

Committee(s)	Dated:
Finance Committee	25 January 2022
Subject: Finance Committee Operational Budget Estimate 2022/23	Public
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain, The Deputy Town Clerk, The Chief Operating Officer, The City Surveyor, The Remembrancer, The Director of Community & Children's Services	For Decision
Report author: Jenna Brassett, Chamberlain's Department	For Decision

Summary

This report presents for approval the revised budget for 2021/22 and the proposed revenue budget for 2022/23 in relation to the operational services directly overseen by your Committee.

The proposed budget for 2022/23 totals net expenditure of £58.536m, which is a decrease of £5.364m (8%) compared with the 2021/22 original budget of £63.900m.

The main decreases relate to:

- Fundamental review savings to be achieved in 2022/23 (£3.305m);
- Changes to the Cyclical Works Programme (£1.449m); and
- A decrease in capital charges (£0.667m).

The overall budget is summarised by Chief Officer in the following table.

Summary Revenue Budgets 2021/22 and 2022/23 - by Chief Officer	Original Budget 2021/22 £m	Latest Budget 2021/22 £m	Movement 2021/22 Original to 2021/22 Latest £'m	Proposed Budget 2022/23 £m	Movement 2021/22 Original to 2022/23 Original £'m
Local Risk					
The Chamberlain	(9.789)	(9.607)	0.182	(9.198)	0.591
The Deputy Town Clerk	(2.285)	(1.555)	0.730	(2.002)	0.283
The Chief Operating Officer	(11.407)	(11.988)	(0.581)	(9.304)	2.103
The City Surveyor	(12.662)	(13.213)	(0.551)	(11.302)	1.360
The Remembrancer	0.307	0.292	(0.015)	0.433	0.126
Total Local Risk	(35.836)	(36.071)	(0.235)	(31.373)	4.463
Central Risk					
The Chamberlain	(13.997)	(14.253)	(0.256)	(13.837)	0.160
The Deputy Town Clerk	(0.553)	(0.666)	(0.113)	(0.570)	(0.017)
The Chief Operating Officer	-	(0.166)	(0.166)	-	-
The City Surveyor	(4.846)	(5.904)	(1.058)	(5.285)	(0.439)
The Remembrancer	(0.186)	(0.186)	-	(0.186)	-
Director of Community & Children's Services	(0.059)	(0.059)	-	(0.059)	-
Total Central Risk	(19.641)	(21.234)	(1.593)	(19.937)	(0.296)
Capital and Support Services	(8.423)	(7.793)	0.630	(7.226)	1.197
Committee Total	(63.900)	(65.098)	(1.198)	(58.536)	5.346

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

Recommendations

Members are asked to:

- i) review and approve the proposed revenue budget for 2022/23;
- ii) authorise the Chamberlain to revise these budgets to allow for any further implications arising from Corporate Projects, other reviews and changes to the Cyclical Works Programme; and
- iii) note the approved capital and supplementary revenue budgets.

Main Report

Background

1. The variety and volume of services overseen by the Finance Committee contain a considerable amount of information and some complexity of presentation. This report endeavours to present the information as clearly as possible and additional financial details on items can be provided on request.
2. The Operational Services budgets cover expenditure and incomes attributable to the following areas;
 - i) **Chamberlain's Department** – the operational services including Cost of Collection (business rates and council tax), Chamberlain's Court, Chamberlain's 'General' (Financial Services, incorporating Insurance and City Revenues), Chamberlain's Business Support and Internal Audit.
 - ii) **The Deputy Town Clerk** – Shrieval Support, the maintenance and running expenses of Mansion House and Corporate Services (including catering for Committee lunches);
 - iii) **The Chief Operating Officer** – Commercial Department, IT and Chief Operating Officer Business Support;
 - iv) **The City Surveyor** – the Guildhall Complex, the Central Criminal Court, Walbrook Wharf and the Mayor's Court;
 - v) **The Remembrancer** – the letting of Guildhall areas for private functions and events and the cost of catering in respect of Committee Hospitality;
 - vi) **Director of Community Services** – operation of the Gresham Almshouses.
3. An overview of the services provided can be found at Appendix 1.

Proposed Revenue Budget for 2022/23

4. This report seeks approval to the proposed revenue budget for 2022/23 in relation to the operational services overseen by your Committee. The overall budget is summarised in Table 1 below, including detail on the movement between the original and latest budget for the current financial year, and the movement between the original 2021/22 and proposed budget for 2022/23. The proposed 2022/23 budget includes a 2% savings target based on the original 2021/22 net local risk budget as agreed by your Committee and the Court of Common Council; however this is offset by a 2% inflationary increase of the same amounts.
5. Members should note that the Cyclical Works Programme (CWP) figures included in this report relate only to elements of previously agreed programmes, which will be completed in 2021/22 and 2022/23. The separate bid for CWP works in 2022/23 has not been included in this report, as although approved by Corporate Asset Sub-Committee in November, this is still subject to approval from Finance Committee and Court in February and March 2022 respectively. Once both Sub-Committees have agreed the 2022/23 programme Members will be advised of the outcome and the estimates adjusted accordingly.

