

Committee:	Date:
Corporate Services Committee	17th January 2023
Subject: Departmental Budget Estimates 2023-24 – Corporate Services Committee	Public
Does this proposal require extra revenue and/or capital spending?	N/A
Report of: The Town Clerk, Comptroller and City Solicitor, Chief Operating Officer and Chamberlain	For Decision
Report author: Mark Jarvis - Head of Finance, Chamberlain's Department Mavis Amouzou-Akue – Senior Accountant - Chamberlains	

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 estimates presented in this report are for the services detailed in Appendix 1 by Chief Officer, which are summarised below:

- i) **Deputy Town Clerk** – Town Clerk's Department and Corporate Services
- ii) **Comptroller and City Solicitor** – Comptroller and City Solicitor's Office
- iii) **Chief Operating Officer** – Corporate HR, Equality, Diversity & Inclusion, Health & Safety

The proposed budget for 2023/24 totals net expenditure of £12.009m, which is an increase of £1.586m (13.21%) compared with the 2022/23 original budget of £10.423m, which is principally due to:

- Creation of approved posts (£0.405m) in the Equalities, Diversity & Inclusion (EDI) Team, DTC and CPR Office
- Contingency allocation for the Chief Strategy Officer Team posts (£0.405m)
- The full year effect of the July 2022 pay award (£0.361m)
- Net 2% inflation (£0.168m) and
- An increase in recharges (£0.156m)
- A base reorganisation of (0.091m)

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

Summary Revenue Budgets 2022/23 and 2023/24 – By Chief Officer and Risk (Table 1)	Original Budget 2022/23 £m	Latest Budget 2022/23 £m	Movement 2022/23 Original to 2022/23 Latest £m	Original Budget 2023/24 £m	Movement 2022/23 Original to 2023/24 Original £m
Local Risk					
The Deputy Town Clerk	(3.391)	(4.110)	(0.719)	(4.262)	(0.871)
The Chief Operating Officer	(3.234)	(3.973)	(0.739)	(3.649)	(0.415)
Comptroller & City Solicitor	(0.733)	(0.733)	0.000	(0.877)	(0.144)
Total Local Risk	(7.358)	(8.816)	(1.458)	(8.788)	(1.430)
Central Risk					
The Deputy Town Clerk	(0.288)	(0.989)	(0.701)	(0.288)	0.000
The Chief Operating Officer	(1.415)	(2.133)	(0.718)	(1.415)	0.000
Comptroller & City Solicitor	0.200	0.200	0.000	0.200	0.000
Total Central Risk	(1.503)	(2.922)	(1.419)	(1.503)	0.000
Support Services	(1.562)	(1.562)	(0.000)	(1.718)	(0.156)
Committee Total	(10.423)	(13.300)	(2.877)	(12.009)	(1.586)

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

Recommendation

Members are asked to:

- i) note the latest revenue budget for 2022/23 and transfer of the Project Governance Budget to P & R,
- ii) review and approve the estimate for 2023/24 for submission to the Finance Committee,
- iii) authorise the Chamberlain, in consultation with the Deputy Town Clerk, the Chief Operating Officer, the Comptroller and City Solicitor to revise these budgets to allow for any further implications arising from Corporate Projects, other reviews and changes to the Cyclical Works Programme,
- iv) note the reward review process for later in the year is proposed to be funded by utilising the provision within the 2023/24 budget for performance related pay. This pay type has not been used in recent years whilst objective setting and performance management processes were being reviewed.
- v) authorise the Chamberlain to agree minor amendments for 2022-23 and 2023-24 budgets arising during budget setting be delegated to the Chamberlain.

Main Report

Background

1. An overview of the services provided under this Committee can be found in Appendix 1.

Estimate for 2023/24

2. 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, 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

3. 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.
4. The allocation of £0.207m for Health & Safety to continue in 2023/24 will be sourced from reallocation of underspends as approval for this uplift beyond 2022/23 was contingent on resource reprioritisation which has not occurred. It is critical that this capability and associated roles continue to manage this key risk for the Corporation.
5. The estimate for 2023/24 does not include any potential new pay deal from July 2023.

