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| Committee(s) | Dated: |
| Planning & Transportation Committee | 19 th July 2022 |
| Subject: Revenue Outturn 2021/22 | Public |
| Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly? | N/A |
| Does this proposal require extra revenue and/or capital spending? | N/A |
| If so, how much? | N/A |
| What is the source of Funding? | N/A |
| Has this Funding Source been agreed with the Chamberlain's Department? | N/A |
| Report of: Chamberlain Executive Director Environment The City Surveyor | For Information |
| Report author: Dipti Patel, Chamberlain's Department | |

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2021/22 with the final budget for the year. Overall total net expenditure across all risks during the year was £14.510m, whereas the total budget was £15.493m, representing an underspend of £983,000 as set out below.

| Summary Comparison of 2021/22 Revenue Outturn with Final Agreed Budget | | | | |
|---|------------------------|---------------------|------------------------|----------------------------------|
| | Original Budget | Final Budget | Revenue Outturn | Variation Better/ (Worse) |
| | £'000 | £'000 | £'000 | £'000 |
| Direct Net Expenditure | | | | |
| Executive Director Environment | (3,065) | (3,895) | (2,993) | 902 |
| The City Surveyor | (1,168) | (958) | (753) | 205 |
| Total Direct Net Expenditure | (4,233) | (4,853) | (3,746) | 1,107 |
| Capital & Support Services | (10,156) | (10,640) | (10,764) | (124) |
| Overall Total | (14,389) | (15,493) | (14,510) | 983 |

Chief Officers have submitted requests to carry forward underspendings and subject to the approval of the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub-Committee.

Recommendation(s)

Members are asked to:

- Note the report and the carry forward of local risk underspending to 2022/23

Main Report

Revenue Outturn for 2021/22

1. Actual net expenditure across all risks for your Committee's services during 2021/22 totalled £14.510m, an underspend of £983,000 compared to the final budget of £15.493m. A summary comparison with the final budget for the year is tabulated below. In this and subsequent tables, expenditure and adverse variances are presented in brackets. Only significant variances (generally those greater than £50,000) have been commented on.

| Table 1 - Summary Comparison of 2021/22 Revenue Outturn with Final Budget | | | | |
|--|----------------------------------|-------------------------------|----------------------------------|--|
| | Original Budget £'000 | Final Budget £'000 | Revenue Outturn £'000 | Variation Better/ (Worse) £'000 |
| Local Risk | | | | |
| Executive Director Environment | (10,253) | (10,585) | (10,013) | 572 |
| The City Surveyor | (278) | (267) | (219) | 48 |
| Total Local Risk | (10,531) | (10,852) | (10,232) | 620 |
| Central Risk | 7,188 | 6,690 | 7,020 | 330 |
| Cyclical Works Programme | (890) | (691) | (534) | 157 |
| Capital and Support Services | (10,156) | (10,640) | (10,764) | (124) |
| Overall Total | (14,389) | (15,493) | (14,510) | 983 |

2. The most significant local risk variations comprise:
 - **Executive Director Environment £572,000 underspend:**
 - (i) **Employees underspend £1,656,000** – staff vacancies and recruitment freeze due to the process of TOM implementation.
 - (ii) **Supplied & Services underspend £424,000** – spend not required for printing and postage, professional fees, communication and computing costs, internal legal fees, conference/subscription expenses and other running expenses.
 - (iii) **Thame Tideway SLA £263,000** – income from Bazalgette Tunnel Ltd for contribution towards staff costs relating to the delivery of the Thames Tideway Tunnel project at Blackfriars Bridge Foreshore.
 - (iv) **Committee Contingency overspend (£1,511,000)** – due to the Committee’s share of the Department’s unidentified savings mainly relating to TOM, which was held as a contingency and not allocated to individual services across the department during the ongoing TOM implementation process.
 - (v) **Off Street Parking overspend (£585,000)** – income shortfall mainly due to reduced car park fee income as a result of COVID restrictions.
3. Executive Director Environment central risk underspend of £330,000 comprises of the following most significant variations:
 - (i) **Off-Street Parking underspend £644,000** – increased transfer from the Parking Reserve Account as a result of an overall increase in local risk operating costs caused mainly by reduced parking income.
 - (ii) **On Street Parking overspend (£337,000)** – decrease in PCN income. This has been off-set by a reduced transfer of funding to the Parking Reserve Account, reduced net local risk operating costs, reduced bad debt provision and other central risk underspends.
4. The Cyclical Works Programme (CWP) underspend was mainly due to Highways works at Shoe Lane Bridge coming under budget and works at Charterhouse Street and Farringdon Street Bridge now being carried out in 2022/23 as a result of contractor and consultant resource availability due to COVID-19. The CWP does not form part of the City Surveyor’s local risk budget and any variances will be carried over to 2022/23. This is a programme of works over multiple financial years and the carry over of unspent balances to 2022/23 was reported to and approved by Operational Property and Project Sub Committee (OPPSC) in May.
5. The (£124,000) overspend on capital and support services is due to changes in the cost re-allocation of central support services, mainly relating to IS and Admin Building recharges.

6. Appendix A and B provides a more detailed comparison of the local and central risk outturn against the final budget, including explanation of significant variations.
7. Appendix C shows the movement from the 2021/22 original budget to the final budget.

Local Risk Carry Forward to 2022/23

8. The Executive Director Environment has a local risk underspending of £572,000 on the activities overseen by your Committee. The Director had net local risk underspendings totalling £945,000 on activities overseen by other Committees. The Director is proposing that a total of £500,000 of her maximum eligible underspend be carried forward, of which £147,000 relates to activities overseen by your Committee for the following purpose:
 - £70,000 towards the Aldgate Square Commission supporting emerging artists in the UK. Twelve artists nominated by members of the Sculpture in the City Arts Advisory Group were invited to submit a proposal for a temporary site-specific public artwork for Aldgate Square, considering the cultural and historical significance of the local area, subject to further clarification.
 - £77,000 for reinstating additional IT monitors, docking stations and desk equipment at Guildhall to accommodate returning to the office 3 days per week. Additionally, work to return two offices on the 6th floor to hybrid meeting rooms and dual use as director rooms with meeting tables and AV equipment as agreed.

Corporate & Strategic Implications

Strategic implications – none.

Financial implications – none.

Resource implications – none.

Legal implications – none.

Risk implications – none.

Equalities implications – none.

Climate implications – none.

Security implications – none.

Report author

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Appendices:

Appendix A – Planning & Transportation Committee – Comparison of 2021/22 Local Risk Revenue Outturn with Final Budget

Appendix B – Planning & Transportation Committee – Comparison of 2021/22 Central Risk Revenue Outturn with Final Budget

Appendix C – Planning & Transportation Committee – Movement in 2021/22 Original Budget to Final Budget