Table 1 - Budget Summary Movements 2021/22 to 2022/23	
	£m
Original Budget 2021/22	(63.900)
Allocations from Contingency	(1.081)
Carry forwards from 2020/21	(0.816)
Pension Strain	(0.646)
Fundamental Review savings	0.500
Pay award grades A-C	(0.083)
Apprentice Funding	(0.083)
Change in Cyclical Works Programme	0.157
Change in capital charges	0.677
Change in insurance premiums	0.179
Net other movements	0.001
Change in recharges	(0.064)
Latest Budget 2021/22	(65.098)
Fundamental Review savings to be achieved in 2022/23	2.805
Removal of one-off adjustments in 2021/22	1.462
Net movement in Cyclical Works Programme	1.292
Net movement in funding from contingency allocations	0.954
Increase in National Insurance contributions	(0.151)
Net movement in pay award to grade A-C and apprentice funding	(0.028)
Net movement in recharges and capital charges	0.567
Additional funding for E5 Microsoft Licences upgrade	(0.363)
Net other movements	0.24
Proposed budget 2022/23	(58.536)

6. The latest approved budget for 2021/22 totals net expenditure of £65.098m which is an increase of £1.198m (2%) compared with the original budget of £63.900m. The main reasons for this increase are:
- i) Allocations from contingency of £1.081m, including £0.482m for Guildhall Complex City Surveyor, £0.307m towards the Microsoft E5 licences upgrade, £166,000 funding towards the new Chief Officer posts and £126,000 from the Covid contingency towards IT costs including working from home arrangements.
 - ii) Underspends carried forward from 2020/21 to 2021/22 of £816,000 – consisting of £320,000 for the City Surveyor, £170,000 for Chamberlain's, £169,000 for IT, £99,000 for the Commercial Department and £58,000 for Mansion House.

iii) Pension Strain costs associated with flexible retirement of £646,000.

Partly offset by:

iv) A decrease in capital charges of £677,000 across Central Criminal Court and Walbrook Wharf due to the external valuers latest view of the assets lives.

v) £500,000 pump priming received in 2021/22 in relation to Fundamental Review savings to be achieved against the ERP capital programme, this amount is transferred to the ERP capital programme.

vi) A decrease in insurance premiums of £179,000 due to changes in the property portfolio and valuations. This amount will be apportioned to property holding departments.

7. The 2022/23 proposed budget totals £58.536m, a decrease of £6.562m (10%) compared with the latest budget for 2021/22. The main reasons for this decrease are:

i) Fundamental review savings of £2.805m to be achieved in 2022/23 across Chamberlains (£355,000), Commercial Department (£260,000), IT (£2.00m), Remembrancers (£160,000) and Cost of Collection (£30,000).

ii) One-off items of expenditure in 2021/22 amounting to £1.462m no longer being included in the budget for 2022/23. This consists of the £816,000 of underspends carried forward from 2020/21 to 2021/22 and the pension strain budgets of £646,000.

iii) A reduction in the amounts allocated from contingency of £954,000.

iv) A net reduction of £567,000 on support services and capital charges.

Partly offset by:

v) Additional funding of £363,000 for the upgrade to the E5 Microsoft Licences; and

vi) Additional funding of £151,000 to meet the increase in National Insurance contributions, rising from 13.8% to 15.1% from 2022/23.

vii) It should be noted re-prioritisation of central contingencies held under Chamberlains are being recommended to fund additional cost pressures, in 2022/23 onwards, to Finance Committee and Policy and Resource in February for approval. This also includes recommendations to increase central contingencies for items such as inflation and pay award.

viii) Any changes approved by this Committee, Policy and Resource with final approval from Court will be subject to change and will require delegated authority given to the Chamberlain to make the necessary adjustments.

8. An analysis of the movement by service from the latest budget for 2021/22 to the proposed budget for 2022/23 is included in Appendix 5 and this is the format that will be adopted in the budget book.

Potential Further Budget Adjustments

9. The provisional nature of the revenue budgets recognises that further revisions maybe required to realign funds for:
- i) Central and departmental support services apportionments; and
 - ii) Decisions of the Resource Allocation Sub Committee in relation to the Additional Works Programme.

Staffing Statement

10. A summary staffing statement is set out in the following table. Further detail is presented in Appendix 6.

A summary staffing statement for the Chamberlain department is set out in the following table. Further detail is presented in Appendix 5.

Finance Committee Operational Services 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
Chamberlain	200.0	9.896	183.2	10.301
Deputy Town Clerk	5.0	0.236	5.0	0.238
Chief Operating Officer	88.7	5.517	80.0	5.067
Surveyor	155.5	7.865	155.1	7.885
Remembrancer	18.5	1.230	18.5	1.295
Community & Children's Services	0.7	0.032	0.7	0.032
TOTAL FINANCE COMMITTEE	468.4	24.776	442.5	24.818

Draft Capital and Supplementary Revenue Project budgets for 2022/23

11. The latest estimated costs of the Committee's approved capital and supplementary revenue projects total £63.112m, with a breakdown presented at Appendix 7.

Appendices

- Appendix 1 - Operational Service Overview.
- Appendix 2 - Finance Committee Operational Services 2021/22 and 2022/23 budget estimates summary

- Appendix 3 – Finance Committee Operational Services 2021/22 and 2022/23 Summary Budget – by Risk, Fund and Chief Officer
- Appendix 4 – Movement from 2021/22 Original Budget to 2022/23 Proposed Budget
- Appendix 5 – Movement from 2021/22 Latest Approved Budget to 2022/23 Original Budget
- Appendix 6 – Finance Committee Operational Services Staffing Statement
- Appendix 7 – Capital and Supplementary Revenue Project budgets

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OPERATIONAL SERVICE OVERVIEW

Chamberlain

City Fund

Cost of Collection

The Cost of Collection reflects the expenditure incurred in the administration and collection of the Non-Domestic Rates and the Council Tax. As of 4 October 2014 this became a fully in-house service after the contract with Liberata (UK) Ltd expired.

City's Cash

Chamberlain's Court

The main duties of the Chamberlain's Court include assisting the Chamberlain to admit persons to the Freedom of the City; to help in the formation of new Livery Companies; and to maintain the Mansion House Plate Inventory.

Gresham - City Moiety

This includes the City's share of the income from the Royal Exchange, 89/91 Gresham Street and Gresham House annuity. It also shows the City's share of the expenses of running the Gresham Estate.

