

Committee:	Date:
Corporate Services Committee	7 th December 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?	No
Report of: The Town Clerk, The Chief Operating Officer, The Chamberlain, The Comptroller and City Solicitor	For Information
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Summary

This report compares the revenue outturn for the services overseen by your Committee in 2021-22 with the final budget for the year. It also details the carry forward requests which have now been approved.

Overall total net expenditure during the year was £10.575m whereas the budget was £10.739m representing an underspend of £0.164m as summarised below.

	Original Budget	Final Budget	Revenue Outturn	Variations Better/(Worse) against Final Budget
	£000	£000	£000	£000
Chief Officer				
Total Town Clerk	(6,114)	(5,392)	(4,829)	563
Total Chief Operating Officer	0	(4,384)	(4,013)	371
Total Comptroller and City Solicitor	(544)	(688)	(1,169)	(481)
Total Chief Officer	(6,658)	(10,464)	(10,011)	453
Support Services	(1,968)	(275)	(564)	(289)
Net Expenditure	(8,626)	(10,739)	(10,575)	164

Expenditure and unfavourable variances are presented in brackets.

The overall outturn underspend of £0.164m comprises variations across several services which are detailed in paragraphs 3 and 4 in this report. The main variations are:

- Town Clerk's decreased net expenditure of £0.563m— largely due to projects in flight and agreed in 21/22, delayed due to vacancies in departments and TOM implementation.
- Chief Operating Officer- decreased net expenditure of £0.371m – mainly due to COVID 19 measures preventing active recruitment of Apprentices and the recruitment freeze.
- Comptroller and City Solicitor – £0.481m increased net expenditure largely due to a shortfall in external income, as a result of COVID 19 measures causing a slowdown in property transactions in the City.

Agreed carry forwards amount to £0.987m and are detailed at Appendix 2. Of these amounts, £0.589m are for the Town Clerk's department and £0.398m relates to Chief Operating Officer.

Recommendations

Members are asked to note the:

- revenue outturn for 2021/22 showing an overall favourable variance to final budget of £0.164m; and
- Agreed carry forwards of central risk budgets of £0.987m to 2022/23.

in Report

Budget Position for 2021-22

1. The 2021-22 original budget for the services overseen by your Committee was £8.626m as endorsed by the Court of Common Council in March 2022. This has subsequently been increased to a final budget of £10.739m. An analysis of the increase of £2.113m is provided in Appendix 1.

Revenue Outturn for 2021-22

2. As indicated in the table in the summary, actual net expenditure for your Committee's services during 2021-22 totalled £10.575m compared to a budget of £10.739m, resulting in an underspend of £0.164m. A comparison of the final budget with the revenue outturn by Chief Officer is shown in the Summary and is analysed by risk in the table below.

	Original Budget	Final Budget	Revenue Outturn	Variations Better/(Worse) against Final Budget	Notes
	£000	£000	£000	£000	
Chief Officer					
Local Risk					
The Town Clerk	(5,676)	(3,247)	(3,344)	(97)	3i)
The Chief Operating Officer	0	(3,531)	(3,940)	(409)	3ii)
The Comptroller and City Solicitor	(744)	(694)	(975)	(281)	3iii)
Total Local Risk	(6,420)	(7,472)	(8,259)	(787)	
Central Risk					
The Town Clerk	(438)	(2,145)	(1,485)	660	4i)
The Chief Operating Officer	0	(853)	(73)	780	4ii)
The Comptroller and City Solicitor	(200)	(6)	(194)	(200)	4iii)
Total Central Risk	(238)	(2,992)	(1,752)	1,240	
Support Services	(1,968)	(275)	(564)	(289)	
Net Expenditure	(8,626)	(10,739)	(10,575)	164	

Expenditure and unfavourable variances are presented in brackets.

3. The main reasons for the variation to the **local risk budgets** are:

- i. **The Town Clerk - £97,000 overspend** - The overspend relates to the 12% savings target set for the year 21-22 - which was not fully achieved.
- ii. **The Chief Operating Officer - £409,000 overspend** - A shortfall of £527k on the unidentified savings target of £899k for Corporate HR and Occupational Health; partly offset by
 - a. Higher than budgeted income on Staff Training of £55k through increased income generation; and
 - b. An underspend on Project Governance of £92k achieved through staff vacancies.
- iii. **The Comptroller and City Solicitor - £281,000 overspend** - A shortfall in meeting their unidentified savings target of £357k; An overspend of £24k on required practice knowledge sources and £39k on software purchases due to a necessary upgrade to the records management system during the year; partly offset by
 - a. a £99k underspend on salary budgets due to vacancies being held, and
 - b. higher than budgeted income of £45k from the Corporate and Public Law legal work stream.

