

Committee:	Date:
Establishment Committee	19th January 2022
Subject: Departmental Budget Estimates 2022-23 for the Establishment Committee	Public
Does this proposal require extra revenue and/or capital spending?	No
Report of: Town Clerk, Comptroller and City Solicitor, Chief Operating Officer and the Chamberlain	For Approval
Report author: Jenna Brassett - Chamberlains Sarah Scherer – Town Clerk’s Nick Senior - Comptroller	

Summary

This report presents the revised revenue budget for 2021/22 and the proposed revenue budget for 2022/23 in relation to the services directly overseen by this Committee. The estimates presented in this report are for the services detailed in Appendix 1 by Chief Officer, which are summarised below:

- i) **Town Clerk** – Town Clerk’s Department and Corporate Services
- ii) **Comptroller and City Solicitor** – Comptroller and City Solicitor’s Office
- iii) **Chief Operating Officer** – Corporate HR, HR Staff Training, Equality Diversity and Inclusion, Health and Safety and Project Governance.

In accordance with the new TOM – the Chief Operating Officer now oversees the Corporate HR function, which has moved from the Town Clerk’s Department, together with the Payroll service which has moved from Chamberlain’s and Finance Committee.

The revised budget for 2021/22 totals net expenditure of £10.949m as shown in the following table 1 below, representing an increase of £2.323m compared to the original 2021/22 budget of £8.626m. The movement is largely due to City apprentice funding moving in from the Finance Committee (£1.059m), the Payroll Function moving from in Finance Committee (£0.508m), net Finance Committee contingency funding for new Chief Officer posts and redundancy costs (£0.394m), pension strain funding (£0.344m), carry forward of 2020/21 underspends (£0.191m) and the City Occupiers Database Team budget moving in from the Policy & Resources Committee (£0.113m), partly offset by a decrease in central recharges (£0.193m). Paragraph 3 provides explanation of all movements.

The proposed revenue budget for 2022/23 totals net expenditure of £10.659m as shown in the table, representing an increase of £2.033m compared to the original budget for 2021/22 of £8.626m. The movement is largely due to City apprentice funding moving from the Finance Committee (£1.415m), net Finance Committee contingency funding for new Chief Officer posts and redundancy costs (£0.416m), the

Payroll Function moving in from Finance Committee (£0.412m), NI uplift (£0.124m) and the City Occupiers Database Team budget moving from the Policy & Resources Committee (£0.113m), partly offset by a decrease in central recharges (£0.406m). Paragraph 4 provides explanation of all movements.

Table 1	Original Budget 2021/22 £m	Latest Budget 2021/22 £m	Budget Transfers 2021/22 Original to 2021/22 Latest £'m	Movement 2021/22 Original to 2021/22 Latest £'m	Proposed Budget 2022/23 £m	Budget Transfers 2021/22 Original to 2022/23 Original £'m	Movement 2021/22 Original to 2022/23 Original £'m
Summary Revenue Budgets 2021/22 and 2022/23 - by Chief Officer and Division of Service							
Town Clerk							
Town Clerk's Department	(6.425)	(3.959)	3.180	(0.714)	(3.651)	3.126	(0.352)
Corporate Services	(1.063)	(0.482)	0.545	0.036	(0.484)	0.540	0.039
Chief Operating Officer							
Corporate HR	-	(3.561)	(3.542)	(0.019)	(3.415)	(3.372)	(0.043)
HR Staff Training	-	(1.230)	(1.230)	-	(1.586)	(1.586)	-
Equality, Diversity & Inclusion	-	(0.092)	(0.092)	-	(0.111)	(0.111)	-
Health and Safety	-	(0.156)	(0.156)	-	(0.152)	(0.152)	-
Project Governance	-	(0.233)	(0.233)	-	(0.236)	(0.233)	(0.003)
Comptroller and City Solicitor							
Comptroller and City Solicitor's Office	(1.138)	(1.236)	-	(0.098)	(1.024)	-	0.114
Total Net Expenditure	(8.626)	(10.949)	(1.528)	(0.795)	(10.659)	(1.788)	(0.245)