Gresham - Discretionary Expenditure

This principally consists of the grant to Gresham College, the non-mandatory elements of the Lecturer's fees and administrative costs.

Guildhall Administration

Within Guildhall Administration the Chamberlain's Department provides a wide range of financial services.

The department is organised into the Financial Services Division, Corporate Treasury, Shared Services Internal Audit and Business Support.

The work of the department (except for Cost of Collection and the Chamberlain's Court which are summarised in the notes above) are explained below.

Chamberlain's Department – General

The services provided by the **Financial Services Division**:

- revenue and capital budget preparation and financing
- budget monitoring and financial advice
- accounting and final accounts
- medium-and longer-term financial planning and technical analysis
- capital project appraisal
- business partnering
- support to corporate governance

- Oracle System Team

The services provided by **Corporate Treasury**:

- financial investment and cash management
- VAT/tax planning
- banking
- financial appraisal of organisations

The services provided by **Shared Services**:

- revenue collection
- accounts payable

Chamberlain's Department – Insurance

Part of the Corporate Treasury but included in a separate cost centre, the Insurance Section is responsible for undertaking risk assessments and securing the required insurance cover.

Strategic Aims

The strategic aims of the Chamberlain's Department are to:

- Build strong relationships and deliver outcomes that meet the needs of our internal customers across the Corporation, through close understanding of their priorities, their contribution to the Corporate Plan, and their responsibilities to their external customers.
- Proactively collaborate across the Corporation to bring coherence and alignment to Corporation planning, prioritisation and delivery.
- Support an environment in which Chief Officers are empowered to manage their finances effectively while being accountable for the outcomes they deliver.
- Drive systems and process improvements which will increase automation and self-service, creating space for more agile provision of timely insight and analysis in furtherance of fact-based decision-making.
- Build a progressive team capable of adapting to the ever-increasing pace of policy and organisational change. Operating as a true business partner, our people will understand the vital role they play in meeting the wider business goals and will be empowered in bringing colleagues along with them on this journey.
- Be agile, responsive and confident in delivering change, looking for continuous improvement; utilising diverse thinking and emotional intelligence; not just looking for efficiency but engaging proactively to support business growth with a proportionate approach to risk.
- Encourage leadership and talent and reach out to networks and strategic partners across London.
- Use our soft power in Chamberlain's Court to support wider corporate objectives.
- Firmly commit to the work of the Equality and Inclusion Board and uphold the E&I Action plan.

Chief Operating Officer

Guildhall Administration

Commercial Department

The Commercial Department is a key component in the transformation of how the City procures and pays for the goods and services it needs. The Commercial Department is responsible for the full requisition to pay cycle, and covers the functions of Category Management, Policy and Compliance, Sourcing, Procurement Operations and key Supplier Performance monitoring.

IT

The role of the IT Division, reporting into the Chief Operating Officer is now to provide:-

- stable and secure digital and information infrastructure and solutions; and
- innovative digital and information solutions.

The IT Division provides services to the Corporation, City of London Police and London Councils.

IT do this through a multi-sourcing model making the best use of internal resources where this is strategically necessary and third party suppliers for agility or specialist capability.

The IT team manage multi-million pound non-staff revenue and capital budgets which are tightly managed with a strong focus on value for money in the provision of customer focussed digital and information solutions and services.

It is expected that the name of the team will change from 1st April to Digital, Information and Technology Services to reflect the wider digital remit that the division now has responsibility for delivering for the organisation.

Chief Operating Officer – Business Support

This budget contains the business support costs of the Chief Operating Officer.

Deputy Town Clerk

City's Cash

Shrieval Support

This budget contains the salaries and office expenses of the Shrieval Support at the Central Criminal Court.

Mansion House Premises

This budget includes the maintenance and running expenses of the Mansion House which is a Grade 1 Listed Building incorporating working offices, function rooms,

Mayoral accommodation and staff accommodation. The budget is used for the fabric of the building both internal and external.

Corporate Services – This includes:

- the cost of catering in respect of Committee lunches;
- the Sheriff's election allowances;
- the cost of Shrieval mementos; and
- a proportion of ward and election expenses.

City Surveyor

City Fund

Central Criminal Court

The City provides the premises of the Central Criminal Court for the Court Service of the Lord Chancellor's Department and accommodates not only the eighteen courts, but also offices for the List Office for the SE of England, the City of London Police, HM Prison Services, Serco Prisoner Handling Services, Crown Prosecution Service, Probation Service, Treasury Council and the Crown Court Witness Service.

The eighteen Courts are made ready for use on Monday to Friday and also may be required to sit on public holidays and weekends.

The City is responsible for the care of the building and the provision of its facilities which includes the maintenance of the fabric of the Central Criminal Court, its furnishings, fittings and all of the mechanical and electrical equipment, the daily cleaning of the building and the provision of security services.

A proportion of the employee costs and 95% of other running costs are reimbursed by the Lord Chancellor's Department.

Walbrook Wharf

This budget relates to the operational management of Walbrook Wharf including repairing, maintaining and renewing the building and services.

Mayors and City of London Court

The provision of the present court, which is an amalgamation of the Mayor's Court and the City of London Court, is covered by the Courts Act 1971. The City Surveyor is responsible for repairing and maintaining the building and its services for use as a court. This is achieved through a combination of direct ordering, and supervision and management of contractors. Occupational issues are dealt with in consultation with the Court Service.

City's Cash

Central Criminal Court

This consists of the salaries, pensions and national insurance contributions for the posts of City Recorder and Common Serjeant.

