

Committee(s)	Dated:
Finance Committee	13 December 2022
Subject: Finance Committee Operational Budget Estimate 2023/24	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 is the annual submission of the revenue budgets in relation to the operational services directly overseen by your Committee. It is asking Members to note the latest revenue budget for 2022/23 and approve the proposed revenue budget for 2023/24.

The proposed budget for 2023/24 totals net expenditure of £52.264, which is an increase of £1.929m (4%) compared with the 2022/23 original budget of £50.335m, which is principally due to the increase in insurance premiums.

The main variations relate to:

- An increase in insurance premiums (£1.98m) - whilst insurance premium rates have remained stable since the tender of the programme in 2021, the overall costs of insurance are directly affected by the values being insured and the cost of claims. In particular, property rebuild values have increased in line with national construction costs inflation;
- A decrease to the Cyclical Works Programme £1.70m; partly offset by
- The full year effect of the July 2022 pay award (£0.50m);
- Net 2% inflation (£0.40m); and
- An increase in recharges (£0.63m).

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

Summary Revenue Budgets 2022/23 and 2023/24 - by Chief Officer	Original Budget 2022/23 £m	Latest Budget 2022/23 £m	Movement 2022/23 Original to 2022/23 Latest £'m	Estimate 2023/24 £m	Movement 2022/23 Original to 2023/24 Original £'m
Local Risk					
The Chamberlain	(9.051)	(9.851)	(0.800)	(9.767)	(0.716)
The Deputy Town Clerk	(2.002)	(2.030)	(0.028)	(1.235)	0.767
The Chief Operating Officer	(1.413)	(1.413)	-	(1.490)	(0.077)
The City Surveyor	(11.302)	(11.569)	(0.267)	(10.693)	0.609
The Remembrancer	0.433	0.433	-	0.414	(0.019)
Total Local Risk	(23.335)	(24.430)	(1.095)	(22.771)	0.564
Central Risk					
The Chamberlain	(14.085)	(14.344)	(0.259)	(16.069)	(1.984)
The Deputy Town Clerk	(0.570)	(0.580)	(0.010)	(0.570)	-
The Chief Operating Officer	-	(0.099)	(0.099)	-	-
The City Surveyor	(5.285)	(5.285)	-	(5.152)	0.133
The Remembrancer	(0.186)	(0.193)	(0.007)	(0.188)	(0.002)
Director of Community & Children's Services	(0.059)	(0.059)	-	(0.065)	(0.006)
Total Central Risk	(20.185)	(20.560)	(0.375)	(22.044)	(1.859)
Capital and Support Services	(6.815)	(6.830)	(0.015)	(7.449)	(0.634)
Committee Total	(50.335)	(51.820)	(1.485)	(52.264)	(1.929)

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

Recommendations

Members are asked to:

- i) note the latest revenue budget for 2022/23;
- ii) review and approve the estimate for 2023/24;
- iii) authorise the Chamberlain to revise these budgets to allow for any further implications arising from changes to the resource envelope, Corporate Projects, other reviews and changes to the Cyclical Works Programme during budget setting be delegated to the Chamberlain;
- iv) note the approved capital and supplementary revenue budgets; and
- v) note that the draft budget does not include the estimated increases in energy costs principally for the Guildhall, Central Criminal Court and Mansion House, which are currently being reviewed in light of changing market prices with budgets to be adjusted once a final agreement on energy forecasts are made.

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. An overview of the services provided can be found at Appendix 1.

Estimate for 2023/24

3. This report seeks approval to the estimate for 2023/24 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 2022/23 and proposed budget for 2023/24.