Latest Approved Budget 2022/23

6. The latest approved budget for 2022/23 totals net expenditure of £13.300m which is an increase of £2.877m (21.63%) compared with the original budget of £10.423m. The main reasons for this increase are:
 - i) **Deputy Town Clerk (£1.420m net increase)** - Allocations from contingency of £0.653m for new approved posts, £0.544m of Transformation fund underspend carried forward, £0.091m transfer of Corporate Risk post from Internal Audit to DTC, £0.048m transfer from IG for CPR Office Travel Costs, £0.045m Staff Lunch underspend carried forward and £0.039m redundancy costs.
 - ii) **Chief Operating Officer (£1.457m net increase)** – Allocations from contingency of £0.718m for redundancy costs, £0.398m of underspends carried forward to provide HR Support, £0.230m permanent uplift for EDI team, £0.070m to fund new Health & Safety posts, £0.037m HR transformational award and £0.004m – pay award legal cost.

Estimate 2023/24

7. The proposed budget for 2023/24 totals net expenditure of £12.009m, which is an increase of £1.586m (13.21%) compared with the 2022/23 original budget of £10.423m. The main reasons for this increase are:

i) **Deputy Town Clerk (£0.871m net increase)** - Contingency allocation for the Chief Strategy Officer Team posts £0.405m, £0.175m of two approved new posts, full year effect of the July 22 pay award £0.125m, £0.091m – transfer from Internal audit to DTC and net 2% inflation £0.075m

ii) **Chief Operating Officer (£0.415m net increase)** - £0.230m of approved new posts for EDI team, full effect of the July 22 pay award £0.109m and net 2% inflation £0.076m

iii) **Comptroller and City Solicitor (£0.144m net increase)** – The full effect of the July 2022 pay award £0.127m and net 2% inflation £0.017m

iv) **An increase in recharges (£0.156m)** across all three Chief Officer Areas due to the increased cost of running the Guildhall facilities

Potential Further Budget Adjustments

8. 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 Cyclical Works Programme.

Staffing Statement

9. A summary of the employee related costs and FTEs by department are shown in the table below.

Corporate Services Committee Operational Services staffing statement by Chief Officer	Original Budget		Estimate	
	2022-23		2023-24	
	Staffing Full-time equivalent	Estimated cost £m	Staffing Full-time equivalent	Estimated cost £m
Deputy Town Clerk	80.2	4.633	62.2	4.449
Chief Operating Officer	64.2	4.056	70.8	4.285
Comptroller and City Solicitor	56.4	4.681	57.6	5.098
TOTAL	200.8	13.370	190.6	13.832

10. Staffing levels for the DTC are reduced by 18 FTE, for the COO are increased by 6.6 FTE and increased by 1.2 FTE for the Comptroller and City Solicitor between 2022/23 and 2023/24 budgets giving a net decrease in FTE of 10.2. Despite the decrease in FTEs, the estimated equivalent cost has increased by £0.462m due to the competitiveness of the market to attract and retain talent and the recent pay award.

Corporate & Strategic Implications

11. The Town Clerk's Office lies at the centre of the City Corporation's strategic management processes, helping to shape the development of corporate policy and strategy. It provides corporate leadership and co-ordination at officer level. The Town Clerk's Office is also responsible for promoting high standards of corporate governance and providing support to Members and Committees.

Security implications

12. There are currently no Security Implications identified as a result of the budgets.

Financial implications

13. Finance Committee and the Court of Common Council has proposed that a 2% savings target based on the Original 2022-23 net local risk budgets should be made by all departments in their 2023-24 local risk budgets. However, this is offset by a 4% inflationary increase of the original 2022-23 net local risk budget.
14. The Town Clerk's Department, Chief Operating Officer and Comptroller and City Solicitor's Department budgets have been prepared in accordance with guidelines agreed by the Corporate Services and Finance Committees.

Public sector equality duty

15. There are currently no Public Sector Equality Duty Implications identified as a result of the business plans and budgets.