Guildhall Complex

The Guildhall Manager has overall responsibility for security, facilities and contracted services at the Guildhall complex and is responsible for operating, repairing, maintaining and renewing buildings and services throughout the Guildhall complex. This is achieved through a combination of direct operations, and supervision and management of contractors. The emphasis is on value for money, quality and safety, with precise arrangements being regularly reviewed and refined to optimise performance. Capital projects are undertaken for significant Guildhall complex improvements

Remembrancer

City's Cash

Corporate Services

This includes the cost of catering in respect of Committee Hospitality Allowances. The purpose is to enable Committees, by means of hospitality, to establish and maintain contact with leading outside organisations that have been or could be of assistance to the City of London Corporation in its work, and to pay tribute to the past Chairman. These estimates also include expenditure relating to fees for parliamentary work.

Guildhall Complex

This contains the expenditure and income relating to the letting of Guildhall function areas for private events such as banquets, receptions or conferences. The areas available for hire currently are the Great Hall (subject to the concurrence of the Common Council), the Old Library, the Livery Hall, the Crypts, the Print Room, the Chief Commoners Parlour, Guildhall Art Gallery, the Basinghall Suite and occasionally, Guildhall Yard.

As the Guildhall is a Grade 1 Listed Building, use is limited and subject to strict terms and conditions. Permission to hire is granted following Officer recommendation and Member approval. Applications are considered directly by the Policy and Resources Committee for the hire of the Great Hall and by the Chief Commoner and Deputy Chairman for other areas. The Guildhall complex hosts approximately 300 private events per annum (pre-Covid) and charges are reviewed annually by committee.

Director of Community and Children's Services

City's Cash

Gresham - Mandatory Expenses

This service is part of the Gresham Estates and shows the cost of maintaining the Almshouses and paying the Almsfolk allowances, together with the mandatory element of the City of London Corporation's four Lecturers' fees (£400).

Appendix 2

Finance Committee Operational Services Summary Budget

This appendix shows a high-level summary of Finance Committee operational services budgets. Further details are shown in Appendices 3 to 5.

Summary Revenue Budgets 2021/22 and 2022/23 - by Chief Officer	Original Budget 2021-22 £m	Latest Budget 2021-22 £m	Proposed Budget 2022-23 £m
Local Risk			
The Chamberlain	(9.542)	(9.360)	(8.951)
The Deputy Town Clerk	(2.285)	(1.555)	(2.002)
The Chief Operating Officer	(11.407)	(11.988)	(9.304)
The City Surveyor	(12.662)	(13.213)	(11.302)
The Remembrancer	0.307	0.292	0.433
Total Local Risk	(35.589)	(35.824)	(31.126)
Central Risk			
The Chamberlain	(14.244)	(14.500)	(14.084)
The Deputy Town Clerk	(0.553)	(0.666)	(0.570)
The Chief Operating Officer	-	(0.166)	-
The City Surveyor	(4.846)	(5.904)	(5.285)
The Remembrancer	(0.186)	(0.186)	(0.186)
Director of Community and Children's Services	(0.059)	(0.059)	(0.059)
Total Central Risk	(19.888)	(21.481)	(20.184)
Capital and Support Services	(8.423)	(7.793)	(7.226)
Committee Total	(63.900)	(65.098)	(58.536)

Appendix 3

Finance Committee Operational Services

SUMMARY BY RISK				
Analysis of Service Expenditure by Risk	Original Budget 2021-22 £m	Latest Approved Budget 2021-22 £m	Proposed Budget 2022-23 £m	Movement 2021-22 ORI to 2022-23 ORI £m
LOCAL RISK <i>(budgets largely within direct control of Chief Officer)</i>				
EXPENDITURE				
Employees	(25.750)	(23.994)	(24.036)	1.714
Premises Related Expenses (note i)	(6.352)	(6.361)	(6.181)	0.171
Transport Related Expenses	(0.042)	(0.042)	(0.042)	-
Supplies & Services (note ii)	(8.513)	(9.282)	(8.057)	0.456
Third Pay Payments	(0.001)	(0.001)	(0.001)	-
Savings to be Applied	2.283	0.723	1.505	(0.778)
Total Expenditure	(38.375)	(38.957)	(36.812)	1.563
INCOME				
Grants, Reimbursements & Contributions (note iii)	4.435	4.632	5.507	1.072
Customer, Client Receipts (note iv)	3.504	3.497	3.883	0.379
Total Income	7.939	8.129	9.397	1.451
TOTAL LOCAL RISK (excl. R&M City Surveyor)	(30.436)	(30.828)	(27.422)	3.014
Repairs & Maintenance (City Surveyor)	(5.153)	(4.996)	(3.704)	1.449
TOTAL LOCAL RISK	(35.589)	(35.824)	(31.126)	4.463
CENTRAL RISK <i>(managed by Chief Officer but outturn can be strongly influenced by factors outside his/her control or are budgets of a corporate nature)</i>				
EXPENDITURE				
Employees	(0.780)	(1.428)	(0.782)	(0.002)
Premises Related Expenses (note v)	(22.441)	(22.353)	(22.435)	0.006
Transport Related Expenses (note vi)	(0.111)	(0.111)	(0.111)	-
Supplies & Services (note vii)	(3.025)	(3.940)	(3.208)	(0.183)
Council Tax Reduction Scheme	(0.320)	(0.337)	(0.337)	(0.017)
Contingency	(0.010)	(0.010)	(0.010)	-
Transfer Payments	(0.009)	(0.009)	(0.009)	-
Savings to be applied	-	-	-	-
Total Expenditure	(26.696)	(28.188)	(26.892)	(0.196)
INCOME				
Government Grants - Collection of NNDR	1.729	1.729	1.729	-
Other Grants, Reimbursements & Contributions (note viii)	1.924	1.924	1.924	-
Customer, Client Receipts (note ix)	3.155	3.054	3.055	(0.100)
Total Income	6.808	6.707	6.708	(0.100)
TOTAL CENTRAL RISK	(19.888)	(21.481)	(20.184)	(0.296)
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES	(55.477)	(57.305)	(51.310)	4.167
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Analysis of Service Expenditure by Risk	Original Budget 2021-22 £m	Latest Approved Budget 2021-22 £m	Proposed Budget 2022-23 £m	Movement 2021-22 ORI to 2022-23 ORI £m
CONTINUED FROM PREVIOUS PAGE				
SUPPORT SERVICES AND CAPITAL CHARGES				
Central Support Services	(5.604)	(5.530)	(5.110)	0.494
Capital Charges	(4.439)	(3.745)	(3.755)	0.684
Recharges Within Fund	1.981	1.844	2.001	0.020
Recharges Across Funds	(0.361)	(0.362)	(0.362)	(0.001)
Total Support Services and Capital Charges	(8.423)	(7.793)	(7.226)	1.197
TOTAL NET EXPENDITURE	(63.900)	(65.098)	(58.536)	5.364