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

Recommendations

Members are asked to:

- i) review and approve the Town Clerk's, Chief Operating Officer and Comptroller and City Solicitor's Departments proposed revenue budget for 2022-23 for submission to Finance Committee;
- ii) authorise the Chamberlain, in consultation with the Town Clerk, the Chief Operating Officer and Comptroller and City Solicitor to revise these budgets to allow for any further implications arising from Corporate Projects, Target Operating Model (TOM) savings, other reviews and changes to the Cyclical Works Programme; and
- iii) agree that minor amendments for 2021-22 and 2022-23 budgets arising during budget setting be delegated to the Chamberlain.

Main Report

1. This report presents, in Appendix 2 and Table 1 above, the Establishment Committee's revised budget estimates for 2021/22 for information and its proposed original budget estimates for 2022/23 for approval.

Latest revenue budget for 2021/22

2. The Establishment Committee's summary budget, which will be published as part of the City of London Corporations Budget Book, can be found in Appendix 2.
3. The latest approved budget for 2021/22 totals net expenditure of £10.949m which is an increase of £2.323m compared with the original budget of £8.626m. However, this movement comprises the transfer of service areas into Establishment Committee of £1.528m net, leaving a net budget increase of £0.795m. The main movements are explained further below:

a) Town Clerk's Department £2.466m movement:

Budget transfers out of £3.293

- £2.908m moved as part of the new TOM to a new Corporate HR service under the Chief Operating Officer;
- £0.233m – Project Management Team budget moved from Town Clerk's Department to a new division of service called Project Governance under the Chief Operating Officer; and
- £0.152m – various Town Clerk's Department costs moved to Finance Committee.

Budget transfers in of £0.113m

- £0.113m – City Occupiers Database Team budget moved from Communications under Policy & Resources Committee.

Increase in net expenditure of £0.714m

- £0.546m from Finance Committee contingencies for new Chief Officer funding and redundancy costs;
- £0.191m of Transformation Fund Carry forwards for 2021/22 for Improving Project and Programme Governance, Feasibility Study on Filming Assets, Corporate Engagement and Business Intelligence capabilities and Consultancy Support for the Fundamental Review
- £0.078 budget allocated to meet Pension Strain costs; and
- £0.008m Covid Heroes funding from Finance Committee contingency; partly offset by:
- £0.109m decrease in central recharges.

b) Corporate Services £0.581m movement:

Budget transfers out of £0.545m

- £0.374m – Occupational Health budget moved to within Corporate HR under the Chief Operating Officer.
- £0.171m - HR Staff training budget moved from Corporate Services to the new HR division of service under the Chief Operating Officer.

Decrease in net expenditure of £0.036m

- £0.036m – decrease in central support.

- c) **Corporate HR (under Chief Operating Officer) £3.561 movement:**
Budget transfer in of £3.790m
- £2.908m as part of the new TOM structure, Corporate HR moved from Town Clerk's Department to a new service under the Chief Operating Officer;
 - £0.374m as part of the new TOM structure, Occupational Health was transferred from Corporate Services to Corporate HR; and
 - £0.508m relating to the Payroll function (£0.408m) which moved from Chamberlains (Finance Committee) and is now a part HR, including £0.100m carry forward of underspends from 2020/21 for I-Trent development; partly offset by
- Budget transfers out of £0.248m**
- £0.092m for Equality, Diversity and Inclusion which has been separated from Corporate HR to its own service; and
 - £0.156m for Health and Safety which has been separated from Corporate HR to its own service.
- Increase in net expenditure £0.019m**
- Other minor movements.
- d) **HR Staff Training budget transfer in of £1.230m.**
- £1.059m of apprenticeship contingency funding moved from Finance Committee to enable effective reporting of this ring-fenced budget; and
 - £0.171m - HR Staff training budget moved from Corporate Services to its own new division of service under the Chief Operating Officer.
- e) **Equality, Diversity and Inclusion budget transfer in of £0.092m.**
- £0.092m budget moved from Corporate HR to its own service under the Chief Operating Officer.
- f) **Health and Safety budget transfer in of £0.156m.**
- £0.156m budget moved from Corporate HR to its own service under the Chief Operating Officer.
- g) **Project Governance budget transfer in of £0.233m.**
- £0.233m – Project Management Team budget moved from the Town Clerk's Department to a new division of service called Project Governance under the Chief Operating Officer.
- h) **Comptrollers and City Solicitor's Office £0.098m increase in net expenditure**
- £0.194m increase in funding from Finance Committee's contingency for pension strain as a result of early retirements, partly offset by;
 - £0.054m decrease in staff cost due to a post transfer to City Surveyor's; and
 - £0.046m decrease in central support services costs.

