

<b>Committee(s)</b>	<b>Dated:</b>
Culture, Heritage and Libraries	18 July 2022
<b>Subject:</b> Revenue Outturn – 2021/22	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>1-4, 7-12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>n/a</b>
<b>What is the source of Funding?</b>	<b>n/a</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>n/a</b>
<b>Report of:</b> The Chamberlain Deputy Town Clerk Director of Innovation and Growth Executive Director Environment Director of Community and Children’s Services <b>Report Author:</b> Graham Nickless - Chamberlains	<b>For Information</b>

### Summary

This report compares the revenue outturn for the services overseen by your Committee in 2021/22 with the final agreed budget for the year. Overall total net expenditure during the year was £21.254m, whereas the total agreed budget was £21.566m, representing a decrease in net expenditure of £0.312m. This decrease is largely due to central risk (£0.311m) underspends mainly as a result of a historic rates refund at Artizan Street Library and the re-phasing of the delivery of the Cyclical Works Programme (CWP) projects over the life cycle of the programme (£0.414m). These were partly offset by overspends in local risk (£0.205m) from sites being unable to generate targeted income as a result of closures and reduced services as per government guidance and various increases in recharges (£0.208m). Explanations for the variances can be found in paragraphs 2-9 of this report. The table below summarises the final outturn position against the Final Budget.

<b>Summary Comparison of 2021/22 Revenue Outturn with Final Agreed Budget</b>			
	<b>Final Agreed Budget £000</b>	<b>Revenue Outturn £000</b>	<b>Variation Better/ (Worse) £000</b>
<b>Local Risk</b>			
Deputy Town Clerk	(3,662)	(3,812)	(150)
Director of Innovation and Growth	(1,385)	(1,366)	19
Executive Director Environment	54	(204)	(258)
Director of Community and Children's Services	(2,373)	(2,217)	156
City Surveyor	(299)	(271)	28
<b>Total Local Risk</b>	<b>(7,665)</b>	<b>(7,870)</b>	<b>(205)</b>
<b>Cyclical Works Programme</b>	<b>(798)</b>	<b>(384)</b>	<b>414</b>
<b>Central Risk</b>			
Deputy Town Clerk	(6,385)	(6,361)	24
Director of Innovation and Growth	(391)	(314)	77
Executive Director Environment	(10)	(11)	(1)
Director of Community and Children's Services	(508)	(297)	211
City Surveyor	(6)	(6)	-
<b>Total Central Risk</b>	<b>(7,300)</b>	<b>(6,989)</b>	<b>311</b>
<b>Capital &amp; Support Services</b>	<b>(5,803)</b>	<b>(6,011)</b>	<b>(208)</b>
<b>Overall Expenditure</b>	<b>(21,566)</b>	<b>(21,254)</b>	<b>312</b>

The unfavourable variance on the Director's local risk was £205K of which £150K related to areas under the responsibility of the Deputy Town Clerk (see paragraph 2 for more information) and £258K related to areas under the responsibility of the Executive Director Environment (see paragraph 3 for more information). Offsetting these in part, were favourable variances of £19K related to areas under the responsibility of the Director of Innovation and Growth, £156K related to areas under the responsibility of the Director of Children's and Community Services (see paragraphs 4-5 for more information) and £28K related to areas under the responsibility of the City Surveyor.

The Director of Community and Children's Services has requested a carry forward bid of £89,000 from their local risk favourable variance. There were no carry forward requests from the Deputy Town Clerk, the Director of Innovation and Growth or the Executive Director Environment.

## **Recommendations**

- It is recommended that this revenue outturn report for 2021/22 is noted.

## **Main Report**

1. Actual net expenditure for your Committee's services during 2021/22 totalled £21.254m, a favourable variance of £0.312m compared to the final agreed budget of £21.566m. A summary comparison with the final agreed budget for the year is tabulated below. In this and subsequent tables, income, increases in income and reductions in expenditure are shown as positive balances, whereas brackets are used to denote expenditure, increases in expenditure, or shortfalls in income. A reconciliation of the original local risk budget to the final agreed local risk budget is provided in Appendix 1.