ANALYSIS BY FUND				
City Fund	(7.634)	(7.490)	(6.593)	1.041
City's Cash	(4.581)	(3.972)	(4.356)	0.225
Guildhall Administration	(51.685)	(53.636)	(47.587)	4.098
TOTAL NET EXPENDITURE	(63.900)	(65.098)	(58.536)	5.364

ANALYSIS BY CHIEF OFFICER				
The Chamberlain	(25.524)	(25.621)	(24.594)	0.930
The Deputy Town Clerk	(3.108)	(2.494)	(2.839)	0.269
The Chief Operating Officer	(12.276)	(12.997)	(10.090)	2.186
The City Surveyor	(22.993)	(23.990)	(21.174)	1.819
The Remembrancer	0.061	0.065	0.222	0.161
Director of Community & Children's Services	(0.060)	(0.061)	(0.061)	(0.001)
TOTAL NET EXPENDITURE	(63.900)	(65.098)	(58.536)	5.364

* Appendix 5 includes total employee expenditure on local and central risk.

Notes

- (i) Premises Related Expenses (local risk) – operational costs of Central Criminal Court, Walbrook Wharf, Guildhall Complex, Mansion House and Mayor's Court.
- (ii) Supplies and Services (local risk) – equipment, furniture, materials, printing, professional fees, grants, subscriptions, communications and computing.
- (iii) Grants, Reimbursements and Contributions – primarily funding for the Central Criminal Court and the Mayor's Court from Her Majesty's Courts and Tribunals Service.
- (iv) Customer, Client Receipts (local risk) – letting of Guildhall function areas, recovery of court costs, services to London Councils, Chamberlain's Court merchandising, and other fees and charges.
- (v) Premises Related Expenses (central risk) – primarily premises insurance premiums together with the cost of national nondomestic rates for the Guildhall Complex and Central Criminal Court.
- (vi) Transport Related Expenses (central risk) – vehicle insurance.
- (vii) Supplies and Services (central risk) – primarily insurances other than premises and transport.
- (viii) Other Grants, Reimbursements and Contributions (central risk) – funding for the Central Criminal Court from Her Majesty's Courts and Tribunals Service.
- (ix) Customer, Client Receipts (central risk) – income received from the letting of Guildhall function areas, insurance commission, dividend income from the City's Reinsurance Captive Company and Gresham Estate income.

Appendix 4

Finance Committee Operational Services Movement from 2021/22 Original Budget to 2022/23 Proposed Budget

Analysis by Chief Officer and Division of Service - all risks	Original Budget 2021-22 £m	Movement (Original 2021-22 to Proposed 2022-23) £m	Proposed Budget 2022-23 £m	Notes
By Chief Officer				
The Chamberlain	(25.524)	0.930	(24.594)	
The Deputy Town Clerk	(3.108)	0.269	(2.839)	
The Chief Operating Officer	(12.276)	2.186	(10.090)	
The City Surveyor	(22.993)	1.819	(21.174)	
The Remembrancer	0.061	0.161	0.222	
Director of Community & Children's Services	(0.060)	(0.001)	(0.061)	
Chief Officer Totals	(63.900)	5.364	(58.536)	
By Division of Service				
<u>The Chamberlain</u>				
Chamberlain's - General	(22.238)	0.699	(21.539)	i
Chamberlain's - Internal Audit	(0.696)	(0.034)	(0.730)	
Chamberlain's - Business Support	(1.631)	0.375	(1.256)	ii
Chamberlain's Court	(0.166)	-	(0.166)	
Cost of Collection	(0.358)	(0.067)	(0.425)	
Gresham	(0.435)	(0.043)	(0.478)	
<u>The Deputy Town Clerk</u>				
Shrieval Support	(0.288)	0.002	(0.286)	
Mansion House Premises	(2.365)	0.267	(2.098)	iii
Corporate Services	(0.455)	-	(0.455)	
<u>The Chief Operating Officer</u>				
Commercial Department	(2.761)	0.972	(1.789)	iv
IT Department	(9.515)	1.495	(8.020)	v
Chief Operating Officer – Business Support	-	(0.281)	(0.281)	vi
<u>The City Surveyor</u>				
Central Criminal Court	(6.772)	0.735	(6.037)	vii
Mayor's Court	(0.049)	0.004	(0.045)	
Walbrook Wharf	(0.940)	0.369	(0.571)	viii
Guildhall Complex - City Surveyor	(15.232)	0.711	(14.521)	ix
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<u>The Remembrancer</u>				
Guildhall Complex - Remembrancer	0.388	0.161	0.549	x
Corporate Services - Remembrancer	(0.327)	-	(0.327)	
<u>Director of Community & Children's Services</u>				
Gresham	(0.060)	(0.001)	(0.061)	
Division of Service Totals	(63.900)	5.364	(58.536)	