Proposed revenue budget for 2022/23

4. The 2022/23 proposed budget totals £10.659m, an increase of £2.033m (23.6%) compared with the original 2021/22 budget of £8.626m. However, this movement comprises the transfer of service areas into Establishment Committee of £1.788m net, leaving a net budget increase of £0.245m. The main movements are explained further below :

a) **Town Clerk's Department £2.774m movement:**

Budget transfers out of £3.239m

- £2.854m moved as part of the new TOM to a new Corporate HR service under the Chief Operating Officer;
- £0.233m – Project Management Team budget moved from Town Clerk's Office to a new division of service called Project Governance under the Chief Operating Officer; and
- £0.152m – various Town Clerk's costs moved to Finance Committee;

Budget transfers in of £0.113m

- £0.113m – City Occupiers Database Team budget moved from Communications in Policy & Resources Committee.

Increase in net expenditure of £0.352m

- £0.568m from Finance Committee contingencies for new Chief Officer funding; and
- £0.037m other movements; partly offset by
- £0.253m decrease in central recharges.

b) **Corporate Services £0.579m movement:**

Budget transfers out of £0.540m.

- £0.369m Occupational Health budget moved to Corporate HR under the Chief Operating Officer.
- £0.171m HR Staff training budget moved from Corporate Services to its own new division of service HR Staff Training under the Chief Operating Officer.

Decrease in net expenditure of £0.039m.

- £0.039m decrease in central support services.

c) **Corporate HR £3.415m movement:**

Budget transfers in of £3.635m.

- £2.854m as part of the new TOM structure, Corporate HR moved from Town Clerk's Department to a new service under the Chief Operating Officer;
- £0.369m as part of the new TOM structure, Occupational Health was transferred from Corporate Services to Corporate HR; and
- £0.412m Payroll moved from Chamberlains (Finance Committee) and is now a part of Corporate HR.

Budget transfers out of £0.263m.

- £0.111m for Equality, Diversity and Inclusion which has been separated from Corporate HR to its own service; and
- £0.152m for Health and Safety which has been separated from Corporate HR to its own service.

Net increase in expenditure of £0.043m.

- £0.043 other movements.

- d) **HR Staff Training £1.586m movement:**
Budget transfer in of £1.586m.
- £1.415m of apprenticeship contingency funding moved from Finance Committee to enable effective reporting of this ring-fenced budget.
 - £0.171m - HR Staff training budget moved from Corporate Services to its own new HR division of service under the Chief Operating Officer.
- e) **Equality, Diversity and Inclusion £0.111m movement:**
Budget transfer in of £0.111m.
- £0.111m budget moved from Corporate HR to its own service under the Chief Operating Officer.
- f) **Health and Safety £0.152m movement:**
Budget transfer in £0.152m.
- £0.152m budget moved from Corporate HR to its own service under the Chief Operating Officer.
- g) **Project Governance £0.236m movement:**
Budget transfer in £0.233m.
- £0.236m – Project Management Team budget moved from Town Clerk’s Department to a new division of service called Project Governance under the Chief Operating Officer.
- Increase in net expenditure of £0.003m.**
- £0.003m other movements.
- h) **Comptroller and City Solicitor’s Office £0.114m movement:**
Decrease in net expenditure of £0.114m.
- £0.103m decrease in central support services costs; and
 - £0.011 net other movements.