Resourcing implications

16. The budgets presented in this report are within their available resource base. However, there are budget pressures from resourcing identified earlier in this report.

Conclusion

17. This report presents the budget estimates 2023-24 for the Town Clerk's, Deputy Town Clerk, Chief Operating Officer, and Comptroller & City Solicitor's Departments for Members to consider and approve.

Appendices

- Appendix 1 – Summary of Services by Chief Officer
- Appendix 2 – The Corporate Services Committee Estimates Summary Budget
- Appendix 3 – The Corporate Services Committee Detail Budget with Notes
- Appendix 4 – Corporate Services Committee Budget – Analysis of Risk by Chief Officer

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Summary of Services by Chief Officer

Town Clerk

Town Clerk's Department

The Town Clerk's Department lies at the centre of the City Corporation's strategic management processes, helping to shape the development of corporate policy and strategy.

It provides corporate leadership and co-ordination at officer level. The Town Clerk's Department is also responsible for promoting high standards of corporate governance and providing support to Members and Committees. The section consists of Governance, Member and Electoral Services, Corporate Strategy and Performance.

The Town Clerk is responsible for providing clerking and related services to the Court of Common Council, the Court of Aldermen, and all the committees, sub-committees and working parties which have been created by Members. The Town Clerk is also responsible for Democratic Services via the Elections Team.

The core activity of the committee staff is to prepare and collate agendas, produce reports for the Town Clerk, ensure that meetings are conducted smoothly, produce minutes and monitor the implementation of decisions.

Chief Operating Officer

Corporate HR

The Corporate HR Unit of the Town Clerk's Department provides services to other departments in the following areas: HR Policy Development, Pay & Reward, Employee Relations, Learning & Development including staff training, Occupational Health, Trent (computerised HR/Payroll system) and Performance Monitoring.

Equality, Diversity and Inclusion

The EDI Directorate enhances and promotes the diverse and inclusive culture that exists across the City of London Corporation, its institutions, services and partnerships.

Health and Safety

The Corporate Health and Safety Team provides competent advice and support to the Corporation's leaders, managers and staff on Health and Safety matters. It also manages the Corporation's health and safety management system.

Comptroller and City Solicitor Comptroller and City Solicitor's Office

The Comptroller and City Solicitor is responsible for providing all legal services required by the City. This includes providing legal advice to Committees, Departments of the City, to the Commissioner of Police for the City, and to other organisations for whom the Comptroller & City Solicitor is required to act as legal adviser (e.g. the Museum of London).

The office deals with important high-profile matters such as several major City property development schemes, service delivery initiatives, issues relating to the City's Markets and Open Spaces, advice on elections, constitutional, public and corporate law, planning and highways, and matters affecting the public realm and well-being of those who live and work in the City.

The Comptroller also advises London Councils and the three Academy Trust charities and is a member of the City's Summit Group. He is also lead officer for the Sickness Absence Review Group and Chairman of the Information Management Board and Senior Information Risk Owner (SIRO) for the Corporation. As the nominated Data Protection Officer for the City the Comptroller holds management responsibility for Data Protection.

The legal department is divided into four divisions:

Contracts and Litigation Division

This division deals with all aspects of contract preparation including, data sharing, funding (e.g. Police National Lead Force) international theatre and art exhibitions, intellectual property including disputes, licensing and publishing; complex procurement including the new collaborative procurement and framework agreements; civil litigation including debt collection, squatters housing reposessions and homelessness, insolvencies and winding up actions; employment law, discrimination and TUPE; local authority prosecutions and licensing, Judicial Reviews, inquests, Proceeds of Crime Act recovery and child care actions.

Property Division

This division deals with all aspects of property work, including high profile commercial developments, the grant and taking of leases, sales and purchases, property management matters, housing issues, residential conveyancing, open spaces, and other legal matters concerning property. Their work particularly helps the City to maximise capital receipts and income from property assets a key strategic objective.