Overall, the proposed 2022/23 net revenue budget totals £58.536m, a decrease of £5.364m (8%) compared with the original budget of £63.900m for 2021/22. The main variations within this decrease are:

- i. **Chamberlain's General £0.699m decrease in net expenditure** – largely due to Fundamental Review savings of which pump priming received in 2021/22 transferred to the ERP capital programme of £0.500m and further savings of £0.355m to be achieved in 2022/23, the transfer of £0.414m to Establishment Committee of the Employment Services (payroll) function, and a reduction in premises insurance premiums of £0.203m, partly offset by the transfer in of £0.715m for the Accounts Payable function from the Commercial Department.
- ii. **Chamberlain's Business Support £0.375 decrease in net expenditure** – due to the transfer of £0.069m for the Responsible Procurement Manager post to the Commercial Department, the transfer of £0.042m for the Personal Assistant post to Chief Operating Officer Business Support and a reduction in IT support services of £0.280m.
- iii. **Mansion House Premises £0.267m decrease in net expenditure** – largely due to the decrease in the cyclical work programme of £0.254m as no new bids are included in 2022/23.
- iv. **Commercial Department £0.972m decrease in net expenditure** – largely due to the £0.715m transfer of the Accounts Payable function to Chamberlain's Shared Services and £0.260m Fundamental Review savings to be achieved in 2022/23; partly offset by the transfer in of £0.069m for the Responsible Procurement Manager post from Chamberlain's Business Support.
- v. **IT Department £1.495m decrease in net expenditure** – largely due to Fundamental Review savings of £2.0m to be achieved in 2022/23 and the transfer of £0.116m for two GIS posts to Built Environment, partly offset by additional budget allocations of £0.563m for the upgrade to E5 Microsoft Licences.
- vi. **Chief Operating Officer – Business Support £0.281m increase in net expenditure** – to accommodate the new function under the Chief Operating Officer, including Business Support.

- vii. **Central Criminal Court £0.735m decrease in net expenditure** – largely due to a decrease in capital charges of £0.529m due to the external valuers latest review of the assets lives, an increase in the amount chargeable to Her Majesty's Court and Tribunal Service of £0.145m reflecting the amount of expenditure that is able to be recharged, and a reduction in City Surveyor's repairs and maintenance of £0.118m.
- viii. **Walbrook Wharf £0.369m decrease in net expenditure** – largely due to £0.350m reduction in the cyclical works programme as works are anticipated to be finished in 2021/22 and there are no new works planned for 2022/23, a decrease in capital charges of £0.160m due to the external valuers latest review of the assets lives, partly offset by a decrease of £0.141m in the recharge received from Walbrook Wharf Depot held within Port Health Committee.
- ix. **Guildhall Complex City Surveyor £0.711m decrease in net expenditure** – due to a reduction of £0.690m in the cyclical works programme as no new bids are included in 2022/23, a reduction of £0.185m following the Public Sector Decarbonisation Scheme (PSDS), an increase of £0.161m in the recharge from the Remembrancer's Department and a decrease in central recharges of £0.127m, partly offset by an increase of £0.302m for rates due to the increase in rateable charge for the complex and an increase of £0.137m for consolidated delivery costs, where deliveries for the Guildhall will go to a centralised point outside of London and will be delivered in one vehicle. It should be noted that due to the substantial increase in energy prices over the last few months the PSDS savings may not be achieved. There is proposal for a central contingency budget in 2022/23 which may be called upon for exceptional inflationary pressures such as this.
- x. **Guildhall Complex Remembrancer £0.161m increase in net income** – due to the removal of £0.160m invest to save funding received in 2021/22.

Appendix 5

Finance Committee Operational Services Movement from 2021/22 Original Budget to 2021/22 Latest Budget

Analysis by Chief Officer and Division of Service - all risks	Original Budget 2021-22 £m	Movement (Original 2021-22 to Latest 2021-22) £m	Latest Budget 2021-22 £m	Notes
By Chief Officer				
The Chamberlain	(25.524)	(0.097)	(25.621)	
The Deputy Town Clerk	(3.108)	0.614	(2.494)	
The Chief Operating Officer	(12.276)	(0.721)	(12.997)	
The City Surveyor	(22.993)	(0.997)	(23.990)	
The Remembrancer	0.061	0.004	0.065	
Director of Community & Children's Services	(0.060)	(0.001)	(0.061)	
Chief Officer Totals	(63.900)	(1.198)	(65.098)	
By Division of Service				
<u>The Chamberlain</u>				
Chamberlain's - General	(22.238)	0.077	(22.161)	i
Chamberlain's - Internal Audit	(0.696)	(0.116)	(0.812)	ii
Chamberlain's - Business Support	(1.631)	0.198	(1.433)	iii
Chamberlain's Court	(0.166)	(0.008)	(0.174)	
Cost of Collection	(0.358)	(0.252)	(0.610)	iv
Gresham	(0.435)	0.004	(0.431)	
<u>The Deputy Town Clerk</u>				
Shrieval Support	(0.288)	(0.039)	(0.327)	
Mansion House Premises	(2.365)	0.653	(1.712)	v
Corporate Services	(0.455)	-	(0.455)	
<u>The Chief Operating Officer</u>				
Commercial Department	(2.761)	0.526	(2.235)	vi
IT	(9.515)	(1.026)	(10.541)	vii
Chief Operating Officer – Business Support	-	(0.221)	(0.221)	viii
<u>The City Surveyor</u>				
Central Criminal Court	(6.772)	0.464	(6.308)	ix
Mayor's Court	(0.049)	(0.080)	(0.129)	
Walbrook Wharf	(0.940)	0.012	(0.928)	
Guildhall Complex - City Surveyor	(15.232)	(1.393)	(16.625)	x
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<u>The Remembrancer</u>				
Guildhall Complex - Remembrancer	0.388	0.004	0.392	
Corporate Services - Remembrancer	(0.327)	-	(0.327)	
<u>Director of Community & Children's Services</u>				
Gresham	(0.060)	(0.001)	(0.061)	
Division of Service Totals	(63.900)	(1.198)	(65.098)	