Staffing Statement

5. A summary of the employee related costs and FTEs by department are shown in the table below.

Staffing Statement by Chief Officer	Latest Budget 2021-22		Proposed Budget 2022-23	
	Staffing Full-time equivalent	Estimated cost £m	Staffing Full-time equivalent	Estimated cost £m
Town Clerk	77.0	3.949	80.2	4.633
Chief Operating Officer	73.2	4.764	67.2	4.292
Comptroller and City Solicitor	60.8	4.827	56.4	4.681
Grand Total	211.0	13.540	203.8	13.606

6. Staffing levels are largely unchanged between 2021/22 and 2022/23 budgets, this is due to holding vacancies and flexible retirement proposals within the current establishment. Departments will continue to work through proposals to meet the TOM and the 12% savings targets throughout the year ahead.

Financial implications

7. Finance Committee and the Court of Common Council has proposed that a 2% savings target based on the Original 2021-22 net local risk budgets should be made by all departments in their 2022-23 local risk budgets. However, this is offset by a 2% inflationary increase of the original 2021-22 net local risk budget.
8. The Town Clerk's Department, Chief Operating Officer and Comptroller and City Solicitor's Department budgets have been prepared in accordance with corporate guidelines.

Public sector equality duty

9. There are currently no Public Sector Equality Duty Implications identified as a result of the business plans and budgets.

Resourcing implications

10. Whilst the budgets within this report are costed within the resource base provided to this Committee, service areas are in the process of moving to the new TOM which will confirm their structures in due course.

Appendices

- Appendix 1 – Summary of Services by Chief Officer
- Appendix 2 – The Establishment Committee Summary Budget
- Appendix 3 – Summary Budget – Analysis by risk

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Summary of Services by Chief Officer

Town Clerk

Town Clerk's Department

The Town Clerk's Department lies at the centre of the City Corporation's strategic management processes, helping to shape the development of corporate policy and strategy. It provides corporate leadership and co-ordination at officer level. The Town Clerk's Department is also responsible for promoting high standards of corporate governance and providing support to Members and Committees. The section consists of Governance, Member and Electoral Services, Corporate Strategy and Performance.

The Town Clerk is responsible for providing clerking and related services to the Court of Common Council, the Court of Aldermen, and all the committees, sub-committees and working parties which have been created by Members. The Town Clerk is also responsible for Democratic Services via the Elections Team.

The core activity of the committee staff is to prepare and collate agendas, produce reports for the Town Clerk, ensure that meetings are conducted smoothly, produce minutes and monitor the implementation of decisions.

Chief Operating Officer

Corporate HR

The Corporate HR Unit of the Town Clerk's Department provides services to other departments in the following areas: HR Policy Development, Pay & Reward, Employee Relations, Equalities, Learning & Development, Health & Safety, Occupational Health, Trent (computerised HR/Payroll system) and Performance Monitoring.

Occupational Health (within Corporate HR)

The City of London Corporation and City of London Police maintain an appropriate skill mix of occupational health practitioners and staff to deliver the OH services required across both organizations and agreed by senior management.

The team comprises of Occupational Health Advisers, Occupational Health Physicians, Wellbeing Adviser and counsellors, physiotherapist, CBT therapist and OH administrative staff. The Occupational Health practitioners have specialist qualifications and comply with their relevant professional bodies' guidance.

The Occupational Health Service (OHS) provides an advisory service to all employees and management, working closely with all departments to promote and maintain high standards of occupational health. OHS works alongside HR and Health and Safety to minimise the risks to ill health and maximise attendance.

HR Staff Training

This is delivered by the Learning and Development Team. On offer is a wide range of courses and guidance on many areas including: -

- Learning, Development and Well-being during Covid 19
- Appraisal and Performance Development
- Leadership and Management
- Personal Effectiveness
- Inclusion and Diversity
- Wellbeing and Lifestyle
- Specific Training Sessions
- Health and Safety

The courses are available online via the City Learning Platform and the guidance notes are available on the City of London Intranet.

Project Governance

The Project Governance Team ensure all projects have appropriate officer-level governance arrangements in place.