**Culture, Heritage and Libraries Committee – Comparison of 2021/22  
Revenue Outturn with Final Agreed Budget**

	Original Budget £000	Final Agreed Budget £000	Revenue Outturn £000	Variation Better/ (Worse) £000	Paragraph Reference
<b>LOCAL RISK</b>					
<b>Deputy Town Clerk</b>					
<b>City Fund</b>					
Guildhall Library	(413)	(495)	(521)	(26)	
Small Business Research & Enterprise Centre	(482)	(484)	(472)	12	
Central Management	-	-	(2)	(2)	
London Metropolitan Archives	(1,680)	(1,698)	(1,832)	(134)	2
City Records Service	(1,067)	(985)	(985)	-	
<b>Total City Fund</b>	<b>(3,642)</b>	<b>(3,662)</b>	<b>(3,812)</b>	<b>(150)</b>	
<b>Total Deputy Town Clerk</b>	<b>(3,642)</b>	<b>(3,662)</b>	<b>(3,812)</b>	<b>(150)</b>	
<b>Director of Innovation &amp; Growth</b>					
<b>City Fund</b>					
Guildhall Art Gallery	(560)	(597)	(558)	39	
Visitor Services & City Information Centre	(701)	(788)	(808)	(20)	
<b>Total City Fund</b>	<b>(1,261)</b>	<b>(1,385)</b>	<b>(1,366)</b>	<b>19</b>	
<b>Total Director of Innovation &amp; Growth</b>	<b>(1,261)</b>	<b>(1,385)</b>	<b>(1,366)</b>	<b>19</b>	
<b>Executive Director Environment</b>					
<b>City's Cash</b>					
Monument	232	229	(29)	(258)	3
Keats House	(175)	(175)	(175)	-	
<b>Total City's Cash</b>	<b>57</b>	<b>54</b>	<b>(204)</b>	<b>(258)</b>	
<b>Total Executive Director Environment</b>	<b>57</b>	<b>54</b>	<b>(204)</b>	<b>(258)</b>	
<b>Director of Community &amp; Children's Services</b>					
<b>City Fund</b>					
Artizan St Library & Portsoken Health & Community Centre	(328)	(390)	(293)	97	4
Barbican Library & Shoe Lane Library	(1,902)	(1,983)	(1,924)	59	5
<b>Total City Fund</b>	<b>(2,230)</b>	<b>(2,373)</b>	<b>(2,217)</b>	<b>156</b>	
<b>Total Director of Community &amp; Children's Services</b>	<b>(2,230)</b>	<b>(2,373)</b>	<b>(2,217)</b>	<b>156</b>	

<b>City Surveyor</b>					
<b>City Fund</b>					
Lower Thames Street*	(7)	(7)	(6)	1	
<b>Total City Fund</b>	(7)	(7)	(6)	1	
<b>City's Cash</b>					
Mayoralty & Shrievalty*	(93)	(93)	(54)	39	
<b>Total City's Cash</b>	(93)	(93)	(54)	39	
<b>Building Repairs &amp; Facilities Management*</b>	(198)	(199)	(211)	(12)	
<b>Total City Surveyor</b>	(298)	(299)	(271)	28	
<b>TOTAL LOCAL RISK</b>	(7,374)	(7,665)	(7,870)	(205)	
<b>CYCLICAL WORKS PROGRAMME</b>	(500)	(798)	(384)	414	6
<b>CENTRAL RISK</b>					
Museum of London	(5,292)	(5,292)	(5,292)	-	
Outdoor Arts Programme	(339)	(369)	(292)	77	7
Other costs including rent, rates, service charges & capital	(1,034)	(1,639)	(1,405)	234	8
<b>TOTAL CENTRAL RISK</b>	(6,665)	(7,300)	(6,989)	311	
<b>CAPITAL &amp; SUPPORT SERVICES</b>	(5,580)	(5,803)	(6,011)	(208)	9
<b>OVERALL TOTAL</b>	(20,119)	(21,566)	(21,254)	312	

\*These budgets are under the responsibility of the Culture, Heritage & Libraries Committee but fall under the scope of the City Surveyor, as such any underspends relates to the City Surveyor and cannot be carried forward.

### Reasons for Significant Variations

- The overspend of £134,000 at London Metropolitan Archives (LMA) is mostly due to a £104K shortfall in income as LMA was totally closed for part of the year due to government restrictions and LMA being partially open to fewer, pre-registered only readers, for shorter hours due to Covid safety requirements. This led to fewer sales in photo passes, copies, licences, room hire, events, group visits and donations. Other visitor attractions such as The Monument had similar problems. In addition staffing savings were not realised in year 2021/22 as the Corporate flexible early retirement scheme allowed staff to stay on for 6-12 months until 31 March 2022 so savings could not be achieved instantly or sufficiently until 2022/23.