4. The main reasons for the variation to the **central risk budgets** are:
- i. **The Town Clerk - £660,000 underspend** - An underspend of £1.33m on the Transformation Fund due to the non-completion of the TOM in 2021-22; An underspend of £98k due to the Pensioners and Staff Christmas lunches being cancelled due to COVID; partly offset by an overspend of £795k on Transformation and Change Management Staff costs.
 - ii. **The Chief Operating Officer - £780,000 underspend** - The unspent balance of the Apprenticeship contingency budget of £853k offset by £73k Pension Strain expenditure.
 - iii. **The Comptroller and City Solicitor - £200,000 overspend** was a result of no property related legal fee income being received. This was due to a legal fee waiver introduced by City Surveyors as an incentive to encourage property transactions in the adverse market conditions brought about by the COVID pandemic.

Carry Forwards to 2022-23

5. Total agreed carry forwards was £987,000 of which £589,000 relate to the Central Risk Budgets of the Town Clerk and £398,000 relates to the Chief Operating Officer. Details of the Carry Forwards are set out in Appendix 2.

Year-end position and financial pressure in 2022/23

Looking forward to 2022/23 there are a number of identified financial risks

- i. Whilst departments managed to find some of the 12 % savings targets with one off savings in 2021/22 a number still have to identify permanent savings to meet their 12% savings target in 2022/23 and future years. If they fail to do so, there is a risk that these savings will not be sustainable in the medium term.

Appendices

- Appendix 1 – Analysis of movements from 2021-22 Original Budget to 2021-22 Final Budget
- Appendix 2 – Agreed Carry Forwards to 2022/23

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APPENDIX 1

Analysis of movements 2021-22 Original Budget to Final Budget	£'000
Original local risk budget (Town Clerk)	5,676
Service areas moved from Town Clerks to Chief Operating Officer	(3,007)
Chief Officer funding	455
City Occupiers Database moved to Town Clerks	113
Covid Hero's	8
Grades A-C pay increase	2
Final local risk budget (Town Clerk)	3,247
Original local risk budget (Chief Operating Officer)	0
Service areas moved to Chief Operating Officer from Town Clerks	3,007
Payroll moved to Chief Operating Officer from Chamberlains	503
Chief Officer funding	15
Grades A-C pay increase	5
Final local risk budget (Chief Operating Officer)	3,531
Original local risk budget (Comptroller and City Solicitor)	744
Post moved to City Surveyors	(51)
Grades A-C pay increase	1
Final local risk budget (Comptroller and City Solicitor)	694
Original central risk budget (Town Clerk)	438
Transformation Fund allocation from Finance Contingency	1,500
Transformation Fund carry forwards from 2020/21	191
Redundancy costs met centrally	91
Pension Strain costs met centrally	77
Various Town Clerk Department costs moved to Finance Committee	(152)
Final central risk budget (Town Clerk)	2,145
Original central risk budget (Chief Operating Officer)	0
City Apprentice funding transferred from Finance Committee	853
Final central risk budget (Chief Operating Officer)	853
Original central risk budget (Comptroller and City Solicitor)	(200)
Pension Strain costs met centrally	194
Final central risk budget (Comptroller and City Solicitor)	(6)
Original support services and capital charges budget	1,968
Net movements	(1,693)
Final support services and capital charges budget	275
Total original budget	8,626
Total increase	2,113
Total final budget	10,739

APPENDIX 2

Central Risk Carry Forwards by Chief Officer	£000
<u>The Town Clerk (Guildhall Admin)</u>	
Transformation Fund - Projects inflight and agreed in 21/22, delayed due to vacancies in departments and TOM implementation	544
The staff Christmas lunches for 2021/22 were cancelled due to covid. This carry forward is to cover the one off spend on a summer event for staff (to take place on 25, 26, 28 and 29 July)	45
Total Town Clerk (Central Risk)	589
<u>The Chief Operation Officer (Guildhall Admin)</u>	
Support for HR savings gap in 22/23 due to delay in TOM restructure	398
Total Chief Operating Officer (Central Risk)	398
Total Central Risk Carry Forwards	987
Total Central Risk Carry Forwards	987
TOTAL APPROVED CARRY FORWARDS	987