

<b>Committee:</b>	<b>Date:</b>
Policy and Resources	<b>19th January 2023</b>
<b>Subject:</b> Departmental 2023/24 Budget Estimates - Policy and Resources Committee	<b>Public</b>
<b>Report of:</b> The Town Clerk, Remembrancer, Chief Operating Officer, Executive Director of Innovation Growth and Chamberlain	<b>For Decision</b>
<b>Report author:</b> 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 this 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** – Resilience, Communications, Town Clerk's Charities, Grants and Contingencies (including grants to outside organisations and control of the Policy Initiative Fund and Contingency budgets).
- ii) **Executive Director of Innovation & Growth** – Innovation & Growth (which incorporates the Culture Mile Project).
- iii) **Remembrancer** – Parliamentary and Ceremonial functions including the hosting of hospitality events.
- iv) **Chief Operating Officer** – Project Governance and the Major Programmes Office.

The proposed budget for 2023/24 totals net expenditure of £23.249m, which is an increase of £1.508m (6.94%) compared with the 2022/23 original budget of £21.741m, which is principally due to:

- Transfer of Project Governance from Corporate Services Committee (£0.536m)
- Open Spaces Charities Review Work 23/24 (£0.394m)
- The full year effect of the July 2022 pay award (£0.240m),
- Net 2% inflation (£0.195m) and
- An increase in capital and support services recharges (£0.664m) less
- The funding for the Cultural Mile Project which is winding down at the end of March 2023.

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

<b>Summary Revenue Budgets 2022/23 and 2023/24 By Chief Officer and Risk (Table 1)</b>	<b>Original Budget 2022/23</b>	<b>Latest Budget 2022/23</b>	<b>Movement 2022/23 Original to 2022/23 Latest</b>	<b>Original Budget 2023/24</b>	<b>Movement 2022/23 Original to 2023/24 Original</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Local Risk</b>					
The Deputy Town Clerk	(2.443)	(2.802)	(0.359)	(2.547)	(0.104)
Executive Director of Innovation & Growth	(5.749)	(5.611)	0.138	(5.974)	(0.225)
The Remembrancer	(1.379)	(1.379)	0.000	(1.437)	(0.058)
Chief Operating Officer	(0.236)	(0.536)	(0.300)	(0.536)	(0.300)
<b>Total Local Risk</b>	<b>(9.807)</b>	<b>(10.328)</b>	<b>(0.521)</b>	<b>(10.494)</b>	<b>(0.687)</b>
<b>Central Risk</b>					
The Deputy Town Clerk	(2.591)	(5.432)	(2.841)	(2.985)	(0.394)
Executive Director of Innovation & Growth	(3.088)	(3.088)	0.000	(2.851)	0.237
The Remembrancer	(1.286)	(1.497)	(0.211)	(1.286)	0.000
Chief Operating Officer	(0.600)	(0.600)	0.000	(0.600)	0.000
<b>Total Central Risk</b>	<b>(7.565)</b>	<b>(10.617)</b>	<b>(3.052)</b>	<b>(7.722)</b>	<b>(0.157)</b>
<b>Capital and Support Services</b>	<b>(4.369)</b>	<b>(4.369)</b>	<b>0.000</b>	<b>(5.033)</b>	<b>(0.664)</b>
<b>Committee Total</b>	<b>(21.741)</b>	<b>(25.314)</b>	<b>(3.573)</b>	<b>(23.249)</b>	<b>(1.508)</b>

Note: figures in brackets indicate expenditure, increases in expenditure, or decreases in income.

## Recommendations

Members are asked to:

- i) review and approve the Deputy Town Clerk's, Remembrancer's, Executive Director of Innovation & Growth's and Chief Operating Officer's proposed revenue budgets for 2023/24 for submission to the Finance Committee;
- ii) note the update on the capital and supplementary revenue projects budgets for 2022/23;
- iii) authorise the Chamberlain, in consultation with the Deputy Town Clerk, Remembrancer, Executive Director of Innovation & Growth and the Chief Operating Officer to revise these budgets to allow for any further implications arising from Corporate Projects, other reviews and changes to the Cyclical Works Programme; and
- iv) authorise the Chamberlain to agree minor amendments for 2022/23 and 2023/24 budgets arising during budget setting

## Main Report

1. An overview of the services provided under this Committee can be found in Appendix 1.
2. This report seeks approval to the estimate for 2023/24 in relation to the operational services overseen by this 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 estimate for 2023/24 does not include any potential new pay deal from July 2023.

## Latest Approved Budget 2022/23

5. The latest approved budget for 2022/23 totals net expenditure of £25.314m which is an increase of £3.573m (16.43%) compared with the original budget of £21.741m. The main reasons for this increase are:
  - i) **Deputy Town Clerk (£3.200m net increase)** – The Climate Action budget of £2.362 was moved over to the DTC to oversee temporarily, £0.343m of 2021/22 Project Reserve underspend carried forward, £0.120m of unspent PIF budget returned from IG, allocations from Covid contingency of £0.247m to cover Covid communications related posts, £0.072m of finance contingency for Pension strain related to early retirement, £0.055m of PIF allocated funds for Charities review work.
  - ii) **The Remembrancer (£0.211m net increase)** – £0.211m of underspends carried forward to enable the City hospitality that was unable to take place during the pandemic to take place in the 2022/23 financial year.
  - iii) **Executive Director of Innovation & Growth (£0.138m net decrease)** – £0.030m of underspends carried forward for the UK Scottish Partnership Dinner - April 2022 and International Bar Association Freedom Ceremony, lunch and lecture - May 2022 postponed due to Covid, £0.120m of unspent PIF budget in IG back to PIF and transfer of £0.048m from IG to TC's department to cover CPR Travel costs.
  - iv) **The Chief Operating Officer (£0.300m net increase)** – £0.300m of 21/22 Contingency underspends carried forward to enable the continuous improvement

of Project Governance. Management of the Major Programme Office moved from City Surveyors to the Chief Operating Officer division of service.