Public & Corporate Law Division

The Public & Corporate Law Division deals with planning, traffic and highways law; open spaces matters; charity and trusts associated with the City; advising on corporate law and providing company secretarial support in respect of companies associated with the City or external clients; privacy and information law; public law and constitutional issues for both the City and London Councils; ecclesiastical law, electoral law, education matters (both as local authority and as academy sponsor in respect of the three Academy Trust companies); advice on economic development issues and joint working arrangements with other local authorities and bodies.

Office Services Division

This division provides comprehensive business support to the Comptroller and City Solicitor service on HR related matters, budget management and finance, commercial rent collection, IT development, procurement, information management, risk management, quality assurance and secretarial services. The Information Compliance Team under the direction of the Comptroller as DPO provides guidance, advice and monitoring on all aspects of data protection across the Corporation and coordinates and advises on all aspects of FOI's.

Appendix 2

This appendix shows a high-level summary of Corporate Services Committee budgets.

Summary Revenue Budgets 2022/23 and 2023/24 – By Chief Officer and Risk	Original Budget 2022/23 £m	Latest Budget 2022/23 £m	Estimate 2023/24 £m
Local Risk			
The Deputy Town Clerk	(3.391)	(4.110)	(4.262)
The Chief Operating Officer	(3.234)	(3.973)	(3.649)
Comptroller & City Solicitor	(0.733)	(0.733)	(0.877)
Total Local Risk	(7.358)	(8.816)	(8.788)
Central Risk			
The Deputy Town Clerk	(0.288)	(0.989)	(0.288)
The Chief Operating Officer	(1.415)	(2.133)	(1.415)
Comptroller & City Solicitor	0.200	0.200	0.200
Total Central Risk	(1.503)	(2.922)	(1.503)
Support Services	(1.562)	(1.562)	(1.718)
Committee Total	(10.423)	(13.300)	(12.009)

Appendix 3

CORPORATE SERVICES COMMITTEE Analysis of Service Expenditure By Risk and Chief Officer	Actual 2021-22	Original Budget 2022-23	Latest Approved Budget 2022-23	Original Budget 2023-24	Movement Original 2022-23 to Original 2023-24
	£m	£m	£m	£m	£m
LOCAL RISK - EXPENDITURE					
Employees	(11.349)	(13.187)	(13.576)	(14.449)	(1.262)
Premises Related Expenses	(0.001)	0.000	0.000	0.000	0.000
Transport Related Expenses	(0.021)	(0.033)	(0.033)	(0.033)	0.000
Supplies & Services (see note i)	(0.868)	(0.751)	(0.840)	(0.919)	(0.168)
Private Contractors	0.000	0.000	0.000	0.000	0.000
Committee Contingency	0.000	0.000	0.000	0.000	0.000
Transfer to Reserve	0.000	0.000	0.000	0.000	0.000
Unidentified Savings	0.000	2.155	1.168	2.155	0.000
TOTAL LOCAL RISK - EXPENDITURE	(12.239)	(11.816)	(13.281)	(13.246)	(1.430)
TOTAL LOCAL RISK - INCOME					
Charges for specific services (see note ii)	4.563	4.458	4.465	4.458	0.000
TOTAL LOCAL RISK - INCOME	4.563	4.458	4.465	4.458	0.000
NET LOCAL RISK	(7.676)	(7.358)	(8.816)	(8.788)	(1.430)
CENTRAL RISK - EXPENDITURE					
Employees (see note iii)	(1.336)	(0.106)	(1.525)	(0.106)	0.000
Premises Related Expenses	0.000	0.000	0.000	0.000	0.000
Supplies & Services	(0.407)	(0.147)	(0.147)	(0.147)	0.000
Capital Costs	0.000	0.000	0.000	0.000	0.000
Childcare vouchers	(0.009)	(0.045)	(0.045)	(0.045)	0.000
Committee Contingency	0.000	(1.431)	(1.431)	(1.431)	0.000
TOTAL CENTRAL RISK - EXPENDITURE	(1.752)	(1.729)	(3.148)	(1.729)	0.000
CENTRAL RISK - INCOME					
Charges for specific services (mainly commercial property fee income)	0.000	0.200	0.200	0.200	0.000
Other Contributions	0.000	0.026	0.026	0.026	0.000
TOTAL CENTRAL RISK - INCOME	0.000	0.226	0.226	0.226	0.000
NET CENTRAL RISK	(1.752)	(1.503)	(2.922)	(1.503)	0.000
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES	(9.428)	(8.861)	(11.738)	(10.291)	(1.430)
SUPPORT SERVICES (see note iv)	(1.987)	(1.712)	(1.712)	(1.868)	(0.156)
SUPPORT SERVICES CHARGED BY THIS COMMITTEE (see note v)	1.423	0.150	0.150	0.150	0.000
TOTAL NET EXPENDITURE RECHARGED AS SUPPORT SERVICES	(9.992)	(10.423)	(13.300)	(12.009)	(1.586)
By Chief Operating Officer:					
Town Clerk	(4.144)	(4.135)	(5.555)	(5.047)	(0.912)
Chief Operating Officer	(4.108)	(5.264)	(6.721)	(5.726)	(0.462)
Comptroller and City Solicitor	(1.740)	(1.024)	(1.024)	(1.236)	(0.212)
	(9.992)	(10.423)	(13.300)	(12.009)	(1.586)