Assumptions

4. The estimate for 2023/24 includes a 4% uplift for inflation offset by 2% efficiency savings (i.e. a 2% net increase on local risk budgets) and the full year impact of pay increases to staff arising from the pay deal effective from July 2022.
5. The Cyclical Works Programme (CWP) figures included in this report relate only to elements of previously agreed programmes, which will be completed in 2022/23 and 2023/24. The separate bid for CWP works programme for 2023/24 has not been included in this report. The bid was submitted to the Operational Property & Projects Sub Committee in November but is yet to be agreed by Resource Allocation Sub Committee. Once the 2023/24 programme is agreed, Members will be advised of the outcome. Members are asked to authorise the Chamberlain to revise the budgets should the bids be agreed.
6. The Fundamental Review saving of £523k primarily related to the implementation of the new ERP system has been delayed due to the project being on hold during Covid. The department currently plans to cover this through one-off measures in 2023/24 with the saving achieved fully in 2024/25.
7. The estimate for 2023/24 does not include the estimated energy price increases for the 2023/24 financial year. At the time of compiling this report, these costs are estimated at £2.128m. At present the Corporation is reviewing these additional energy costs in light of changing market prices. A final agreement on energy cost forecasts for next year will be concluded in early 2023 at which point estimates for 2023/24 will be adjusted if required.
8. The 2023/24 estimate for Central Criminal Court has been prepared within the allocated resources, however, it has been identified that there are significant pressures maintaining the running of the Court within the allocated budget. The Surveyor is proposing to review the long-standing contract with Her Majesty's Court and Tribunal Service.

Latest Approved Budget 2022/23 and Estimate 2023/24

9. The latest approved budget for 2022/23 totals net expenditure of £51.820m which is an increase of £1.485m (3%) compared with the original budget of £50.335m. The main reasons for this increase are:
 - i) Allocations from contingency of £789k, including £565k for supporting change and finance provision for the Chamberlain's department, £98k to undertake a Charity Review, £90k from the Covid contingency for use of 65a Basinghall Street and £36k to meet redundancy costs.
 - ii) Underspends carried forward from 2021/22 to 2022/23 of £388k – consisting of £272k for Chamberlain's Department, £99k for the Commercial Department £10k for the Deputy Town Clerk and £7k for the Remembrancer; and
 - iii) A net increase in the Cyclical Works Programme of £189k due to the phasing of the ongoing programme.

10. The 2023/24 estimate totals £52.264m, an increase of £1.929m (4%) compared with the original budget for 2022/23. The main reasons for this increase are:
 - i) An increase in insurance premiums of £1.98m;
 - ii) The full year effect of the July 2022 pay award £500k;
 - iii) A net 2% inflation increase of £403k, being 4% inflation partly offset by 2% efficiency savings;
 - iv) A net increase of £634k on support services and capital charges, most notable on the IT recharge which reflects the latest staff allocations;

Partly offset by:

 - v) A net decrease of £1.698m on the Cyclical Works Programme most notably on Mansion House, Central Criminal Court and Guildhall Complex reflecting the agreed programme of current works but excluding any additional bids for 2023/24 which have not yet been agreed by Resource Allocation Sub Committee.

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

12. An analysis of the movement by service from the latest budget for 2022/23 to the proposed budget for 2023/24 is included in Appendix 6 and this is the format that will be adopted in the budget book.

Potential Further Budget Adjustments

13. The provisional nature of the revenue budgets recognises that further revisions may be 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 Cyclical Works Programme.
- iii) As noted in paragraph 7 the estimate for 2023/24 does not include the estimated energy price increases for the 2023/24 financial year.

Staffing Statement

14. A summary staffing statement is set out in the following table. Further detail is presented in Appendix 7.

Finance Committee Operational Services staffing statement by Chief Officer	Original Budget 2022-23		Estimate 2023-24	
	Staffing Full-time equivalent	Estimated cost £m	Staffing Full-time equivalent	Estimated cost £m
Chamberlain	183.2	10.301	173.7	10.142
Deputy Town Clerk	5.0	0.238	6.0	0.252
Chief Operating Officer	25.0	1.764	28.0	1.889
Surveyor	156.1	7.885	152.2	8.194
Remembrancer	18.5	1.295	20.9	1.596
Community & Children's Services	0.7	0.032	0.7	0.032
TOTAL FINANCE COMMITTEE	388.5	21.515	381.5	22.105

Draft Capital and Supplementary Revenue Project budgets for 2023/24

15. The latest estimated costs of the Committee's approved capital and supplementary revenue projects total £5.962m, with a breakdown presented at Appendix 8.