3. The income shortfall at the Monument of £258,000 was due to the attraction being totally closed for part of the year due to government restrictions and visitor appetite. A period of reopening was trialled last year with visitor footfall not outweighing the additional cost of providing operational staffing during weekdays, and as such the Monument remained open thereafter on weekends and school holidays only. Ultimately there remained a lack of public appetite for visiting due to the severe space constraints within the historic structure. As per a report approved under delegated authority in December 2021, a request has been made to the Chamberlain that the final deficit will not be carried forward into 2022/23. Due to overall net local risk underspends within other Service Committees overseen by the Executive Director Environment, no carry forward of this overspend at Monument was necessary.
4. The underspend at Artizan Street Library is mainly due to delays in spending the carry forward last year for essential fire stopping work at the library as identified by the FRA. The delays are wholly down to the suppliers and have been entirely beyond the services control. Although the money was granted last year, it has not been spent in full and the library will need to reapply. It is estimated that around £55,000 is still needed. In addition, there was a rates refund of £63,000.
5. The underspend at Barbican and Shoe Lane libraries is due to supplier issues which has meant that items requested were unable to be supplied during 2021/22 leading to underspends. The equipment is essential for the library and their strategy going forwards and is the subject of a carry forward bid for 2022/23.
6. The £414,000 better than budget position within the Cyclical Works Programme (CWP) is due to re-phasing of the delivery of the CWP projects over the life cycle of the programme. The CWP projects not completed in 2021/22 will complete in 2022/23, which was reported to and approved by Operational Property and Project Sub Committee.
7. The £77,000 underspend from City Outdoor Arts budget is a result of the Target Operating Model (TOM) and Destination City Review timings. The budget, which was ring fenced to be spent on new commissions and Research and Development projects for 2022/23, was not able to be committed until the final outcome of the TOM and approval of the new Destination City programme. This meant the money could not be spent within the 2021/22 financial year.
8. The Central Risk underspend is due to a historic rates refund at Artizan Street library dating back to 2017/18 totalling £200,000.
9. The table below shows a breakdown of the Capital and Support Services budgets and expenditure.

	Original Budget £000	Final Agreed Budget £000	Revenue Outturn £000	Variation Better/ (Worse) £000
<b>CAPITAL &amp; SUPPORT SERVICES</b>				
Capital Charges	(1,533)	(1,565)	(1,566)	(1)
Support Services, including Chamberlains, Comptrollers & Town Clerks	(610)	(578)	(605)	(27)
Surveyors Employee & IT Recharges	(70)	(848)	(856)	(8)
Guildhall Admin Buildings	(2,745)	(2,918)	(3,033)	(115)
Insurances, including premises & Liability	(240)	(239)	(283)	(44)
Other recharges	338	345	332	(13)
<b>TOTAL CAPITAL &amp; SUPPORT SERVICES</b>	<b>(5,580)</b>	<b>(5,803)</b>	<b>(6,011)</b>	<b>(208)</b>

The overspend of £208,000 on Capital & Support Services is largely due to a higher share of Guildhall Admin Buildings costs of £115,000 as a result of higher than expected security, building maintenance and utility costs in the Guildhall Complex. Recharges have a corresponding contra entry in their own accounts. Consequently these charges have no overall impact on net expenditure for the City as a whole.

### Local Risk Carry Forward to 2022/23

10. The revenue outturn for the Director of Children's and Community Services for 2021/22 which falls within the responsibilities of the Culture, Heritage and Libraries Committee comprised a £98,000 underspend, all of which relates to City Fund. The Director has requested carry forwards of £89,000. These are subject to the approval of the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub-Committee. This is comprised of four separate bids:

- £55,000 for absolutely essential Health & Safety fire stopping work which will need to be carried forward from last years' carry forward.
- £25,000 to buy a collection of vocal score sets and orchestral parts, to increase Barbican Music Library's contribution to the musical life of the 'Square Mile' and to raise revenue.
- £5,000 to buy 44 monitors for staff use in all 3 libraries. Essential for staff use with the new Surface Pro devices and we have no PC hardware budget since it was centralised some years ago.
- £4,000 to buy 11 new laptops for our children and young people's code clubs. This work contributes to the City's Digital Strategy.

### **Strategic Implications**

13. None

### **Financial Implications**

14. All financial implications contained within the report.

### **Resource Implications**

15. None.

### **Legal Implications**

16. None.

### **Risk Implications**

17. None.

### **Equalities Implications**

18. None.

### **Climate Implications**

19. None.

### **Security Implications**

20. All events under the Outdoor Arts Programme will require robust Risk Assessment and Method Statements (RAMS) which will be developed in consultation with internal and external security services including the City Police.

### **Public sector equality duty**

21. Our fees and charges are regularly benchmarked with neighbouring / competing facilities, but we will continue to informally assess any negative impact on protected characteristic groups.

### **Conclusion**

22. This report presents the revenue outturn position for 2021/22 for Members to consider and to note the carry forward bids for 2022/23 budgets.



## Appendices

- Appendix 1 - Reconciliation of original local risk budget to the final agreed local risk budget.

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## Appendix 1

<b>Original to Final Agreed Local Risk Budget</b>	<b>£000</b>
<b>Original Local Risk Budget</b>	<b>(7,374)</b>
Budget carry forwards from 2021/22 underspend	(177)
All funds pay (grades A-C), budget uplift	(28)
COVID heroes payment	(16)
City of London Apprenticeship Scheme	(24)
Net City Fund budget virements from Community and Children's services (£45,000) relating to children's community work at the lending libraries.	(45)
City Surveyor local risk changes to planned and reactive works and Facilities Management.	(1)
<b>Final Agreed Local Risk Budget</b>	<b>(7,665)</b>