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

Notes - Examples of types of service expenditure:-

- (i) Supplies and Services – equipment, furniture, materials, uniforms, printing, stationery, professional fees, grants & subscriptions.
- (ii) Charges for specific services – printing & stationery charges, commercial property fee income, corporate recruitment, HR services to
- (iii) Employees (central risk) – includes union representatives, Chief Officers recruitment advertising, long service mementoes.
- (iv) Support services reflect the share of the Guildhall complex costs and IS charges.
- (v) Transformation Fund expenditure reallocated across all funds

Appendix 4

CORPORATE SERVICES COMMITTEE Analysis of Risk by Chief Officer	Original Budget 2022-23	Latest Approved Budget 2022-23	Original Budget 2023-24	Movement from Original 2022-23 to Original 2023-24
	£m	£m	£m	£m
Town Clerk				
Local Risk				
Expenditure	(3.391)	(4.110)	(4.262)	(0.871)
Income	0.000	0.000	0.000	0.000
Total Local Risk	(3.391)	(4.110)	(4.262)	(0.871)
Central Risk				
Expenditure	(0.314)	(1.015)	(0.314)	0.000
Income	0.026	0.026	0.026	0.000
Total Central Risk	(0.288)	(0.989)	(0.288)	0.000
Support Charges	(0.456)	(0.456)	(0.497)	(0.041)
Total Town Clerks	(4.135)	(5.555)	(5.047)	(0.912)
Comptroller and City Solicitor				
Local Risk				
Expenditure	(4.605)	(4.605)	(4.749)	(0.144)
Income	3.872	3.872	3.872	0.000
Total Local Risk	(0.733)	(0.733)	(0.877)	(0.144)
Central Risk				
Expenditure	0.000	0.000	0.000	0.000
Income	0.200	0.200	0.200	0.000
Total Central Risk	0.200	0.200	0.200	0.000
Support Charges	(0.491)	(0.491)	(0.559)	(0.068)
Total Comptroller and City Solicitor	(1.024)	(1.024)	(1.236)	(0.212)
Chief Operating Officer				
Local Risk				
Expenditure	(3.820)	(4.566)	(4.235)	(0.415)
Income	0.586	0.593	0.586	0.000
Total Local Risk	(3.234)	(3.973)	(3.649)	(0.415)
Central Risk				
Expenditure	(1.415)	(2.133)	(1.415)	0.000
Income	0.000	0.000	0.000	0.000
Total Central Risk	(1.415)	(2.133)	(1.415)	0.000
Support Charges	(0.615)	(0.615)	(0.662)	(0.047)
Total Chief Operating Officer	(5.264)	(6.721)	(5.726)	(0.462)
Total Net Expenditure (recharged as support services across the City Corporation's activities)	(10.423)	(13.300)	(12.009)	(1.586)

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