Appendices

- Appendix 1 - Operational Service Overview.
- Appendix 2 - Finance Committee Operational Services 2022/23 and 2023/24 budget estimates summary
- Appendix 3 – Finance Committee Operational Services 2022/23 and 2023/24 Summary Budget – by Risk, Fund and Chief Officer
- Appendix 4 – Summary of Budget Movements from 2022/23 Original Budget to 2023/24 Estimate
- Appendix 5 – Movement from 2022/23 Original Budget to 2023/24 Estimate
- Appendix 6 – Movement from 2022/23 Latest Approved Budget to 2023/24 Estimate
- Appendix 7 – Finance Committee Operational Services Staffing Statement
- Appendix 8 – Capital and Supplementary Revenue Project budgets

Contact:

John James

Head of Finance – Chamberlain’s Department

T: 020 7332 1532

E: john.james@cityoflondon.gov.uk

Jenna Brassett

Senior Accountant – Chamberlain’s Department

T: 07793860640

E: jenna.brassett@cityoflondon.gov.uk

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
- strategic financial advice on major projects
- 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 **Financial Shared Services Division**:

- Business Rates Billing and Collection
- Business Improvement Districts Billing and Collection
- Council Tax Billing and Collection
- Miscellaneous Income Billing and Collection
- Property Rent and Service Charge Billing and Collection
- Housing Benefit Administration
- Council Tax Reduction Support Administration
- 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

As part of the Chamberlain's transformation programme a new strategic vision has also been built with all colleague's feedback being taken into consideration/implemented before finalising. This has been built on six pillars as follows:

1. **Stewardship**
Enable financial sustainability and manage risk through leadership on financial control, governance and assurance
2. **Empowering**
Empowering team members to excel through a focus on wellbeing, professional development and leadership
3. **Trusted Partner**
Create value and drive impact through strategic advice, ceremonial duties and professional insight as trusted advisors
4. **Partnership Working**
Deliver in partnership with customers and each other as a professional Chamberlain's community
5. **Commercial**
Champion value for money, develop opportunities and embed commercial practices in support of the communities we serve
6. **Digital First**
Look to the future, embrace technology and continuously improve through innovation and adaptation

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 Service provides professional expertise and leadership to ensure Corporation commercial relationships deliver innovative, high-quality, value for money services and responsible outcomes. Functions include strategic sourcing, category and contract management, responsible procurement, policy and assurance and key Supplier Performance monitoring.

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 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 Chair of the Civic Affairs Sub-Committee and Chief Commoner. 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).

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 6.

Summary Revenue Budgets 2022/23 and 2023/24 - by Chief Officer	Original Budget 2022-23 £m	Latest Budget 2022-23 £m	Estimate 2023-24 £m
Local Risk			
The Chamberlain	(9.051)	(9.851)	(9.767)
The Deputy Town Clerk	(2.002)	(2.030)	(1.235)
The Chief Operating Officer	(1.413)	(1.413)	(1.490)
The City Surveyor	(11.302)	(11.569)	(10.693)
The Remembrancer	0.433	0.433	0.414
Total Local Risk	(23.335)	(24.430)	(22.771)
Central Risk			
The Chamberlain	(14.085)	(14.344)	(16.069)
The Deputy Town Clerk	(0.570)	(0.580)	(0.570)
The Chief Operating Officer	-	(0.099)	-
The City Surveyor	(5.285)	(5.285)	(5.152)
The Remembrancer	(0.186)	(0.193)	(0.188)
Director of Community and Children's Services	(0.059)	(0.059)	(0.065)
Total Central Risk	(20.185)	(20.560)	(22.044)
Capital and Support Services	(6.815)	(6.830)	(7.449)
Committee Total	(50.335)	(51.820)	(52.264)

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;
- 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.