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

- i. **Chamberlain's General £0.077m decrease in net expenditure** – largely due to the transfer of Fundamental Review pump priming of £0.500m to the ERP capital programme, the transfer of £0.414m to Establishment Committee of the Employment Services (payroll) function, and a reduction in premises insurance premiums of £0.179m; partly offset by the transfer in of £0.715m for the Accounts Payable function from the Commercial Department, £0.170m carry forward from 2020/21 for the PARIS system replacement and a budget allocation of £0.089m to meet Pension Strain costs.
- ii. **Chamberlain's Internal Audit £0.116m increase in net expenditure** – due to a budget allocation of £0.080m to meet Pension Strain costs and an increase in central recharges of £0.036m.
- iii. **Chamberlain's Business Support £0.198m decrease in net expenditure** – due to the transfer of £0.069m for the Responsible Procurement Manager post to the Commercial Department, the transfer of £0.042m for the Personal Assistant post to Chief Operating Officer Business Support and a reduction in IT support services of £0.184m.
- iv. **Chamberlain's Cost of Collection £0.252m increase in net expenditure** – due to a budget allocation of £0.100m to meet Pension Strain costs and an increase in central recharges of £0.147m.
- v. **Mansion House Premises £0.653m decrease in net expenditure** – largely relates to a reduction of £0.699m in repairs and maintenance budgets arising from rephasing of the cyclical works programme, partly offset by a carry forward from 2020/21 of £0.058m.
- vi. **Commercial Department £0.526m decrease in net expenditure** – largely due to the transfer of £0.715m for the Accounts Payable function to Chamberlain's Shared Services, partly offset by carry forwards from 2020/21 of £0.099m and the transfer of £0.069m for the Responsible Procurement Manager post from Chamberlain's Business Support.
- vii. **IT £1.026m increase in net expenditure** – mainly due to £0.808m additional budget allocations for the implementation and upgrade to E5 Microsoft Licences, approved carry forwards from 2020/21 of £0.169m and, £0.126m

allocation from Covid contingencies to facilitate home working, partly offset by £0.116m being the transfer of two GIS posts to the Built Environment.

- viii. **Chief Operating Officer Business Support £0.221m increase in net expenditure** –to accommodate the new function under the Chief Operating Officer, including Business Support.
- ix. **Central Criminal Court £0.464m decrease in net expenditure** – mainly due to a decrease in capital charges of £0.534m, partly offset by an increase of £0.114m in the cyclical works programme due to rephasing of projects.
- x. **Guildhall Complex City Surveyor £1.393m increase in net expenditure** - mainly relates to allocations of £0.482m from Finance Committee contingencies, £0.281m to meet Pension Strain costs, approved carry forwards from 2020/21 of £0.295m and an increase in cyclical works programme budgets of £0.376m due to additional projects being undertaken in 2021/22.

**Finance Committee Operational Services
Staffing Statement by Chief Officer**

Finance Committee Operational Services 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
Chamberlain	200.0	9.896	183.2	10.301
Deputy Town Clerk	5.0	0.236	5.0	0.238
Chief Operating Officer	88.7	5.517	80.0	5.067
City Surveyor	155.5	7.865	155.1	7.885
Remembrancer	18.5	1.230	18.5	1.295
Community & Children's Services	0.7	0.032	0.7	0.032
Total	468.4	24.776	442.5	24.818

* The 2021/22 latest budget estimated cost excludes centrally funded Pension Strain costs of £646,000.

Staffing Statement	Latest Budget 2021-22		Proposed Budget 2022-23	
	Staffing Full-time equivalent	Estimated cost £m	Staffing Full-time equivalent	Estimated cost £m
Cost of Collection	27.8	1.282	27.8	1.553
Chamberlain's Court	4.4	0.202	4.4	0.219
Chamberlain's - General	152.0	7.264	137.0	7.322
Chamberlain's - Business Support	6.0	0.519	5.0	0.561
Chamberlain's - Internal Audit	9.8	0.629	9.0	0.646
Total Chamberlain	200.0	9.896	183.2	10.301
Shrieval Support	5.0	0.236	5.0	0.238
Total Deputy Town Clerk	5.0	0.236	5.0	0.238
Commercial Department	34.9	1.800	25.0	1.764
IT (1)	51.8	3.496	53.0	3.022
Chief Operating Officer – Business Support	2.0	0.221	2.0	0.281
Total Chief Operating Officer	88.7	5.517	80.0	5.067
Central Criminal Court (local risk)	92.5	3.733	93.1	3.737
Central Criminal Court - Judges' Pensions (central risk)	-	0.195	-	0.195
Central Criminal Court - Common Serjeant and Recorder (central risk)	2.0	0.485	2.0	0.485
Walbrook Wharf	1.0	0.061	1.0	0.064
Guildhall Complex	60.0	3.391	59.0	3.404
Total City Surveyor	155.5	7.865	155.1	7.885
Corporate Services (Parliamentary)	1.0	0.070	1.0	0.070
Guildhall Complex (local risk) (Administration & Attendants)	17.5	0.753	17.5	0.817
Guildhall Complex (local risk) (Event related)	-	0.407	-	0.408
Total Remembrancer	18.5	1.230	18.5	1.295
Gresham	0.7	0.032	0.7	0.032
Total Community & Children's Services (central risk)	0.7	0.032	0.7	0.032
Grand Total	468.4	24.776	442.5	24.818

(1) The IT employee budget and FTE for 2022/23 shows the proposed 'Option 2' structure that was approved by this Committee on 7 December 2022, which includes the costs for 11 posts which can be cross charged to various capital projects. The agreed structure also included 4 additional posts and 2 apprentices which required additional funding above the resource base. As this funding is still to be approved by, Finance Committee, Policy and Resources Committee and Court of Common Council, these posts are not included in the figures above.

