46)	(20)	9(ii)
Third Party Payments	(84)	(84)	0	
Savings to be Applied	48	153	105	9(iii)
<b>TOTAL Expenditure</b>	<b>(806)</b>	<b>(726)</b>	<b>80</b>	
<b>Income</b>				
Customer, Client Receipts	755	670	(85)	9(iv)
<b>TOTAL Income</b>	<b>755</b>	<b>670</b>	<b>(85)</b>	
<b>TOTAL LOCAL RISK</b>	<b>(51)</b>	<b>(56)</b>	<b>(5)</b>	
<b>RECHARGES</b>				
Central Recharges	(135)	(135)	0	
Recharges within Fund	(9)	(9)	0	
Recharges across Funds	121	121	0	
<b>TOTAL RECHARGES</b>	<b>(23)</b>	<b>(23)</b>	<b>0</b>	
<b>TOTAL NET EXPENDITURE</b>	<b>(74)</b>	<b>(79)</b>	<b>(5)</b>	

9. The movement between the budgets shown in Table 2 is attributable to:

- (i) Increase of 1.25% in employer’s National Insurance contributions.

- (ii) An increase in provision for internal legal fees, in line with anticipated activity particularly in relation to enforcement.
- (iii) Unidentified savings required to remain with the Department's resource envelope.
- (iv) An anticipated reduction in Tables & Chairs Licence fee income as a result of the extension of the free-of-charge Pavement Licence alternative option into 2022/23.

## Staffing Statement

10. Table 3 below shows the movement in manpower and related staff costs.

Table 3 Staffing Summary	Original Budget 2021/22		Original Budget 2022/23	
	Manpower Full-time Equivalent	Estimated Cost £'000	Manpower Full-time Equivalent	Estimated Cost £'000
<b>Total Port Health and Environmental Services</b>	<b>10.5</b>	<b>(696)</b>	<b>10.7</b>	<b>(701)</b>

## Conclusion

11. This report presents the proposed budgets for 2022/23 for the Licensing Committee for Members to consider and approve.

## Appendices

- None

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