Appendix 3

Finance Committee Operational Services

SUMMARY BY RISK				
Analysis of Service Expenditure by Risk	Original Budget 2022-23 £m	Latest Approved Budget 2022-23 £m	Estimate 2023-24 £m	Movement 2022-23 ORI to 2023-24 ORI £m
LOCAL RISK <i>(budgets largely within direct control of Chief Officer)</i>				
EXPENDITURE				
Employees	(20.733)	(21.197)	(21.448)	(0.715)
Premises Related Expenses (note i)	(6.181)	(6.198)	(6.338)	(0.157)
Transport Related Expenses	(0.040)	(0.040)	(0.045)	(0.005)
Supplies & Services (note ii)	(2.430)	(2.920)	(2.600)	(0.170)
Third Pay Payments	(0.001)	(0.001)	(0.001)	-
Savings to be Applied	1.405	1.259	0.523	(0.882)
Total Expenditure	(27.980)	(29.097)	(29.909)	(1.929)
INCOME				
Grants, Reimbursements & Contributions (note iii)	4.678	4.678	4.986	0.308
Customer, Client Receipts (note iv)	3.671	3.882	4.158	0.487
Total Income	8.349	8.560	9.144	0.795
TOTAL LOCAL RISK (excl. R&M City Surveyor)	(19.631)	(20.537)	(20.765)	(1.134)
Repairs & Maintenance (City Surveyor)	(3.704)	(3.893)	(2.006)	1.698
TOTAL LOCAL RISK	(23.335)	(24.430)	(22.771)	0.564
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	(0.782)	(0.817)	(0.657)	0.125
Premises Related Expenses (note v)	(22.435)	(22.436)	(24.070)	(1.635)
Transport Related Expenses (note vi)	(0.111)	(0.111)	(0.065)	0.046
Supplies & Services (note vii)	(3.209)	(3.546)	(3.653)	(0.444)
Council Tax Reduction Scheme	(0.337)	(0.337)	(0.337)	-
Contingency	(0.010)	(0.010)	(0.010)	-
Transfer Payments	(0.009)	(0.009)	(0.014)	(0.005)
Savings to be applied	-	-	-	-
Total Expenditure	(26.893)	(27.266)	(28.806)	(1.913)
INCOME				
Government Grants - Collection of NNDR	1.729	1.729	1.729	-
Other Grants, Reimbursements & Contributions (note viii)	1.924	1.924	1.977	0.053
Customer, Client Receipts (note ix)	3.055	3.053	3.056	0.001
Total Income	6.708	6.706	6.762	0.054
TOTAL CENTRAL RISK	(20.185)	(20.560)	(22.044)	(1.859)
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES	(43.520)	(44.990)	(44.815)	(1.295)
CONTINUED ON NEXT PAGE				

Analysis of Service Expenditure by Risk	Original Budget 2022-23 £m	Latest Approved Budget 2022-23 £m	Estimate 2023-24 £m	Movement 2022-23 ORI to 2023-24 ORI £m
CONTINUED FROM PREVIOUS PAGE				
SUPPORT SERVICES AND CAPITAL CHARGES				
Central Support Services	(4.700)	(4.711)	(5.305)	(0.605)
Capital Charges	(3.755)	(3.756)	(3.755)	-
Recharges Within Fund	2.001	1.998	1.972	(0.029)
Recharges Across Funds	(0.361)	(0.361)	(0.361)	-
Total Support Services and Capital Charges	(6.815)	(6.830)	(7.449)	(0.634)
TOTAL NET EXPENDITURE	(50.355)	(51.820)	(52.246)	(1.929)

ANALYSIS BY FUND				
City Fund	(6.593)	(7.017)	(6.781)	(0.188)
City's Cash	(4.355)	(4.409)	(3.629)	0.726
Guildhall Administration	(39.387)	(40.394)	(41.854)	(2.467)
TOTAL NET EXPENDITURE	(50.355)	(51.820)	(52.264)	1.929

ANALYSIS BY CHIEF OFFICER				
The Chamberlain	(24.695)	(25.766)	(27.611)	(2.916)
The Deputy Town Clerk	(2.839)	(2.877)	(2.084)	0.755
The Chief Operating Officer	(1.789)	(1.888)	(1.844)	(0.055)
The City Surveyor	(21.174)	(21.444)	(20.850)	0.324
The Remembrancer	0.222	0.215	0.191	(0.031)
Director of Community & Children's Services	(0.060)	(0.060)	(0.066)	(0.006)
TOTAL NET EXPENDITURE	(50.335)	(51.820)	(52.264)	(1.929)

* 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.

