

2021/22 Latest Budget to Proposed 2022/23 Original Budget

Provisional Revenue Budgets 2022/23	Original Budget (OR) 2021/22 £'000	Original Budget (OR) 2022/23 £'000	Movement OR to OR Better / (Worse) £'000	Para Ref (Table 5)
LOCAL RISK				
Expenditure				
Employees	(14,262)	(15,042)	(780)	2, 5, 6a
Premises Related Expenses	(1,057)	(1,050)	7	6b
Premises Related Expenses: City Surveyor	(840)	(637)	203	8
Transport Related Expenses	(519)	(523)	(4)	
Supplies and Services	(2,239)	(2,098)	141	1, 6c, 9
Third Party Payments	(8,414)	(7,564)	850	6d
Savings to be Applied	2,475	1,029	(1,446)	6e, 7
TOTAL Expenditure	(24,856)	(25,885)	(1,029)	
Income				
Government Grants	1,401	0	(1,401)	4
Other Grants, Reimbursements and Contributions	402	249	(153)	1
Customer, Client Receipts	14,373	17,752	3,379	2, 6f, 10
Transfer from Reserves	418	0	(418)	3
TOTAL Income	16,594	18,001	1,407	
TOTAL LOCAL RISK	(8,262)	(8,884)	378	
CENTRAL RISK				
Expenditure				
Employees	(8)	(18)	(10)	11a
Supplies and Services	0	(12)	(12)	11b
Third Party Payments	0	(33)	(33)	11c
TOTAL Expenditure	(8)	(63)	(55)	
Income				
Transfer from Reserves	0	55	55	11d
TOTAL Income	0	55	55	
TOTAL CENTRAL RISK	(8)	(8)	0	
TOTAL LOCAL & CENTRAL RISK	(8,270)	(8,892)	378	
RECHARGES				
Central Recharges	(4,289)	(4,325)	(36)	
Recharges within Fund	(1,795)	(1,283)	512	
Recharges across Funds	(349)	(456)	(107)	
TOTAL RECHARGES	(6,433)	(6,064)	369	
TOTAL NET EXPENDITURE	(14,703)	(13,956)	747	

The significant movements in the local and central risk budgets are explained in Table 5 below.

Table 5 Movements between 2021/22 Original Budget and 2022/23 Original Budget			
Reason for Variance	Movement Original Budget 2021/22 to Original Budget 2022/23		
	Expenditure £'000	Income £'000	Net Movement £'000
Removal of one-off items from 2020/21:			
1) Approved grant funding from the Mayor's Air Quality Fund, fully offset by supplies and services costs	205	(205)	0
2) Externally funded posts in relation to Thames Tideway, Bank Capacity Upgrade and TFL Streetworks SLAs	122	(122)	0
3) Transfer from Products of Animal Origin (POAO) Reserve ⁱ⁾		(418)	(418)
4) Grant funding from DEFRA for Brexit preparations ⁱⁱ⁾		(1,401)	(1,401)
5) An increase in employee costs due to:			
a. provision for pay increases due to pay award, incremental and career grade progression	(384)		(384)
b. adjustment for latest apprentice posts towards the corporate target, funded from the central pot	191		191
c. Brexit related recruitment at the Ports ⁱⁱ⁾	(799)		(799)
6) Allocation of planned Cleansing savings approved in January 2021:			
a. Employee Costs	83		83
b. Premises Related Expenses	7		7
c. Supplies and Services	72		72
d. Third Party Payments	892		892
e. Savings to be Applied	(1,078)		(1,078)
f. Customer, Client Receipts		38	38
7) Further reduction in savings to be applied still to be identified after taking into account all other changes in local risk income and expenditure	(368)		(368)
8) Changes to phasing of the City Surveyor's Corporate Works Programme	178		178

Appendix 3

9) An increase in sampling costs at the Ports as a result of increased throughput	(75)		(75)
10) Increases in income from:			
a. Heathrow Animal Reception Centre		392	392
b. Port and Launches – non-EU trade		817	817
c. Port and Launches – EU trade ⁱⁱ⁾		2,210	2,210
11) Lord Mayor's Show costs incurred by Cleansing are now being met from central risk, fully matched by a transfer from the On-Street Parking Reserve:			
a. Employee Costs	(10)		(10)
b. Supplies and Services	(12)		(12)
c. Third Party Payments	(33)		(33)
d. Transfer from Reserves		55	55
Minor variations	(75)	96	21
Total Movement Local and Central Risk	(1,084)	1,462	378

Notes:

i) No longer required due to increase in non-EU trade income.

ii) For the 2021/22 financial year DEFRA committed to underwrite the financial risk of additional staff recruited in preparation for Brexit in the event that throughput did not increase sufficiently that our income would fully cover the associated costs, and this was shown in the 2021/22 original budget as grant income. At present this underwriting is not anticipated to be extended into 2022/23, and the grant income budget is therefore reduced to zero but is replaced by trade income at the increased level required to meet the latest estimate of costs of all staff either in post or being recruited in preparation for checks on EU products.

The decrease of £369,000 in support services and capital charge expenditure reflects changes in the budgets of central departments and their apportionment between committees, most significantly as a result of a reduction in the cost of Walbrook Wharf depot.