They check - roles and responsibilities for projects are set out clearly and decisions taken at the right level of seniority.

Comptroller and City Solicitor

Comptroller and City Solicitor's Office

The Comptroller and City Solicitor is responsible for providing all legal services required by the City. This includes providing legal advice to Committees, Departments of the City, to the Commissioner of Police for the City, and to other organisations for whom the Comptroller & City Solicitor is required to act as legal adviser (e.g. the Museum of London).

The office deals with important high-profile matters such as several major City property development schemes, service delivery initiatives, issues relating to the City's Markets and Open Spaces, advice on elections, constitutional, public and corporate law, planning and highways, and matters affecting the public realm and well-being of those who live and work in the City.

The Comptroller also advises London Councils and the three Academy Trust charities and is a member of the City's Summit Group. He is also lead officer for the Sickness Absence Review Group and Chairman of the Information Management Board and Senior Information Risk Owner (SIRO) for the Corporation. As the nominated Data Protection Officer for the City the Comptroller holds management responsibility for Data Protection.

The legal department is divided into four divisions:

Contracts and Litigation Division

This division deals with all aspects of contract preparation including, data sharing, funding (e.g. Police National Lead Force) international theatre and art exhibitions, intellectual property including disputes, licensing and publishing; complex procurement including the new collaborative procurement and framework agreements; civil litigation including debt collection, squatters housing repossessions and homelessness, insolvencies and winding up actions; employment law, discrimination and TUPE; local authority prosecutions and licensing, Judicial Reviews, inquests, Proceeds of Crime Act recovery and child care actions.

Property Division

This division deals with all aspects of property work, including high profile commercial developments, the grant and taking of leases, sales and purchases, property management matters, housing issues, residential conveyancing, open spaces, and other legal matters concerning property. Their work particularly helps the City to maximise capital receipts and income from property assets a key strategic objective.

Public & Corporate Law Division

The Public & Corporate Law Division deals with planning, traffic and highways law; open spaces matters; charity and trusts associated with the City; advising on corporate law and providing company secretarial support in respect of companies associated with the City or external clients; privacy and information law; public law and constitutional issues for both the City and London Councils; ecclesiastical law, electoral law, education matters (both as local authority and as academy sponsor in respect of the three Academy Trust companies); advice on economic development issues and joint working arrangements with other local authorities and bodies.

Office Services Division

This division provides comprehensive business support to the Comptroller and City Solicitor service on HR related matters, budget management and finance, commercial rent collection, IT development, procurement, information management, risk management, quality assurance and secretarial services. The Information Compliance Team under the direction of the Comptroller as DPO provides guidance, advice and monitoring on all aspects of data protection across the Corporation and coordinates and advises on all aspects of FOI's.