Finance Committee Operational Services
Summary of Budget Movements from 2022/23 Original Budget to 2023/24
Estimate

Table 1 - Budget Summary Movements 2022/23 to 2023/24	
	£m
Original Budget 2022/23	(50.335)
Allocations from Contingency	(0.789)
Carry forwards from 2021/22	(0.388)
Base budget adjustments	(0.095)
Change in Cyclical Works Programme	(0.189)
Change in capital charges	(0.001)
Net other movements	(0.009)
Change in recharges	(0.014)
Latest Budget 2022/23	(51.820)
Net movement in the Cyclical Works Programme	1.887
Increase in insurance premiums	(1.984)
Net movement in funding from contingency allocations	0.679
Full year effect of the 2022 Pay Award	(0.500)
Net 2% inflation	(0.403)
Net movement in recharges and capital charges	(0.619)
Removal of one-off carry forwards from 22/23	0.388
Net other movements	0.108
Proposed budget 2023/24	(52.264)

Appendix 5

Finance Committee Operational Services Movement from 2022/23 Original Budget to 2023/24 Estimate

Analysis by Chief Officer and Division of Service - all risks	Original Budget 2022-23	Movement (Original 2022-23 to Proposed 2023-24)	Estimate 2023-24	Notes
	£m	£m	£m	
By Chief Officer				
The Chamberlain	(24.695)	(2.916)	(27.611)	
The Deputy Town Clerk	(2.839)	0.755	(2.084)	
The Chief Operating Officer	(1.789)	(0.055)	(1.844)	
The City Surveyor	(21.174)	0.324	(20.850)	
The Remembrancer	0.222	(0.031)	0.191	
Director of Community & Children's Services	(0.060)	(0.006)	(0.066)	
Chief Officer Totals	(50.335)	(1.929)	(52.264)	
By Division of Service				
<u>The Chamberlain</u>				
Chamberlain's - General	(21.640)	(2.479)	(24.119)	i
Chamberlain's - Internal Audit	(0.730)	0.065	(0.665)	ii
Chamberlain's - Business Support	(1.256)	(0.187)	(1.443)	iii
Chamberlain's Court	(0.166)	(0.018)	(0.184)	
Cost of Collection	(0.425)	(0.294)	(0.719)	iv
Gresham	(0.478)	(0.003)	(0.481)	
<u>The Deputy Town Clerk</u>				
Shrieval Support	(0.286)	(0.017)	(0.303)	
Mansion House Premises	(2.098)	0.772	(1.326)	v
Corporate Services	(0.455)	-	(0.455)	
<u>The Chief Operating Officer</u>				
Commercial Department	(1.789)	(0.055)	(1.844)	
<u>The City Surveyor</u>				
Central Criminal Court	(6.037)	0.211	(5.826)	vi
Mayor's Court	(0.045)	(0.027)	(0.072)	
Walbrook Wharf	(0.571)	(0.078)	(0.649)	
Guildhall Complex - City Surveyor	(14.521)	0.218	(14.303)	vii
<u>The Remembrancer</u>				
Guildhall Complex - Remembrancer	0.549	(0.029)	0.520	
Corporate Services - Remembrancer	(0.327)	(0.002)	(0.329)	
<u>Director of Community & Children's Services</u>				
Gresham	(0.060)	(0.006)	(0.066)	
Division of Service Totals	(50.335)	(1.929)	(52.264)	

Overall, the proposed 2023/24 net revenue budget totals £52.264m, an increase of £1.929m (4%) compared with the original budget of £50.335m for 2022/23. The main variations excluding the 4% inflation partly offset by 2% efficiency savings (£0.403m) and the full year effect of the July pay award (£0.500m) within this increase are:

- i. **Chamberlain's General £2.479m increase in net expenditure** – largely due to an increase in premises and liability insurance premiums of £1.981m, a contingency allocation of £0.110m for a Supporting Change resource across the department and an increase of £0.026m for the CIVICA licence fee.
- ii. **Chamberlain's Internal Audit £0.065m decrease in net expenditure** – due to the transfer of the Audit Risk Manager post to the Corporate, Strategy and Performance team within Town Clerks.
- iii. **Chamberlain's Business Support £0.187m increase in net expenditure** – large increase in central recharges of £0.168m, due to IT staff allocations.
- iv. **Cost of Collection £0.294m increase in net expenditure** – due to the transfer of £0.170m being the cost of the Housing Benefit team which have transferred from DCCS.
- v. **Mansion House Premises £0.772m decrease in net expenditure** – largely due to the decrease in the cyclical work programme of £0.787m as no new bids are included in 2023/24.
- vi. **Central Criminal Court £0.211m decrease in net expenditure** – largely due to a decrease in the cyclical works programme of £0.390m, and a reduction of £0.133m in the number of pension payments required to be made; partly offset by an increase in central recharges of £0.270m.
- vii. **Guildhall Complex City Surveyor £0.218m decrease in net expenditure** – due to a reduction of £0.586m in the cyclical works programme as no new bids are included in 2023/24, partly offset by an increase of £0.100m in central recharges.

Appendix 6

Finance Committee Operational Services Movement from 2022/23 Original Budget to 2022/23 Latest Budget

Analysis by Chief Officer and Division of Service - all risks	Original Budget 2022/23	Movement (Original 2022/23 to Latest 2022/23)	Latest Budget 2022/23	Notes
	£m	£m	£m	
By Chief Officer				
The Chamberlain	(24.695)	(1.071)	(25.766)	
The Deputy Town Clerk	(2.839)	(0.038)	(2.877)	
The Chief Operating Officer	(1.789)	(0.099)	(1.888)	
The City Surveyor	(21.174)	(0.270)	(21.444)	
The Remembrancer	0.222	(0.007)	0.215	
Director of Community & Children's Services	(0.060)	-	(0.060)	
Chief Officer Totals	(50.335)	(1.485)	(51.820)	
By Division of Service				
<u>The Chamberlain</u>				
Chamberlain's - General	(21.640)	(0.516)	(22.156)	i
Chamberlain's - Internal Audit	(0.730)	0.091	(0.639)	ii
Chamberlain's - Business Support	(1.256)	(0.455)	(1.711)	iii
Chamberlain's Court	(0.166)	-	(0.166)	
Cost of Collection	(0.425)	(0.182)	(0.607)	iv
Gresham	(0.478)	(0.009)	(0.487)	
<u>The Deputy Town Clerk</u>				
Shrieval Support	(0.286)	-	(0.286)	
Mansion House Premises	(2.098)	(0.028)	(2.126)	
Corporate Services	(0.455)	(0.010)	(0.465)	
<u>The Chief Operating Officer</u>				
Commercial Department	(1.789)	(0.099)	(1.888)	v
<u>The City Surveyor</u>				
Central Criminal Court	(6.037)	(0.174)	(6.211)	vi
Mayor's Court	(0.045)	(0.020)	(0.065)	
Walbrook Wharf	(0.571)	(0.048)	(0.619)	
Guildhall Complex - City Surveyor	(14.521)	(0.028)	(14.549)	
<u>The Remembrancer</u>				
Guildhall Complex - Remembrancer	0.549	-	0.549	
Corporate Services - Remembrancer	(0.327)	(0.007)	(0.334)	
<u>Director of Community & Children's Services</u>				
Gresham	(0.060)	-	(0.060)	
Division of Service Totals	(50.335)	(1.485)	(51.820)	

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

Overall, the latest 2022/23 net revenue budget totals £51.820m, an increase of £1.485m (3%) compared with the original budget of £50.335m for 2022/23. The main variations within this increase are:

- i. **Chamberlain's General £0.516m increase in net expenditure** –due to carry forwards from 2021/22 of £0.272m for upgrades to the Income Management and Payroll systems, £0.208m allocations from contingency for resources to support change within the department (£0.110m) and to undertake a charity review (£0.098m) and £0.036m to meet redundancy costs.
- ii. **Chamberlain's Internal Audit £0.091m decrease in net expenditure** – due to the transfer of £0.091m for the Audit Risk Manager post to the Corporate, Strategy and Performance team within Town Clerks.
- iii. **Chamberlain's Business Support £0.455m increase in net expenditure** – due to a carry forward from 2021/22 being the unutilised balance on the Transformation Fund.
- iv. **Chamberlain's Cost of Collection £0.182m increase in net expenditure** – largely due to the transfer of £0.170m being the cost of the Housing Benefit team which have transferred from DCCS.
- v. **Commercial Department £0.099m increase in net expenditure** – due to the carry forward of budgets from 2021/22.
- vi. **Central Criminal Court £0.174m increase in net expenditure** – mainly due to an increase of £0.158m in the cyclical works programme due to rephasing of projects and £0.016m being transferred from Mansion House because of the TOM restructure and separation of the combined department.