Appendix 7

Draft Capital and Supplementary Revenue Budgets

The latest estimated costs of the Committee's current approved capital and supplementary revenue projects are summarised in the Tables below which exclude Bridge House Estates (BHE).

CITY FUND							
	Project	Exp. Pre 01/04/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Later Years £'000	Total £'000
Recharge	<u>Recharges between Funds</u>						
	Corporate Capital Projects (City Fund share)	-	1,681	32	32	-	1,745
	<u>Pre-Implementation</u>						
Guildhall Complex schemes:	Walbrook Wharf Roof Replacement	48	8	77	-	-	133
	Walbrook Wharf Electrical Upgrade & New Vehicle Charging Points	128	673	194	-	-	995
Central Criminal Court	CCC - External & Internal Fabric Repairs	12	12	632	-	-	656
Other Scheme	Energy Reduction Programme	-	19	-	-	-	19
	<u>Authority to start work</u>						
Guildhall Complex scheme:	Walbrook Wharf Depot - Mechanical & Electrical	52	75	81	-	-	208
Central Criminal Court:	CCC - East Wing Mezzanine Cooling & Heating Replacement	55	992	319	-	-	1,366
	CCC - Fire Alarm Replacement & PAS	884	214	-	-	-	1,098
	CCC - Fire Doors	56	9	-	-	-	65
	CCC - Plant Replacement	27,852	2,091	4,236	791	-	34,970
Security Schemes:	CCC Security - Bomb Blast Mitigation	208	17	-	-	-	225
	CCC Security - Hostile vehicle Mitigation	548	75	-	-	-	623
Other Scheme	Transition to Zero Emission Fleet	203	12	-	-	-	215
IT Scheme	Oracle Property Manager (OPN) Replacement - City Fund Share	27	478	-	-	-	505
TOTAL CITY FUND		30,073	6,356	5,571	823	-	42,823

CITY'S CASH							
	Project	Exp. Pre 01/04/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Later Years £'000	Total £'000
	<u>Recharges between Funds</u>						
Recharge	Corporate Capital Projects (City Fund and BHE contributions)	-	1,847	36	36	-	1,919
	<u>Pre-Implementation</u>						
Guildhall Complex schemes:	Guildhall Cooling Plant replacement	17	131	26	-	-	174
	Guildhall Event Spaces Audio and Visual Replacement	-	49	-	-	-	49
	Guildhall Great Hall Internal Stonework Health and Safety	-	158	-	-	-	158
	Guildhall Installation of Public Address & Voice Alarm System & Door Locking System	61	42	-	-	-	103
	Guildhall Steam Plant Replacement	2	1	104	-	-	107
	Guildhall Yard - Refurbishment/Replacement of Paviments	-	-	23	-	-	23
IT Schemes:	Software Defined Wide Area Network Upgrade	-	31	19	-	-	50
	HR, Payroll, Finance, ERP	-	554	-	-	-	554
Other Schemes:	Energy Reduction Programme	9	14	8	-	-	31
	Magistrates Court External Repair Work	16	9	-	-	-	25
	<u>Authority to start work</u>						
Guildhall Complex Schemes:	Accommodation & Ways of Working	799	28	-	-	-	827
	Guildhall North Wing Barriers	32	65	-	-	-	97
PSDS Guildhall Schemes	Guildhall cooling, lighting, metering & Ventilation		3,895	-	-	-	3,895
Security Schemes:	Guildhall Security - Bomb Blast Mitigation	329	29	-	-	-	358
	Guildhall Security CCTV & Intruder Alarms	1,790	112	-	-	-	1,902
	Guildhall Security Hostile Vehicle Mitigation	1,352	1,465	-	-	-	2,817
IT Schemes:	CoL IT Transformation PH2 - IT Service 2020 Contract	1,113	242	-	-	-	1,355
	Computer Equipment Rooms (CER) Uninterrupted Power supplies (UPS) Upgrades	-	48	-	-	-	48
	Local Area Network (LAN) Refresh - CoL	2,681	9	-	-	-	2,690
	Oracle Property Manager (OPN) Replacement - City's Cash share	27	421	20	-	-	468
	Personal Device Replacement		2,150	50	50		2,250
	Security Assurance Testing	157	-	308	-	-	465
	Wide Area Network (WAN)	3,174	129	-	-	-	3,303
Other Schemes:	BEMS Upgrade Project - CPG Estate - Phase 1	-	349	-	-	-	349
	Citigen Energy Network Feasibility	58	52	-	-	-	110
TOTAL CITY'S CASH		11,617	8,136	522	14	-	20,289
TOTAL FINANCE COMMITTEE		41,690	14,492	6,093	837	-	63,112

Notes

1. Pre-implementation costs comprise feasibility and option appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work. These figures exclude the implementation costs of those schemes which have yet to receive authority to start work.
2. There are a significant number of schemes in flight which have received authority to start work - mainly relating to the Central Criminal Court, the Guildhall Complex and IT.
3. Recharges between funds reflect contributions from City Fund and Bridge House Estates towards the cost of corporate Guildhall Complex and IT schemes which are initially borne by City's Cash.
4. The Guildhall Public Sector Decarbonisation Scheme (PSDS) under this committee are funded from a total £9.4m government grant to the City of London.
5. The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2022.