Appendix 2

Establishment Committee Summary Budget

ESTABLISHMENT COMMITTEE SUMMARY Analysis of Service Expenditure By Risk and Chief Officer	Actual 2020-21	Original Budget 2021-22	Latest Approved Budget 2021-22	Original Budget 2022-23	Movement Original 2021- 22 to Original 2022- Original 2022- £'000
	£'000	£'000	£'000	£'000	£'000
LOCAL RISK - EXPENDITURE					
Employees	(10,846)	(11,997)	(12,997)	(13,423)	(1,426)
Premises Related Expenses	(0)	(0)	(0)	(0)	(0)
Transport Related Expenses	(25)	(33)	(33)	(33)	(0)
Supplies & Services (see note i)	(1,249)	(712)	(740)	(751)	(39)
Private Contractors	1	(0)	(0)	(0)	(0)
Committee Contingency	(0)	(0)	(0)	(0)	(0)
Transfer to Reserve	(0)	(0)	(0)	(0)	(0)
Unidentified Savings	(0)	1,862	1,932	2,155	293
TOTAL LOCAL RISK - EXPENDITURE	(12,119)	(10,880)	(11,838)	(12,052)	(1,172)
TOTAL LOCAL RISK - INCOME					
Charges for specific services (see note ii)	4,839	4,460	4,462	4,458	(2)
TOTAL LOCAL RISK - INCOME	4,839	4,460	4,462	4,458	(2)
NET LOCAL RISK	(7,280)	(6,420)	(7,376)	(7,594)	(1,174)
CENTRAL RISK - EXPENDITURE					
Employees (see note iii)	(905)	(214)	(466)	(106)	108
Premises Related Expenses	(39)	(42)	(0)	(0)	42
Supplies & Services	(345)	(147)	(1,938)	(147)	(0)
Capital Costs	(0)	(0)	(0)	(0)	(0)
Childcare vouchers	(17)	(45)	(45)	(45)	(0)
Committee Contingency	(0)	(16)	(1,075)	(1,431)	(1,415)
TOTAL CENTRAL RISK - EXPENDITURE	(1,306)	(464)	(3,524)	(1,729)	(1,265)
CENTRAL RISK - INCOME					
Charges for specific services (mainly commercial property fee income)	(0)	200	200	200	(0)
Other Contributions	31	26	26	26	(0)
TOTAL CENTRAL RISK - INCOME	31	226	226	226	(0)
NET CENTRAL RISK	(1,275)	(238)	(3,298)	(1,503)	(1,265)
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES	(8,555)	(6,658)	(10,674)	(9,097)	(2,439)
SUPPORT SERVICES (see note iv)	(2,099)	(2,118)	(1,925)	(1,712)	406
SUPPORT SERVICES CHARGED BY THIS COMMITTEE (see note v)	891	150	1,650	150	(0)
TOTAL NET EXPENDITURE RECHARGED AS SUPPORT SERVICES	(9,763)	(8,626)	(10,949)	(10,659)	(2,033)
By Chief Operating Officer:					
Town Clerk	(4,971)	(7,488)	(4,441)	(4,135)	3,353
Chief Operating Officer	(3,383)	(0)	(5,272)	(5,500)	(5,500)
Comptroller and City Solicitor	(1,409)	(1,138)	(1,236)	(1,024)	114
	(9,763)	(8,626)	(10,949)	(10,659)	(2,033)

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

Appendix 3

Establishment Committee Summary Budget Analysis by Risk

Analysis of Risk by Chief Officer	Original Budget 2021-22 £000	Latest Approved Budget 2021-22 £000	Original Budget 2022-23 £000	Movement from Original 2021-22 to Original 2022-23 £000
Town Clerk				
Local Risk				
Expenditure	(6,264)	(3,247)	(3,391)	2,873
Income	588	(0)	(0)	(588)
Total Local Risk	(5,676)	(3,247)	(3,391)	2,285
Central Risk				
Expenditure	(464)	(2,171)	(314)	150
Income	26	26	26	(0)
Total Central Risk	(438)	(2,145)	(288)	150
Support Charges	(1,374)	951	(456)	918
Total Town Clerks	(7,488)	(4,441)	(4,135)	3,353
Comptroller and City Solicitor				
Local Risk				
Expenditure	(4,616)	(4,566)	(4,605)	11
Income	3,872	3,872	3,872	(0)
Total Local Risk	(744)	(694)	(733)	11
Central Risk				
Expenditure	(0)	(194)	(0)	(0)
Income	200	200	200	(0)
Total Central Risk	200	6	200	(0)
Support Charges	(594)	(548)	(491)	103
Total Comptroller and City Solicitor	(1,138)	(1,236)	(1,024)	114
Chief Operating Officer				
Local Risk				
Expenditure	(0)	(4,025)	(4,056)	(4,056)
Income	(0)	590	586	586
Total Local Risk	(0)	(3,435)	(3,470)	(3,470)
Central Risk				
Expenditure	(0)	(1,159)	(1,415)	(1,415)
Income	(0)	(0)	(0)	(0)
Total Central Risk	(0)	(1,159)	(1,415)	(1,415)
Support Charges	(0)	(678)	(615)	(615)
Total Chief Operating Officer	(0)	(5,272)	(5,500)	(5,500)
Total Net Expenditure (recharged as support services across the City Corporation's activities)	(8,626)	(10,949)	(10,659)	(2,033)

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