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

Finance Committee Operational Services staffing statement by Chief Officer	Original Budget 2022-23		Estimate 2023-24	
	Staffing Full-time equivalent	Estimated cost £m	Staffing Full-time equivalent	Estimated cost £m
Chamberlain	183.2	10.301	173.7	10.142
Deputy Town Clerk	5.0	0.238	6.0	0.252
Chief Operating Officer	25.0	1.764	28.0	1.889
City Surveyor	156.1	7.885	152.2	8.194
Remembrancer	18.5	1.295	20.9	1.596
Community & Children's Services	0.7	0.032	0.7	0.032
Total	388.5	21.515	381.5	22.105

Staffing Statement	Original Budget 2022-23		Estimate 2023-24	
	Staffing Full-time equivalent	Estimated cost £m	Staffing Full-time equivalent	Estimated cost £m
Cost of Collection	27.8	1.553	31.5	1.764
Chamberlain's Court	4.4	0.219	5.4	0.242
Chamberlain's - General	137.0	7.322	123.0	6.909
Chamberlain's - Business Support	5.0	0.561	5.0	0.580
Chamberlain's - Internal Audit	9.0	0.646	8.8	0.647
Total Chamberlain	183.2	10.301	173.7	10.142
Shrieval Support	5.0	0.238	6.0	0.252
Total Deputy Town Clerk	5.0	0.238	6.0	0.252
Commercial Department	25.0	1.764	28.0	1.889
Total Chief Operating Officer	25.0	1.764	28.0	1.889
Central Criminal Court (local risk)	93.1	3.737	92.2	3.992
Central Criminal Court - Judges' Pensions (central risk)	-	0.195	-	0.070
Central Criminal Court - Common Serjeant and Recorder (central risk)	2.0	0.485	2.0	0.485
Walbrook Wharf	1.0	0.064	1.0	0.070
Guildhall Complex	60.0	3.404	57.0	3.577
Total City Surveyor	156.1	7.885	152.2	8.194
Corporate Services (Parliamentary)	1.0	0.070	1.0	0.070
Guildhall Complex (local risk) (Administration & Attendants)	17.5	0.817	19.9	1.047
Guildhall Complex (local risk) (Event related)	-	0.408	-	0.479
Total Remembrancer	18.5	1.295	20.9	1.596
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	388.5	21.515	381.5	22.105

Appendix 8

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).

	Project	Exp. Pre 01/04/222 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Later Years £'000	Total £'000
CITY'S CASH							
	<u>Recharges Between Funds</u>						
	Corporate Capital Projects CC	-	-1,077	-18	-	-	-1,095
	PSDS Project - Guildhall	1,951	2,025	-	-	-	3,976
	<u>Pre-implementation</u>						
Guildhall Complex schemes:	Guildhall Cooling Plant Replacement	116	254	10	-	-	380
	Guildhall Great Hall Internal	25	-	134	-	-	159
	Guildhall Complex (Walbrook & Masterplan)	15	289	32	-	-	336
	Guildhall Event Spaces Audio	-	349	-	-	-	349
	<u>Authority to start work granted</u>						
Other Schemes:	BEMS Upgrade Project - CPG	8	330	-	-	-	338
	TOTAL CITY'S CASH	2,115	2,170	183	-	-	4,443

	Project	Exp. Pre 01/04/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Later Years £'000	Total £'000
CITY FUND							
	<u>Recharges Between Funds</u>						
Guildhall Complex scheme	Corporate Capital Projects CF	-	998	16	-	-	1,014
	<u>Authority to start work granted:</u>						
	Oracle Property Manager	159	346	-	-	-	505
	TOTAL CITY FUND	159	1,344	16	-	-	1,519

	TOTAL FINANCE	2,274	3,514	174	-	-	5,962
--	----------------------	--------------	--------------	------------	----------	----------	--------------

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. 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.
3. 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 2023.