### **Estimate 2023/24**

6. The proposed budget for 2023/24 totals net expenditure of £23.249m, which is an increase of £1.508m (3.79%) compared with the 2022/23 original budget of £21.741m. The main reasons for this increase are:
  - i) **Deputy Town Clerk (£0.498m net increase)** – The Open Spaces Charities Review £0.394m, the full year effect of the July 22 pay award £0.054m and net 2% inflation £0.050m
  - ii) **The Remembrancer (£0.058m net increase)** – The full effect of the July 22 pay award £0.030m and net 2% inflation £0.028m
  - iii) **Executive Director of Innovation & Growth (£0.012m net decrease)** – The full effect of the July 2022 pay award £0.156m and net 2% inflation £0.117m less the Cultural Mile Project funding of £0.285m
  - iv) **The Chief Operating Officer (£0.300m net increase)** – A contingency allocation of £0.300m to Project Governance for continuous improvement
  - v) **An increase in recharges (£0.664m)** – across all four Chief Officer Areas due to the increased cost of running the Guildhall facilities and IT services

### **Potential Further Budget Adjustments**

7. 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

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

Table 2 Staffing Statement	Original Budget 2022-23		Proposed Budget 2023-24	
	Staffing Full-time equivalent	Estimated cost £m	Staffing Full-time equivalent	Estimated cost £m
Deputy Town Clerk	39.5	2.953	36.5	2.734
Executive Director of Innovation Growth	74.8	5.611	72.8	5.691
Remembrancer	16.5	1.247	18.5	1.273
Chief Operating Officer	11.0	0.836	11.0	1.136
<b>Grand Total</b>	<b>141.8</b>	<b>10.647</b>	<b>138.8</b>	<b>10.834</b>

9. Staffing levels decreased slightly for the Deputy Town Clerk and Innovation & Growth and increased slightly for the Remembrancer between 2022/23 and 2023/24.
10. A breakdown of staffing costs and FTE's by division of service can be found in Appendix 4.

## Capital and Supplementary Revenue Project Costs

11. The latest estimated costs for the Committee's current capital and supplementary revenue projects are summarised in Appendix 5.
12. It should be noted that the figures exclude:
- forecast expenditure on the Major Projects (Salisbury Square Development at Fleet Street, Museum relocation and Markets consolidation) which are subject to separate governance and consideration as part of the medium-term financial plans.
  - forecast expenditure on future schemes which have yet to gain approval via the gateway process.
13. 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.

## **Security Implications**

14. There are currently no security implications identified as a result of the business plans and budgets.

## **Financial Implications**

15. The proposed 2023/24 budget includes a 2% savings target based on the original 2022/23 net local risk budget as agreed by Finance Committee and the Court of Common Council; however, this is offset by a 4% inflationary increase.
16. The budgets overseen by this Committee of the Deputy Town Clerk, Executive Director of Innovation & Growth, Remembrancer and Chief Operating Officer have been prepared in accordance with corporate guidelines.

## **Public sector equality duty**

17. There are currently no public sector equality duty implications identified.

## **Resourcing implications**

18. The budgets presented in this report are within their available resource base. As a result, there are currently no resourcing implications identified.

## **Culture Mile Project Update**

19. The Cultural Mile Project will conclude at the end of March 2023. The process of transitioning the Culture Mile project to become a key pillar of Destination City is underway. Members of the Culture, Heritage and Libraries Committee will be asked (on 23 January 2023) to endorse the creation of a new Culture Mile steering group that will sit within the Destination City governance structure.

## **Conclusion**

20. This report presents budgets overseen by this Committee for 2023/24 for the Deputy Town Clerk, Executive Director of Innovation & Growth, Remembrancer and Chief Operating Officer for Members to consider and approve.

## **Appendices**

- Appendix 1 – Summary of Services by Chief Officer
- Appendix 2 – Analysis of 2022/23 latest budget and 2023/24 original budget estimates summary
- Appendix 3 – Summary Budget – analysis by risk
- Appendix 4 – Staffing Statement by Division of Service
- Appendix 5 - Capital and Supplementary Revenue Projects

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### **Summary of Services by Chief Officer**

#### **Deputy Town Clerk**

##### **Resilience**

The Resilience team has a number of functions, all focused on making the City a safe and pleasant environment in which to work, live and visit. The team provides services internally and for the wider City community, in two main areas: Emergency and Contingency Planning and Security.

##### **Communications**

The Communications team consists of separate units which are:

- Media
- Internal Communications and Publishing
- Corporate Affairs
- Film Team

These teams work to achieve the communications and media objectives of the City which are to support and promote the City's strategic aims and policy priorities; to increase the understanding and awareness of the City's work; and to enhance the favourable perceptions of the City. The team aim to create and deliver, clear and confident media messages.

##### **Grants and Contingencies**

- City's Cash - this covers certain central risk grants payable from City's Cash to outside organisations including Central London Forward and funding towards The CityUK, the Policy Initiatives Fund and the Committee's City's Cash contingency.
- City Fund - this mainly relates to central risk grants payable from the City Fund to outside organisations and grants under the control of Innovation & Growth (IG) which cannot be paid under IG powers.

##### **Town Clerk's Charities**

This is the budget given to the Central Grants Unit to enable it to finish carrying out the Corporate Charity Review of the charities that City of London Corporation is a Trustee.

#### **Executive Director of Innovation & Growth**

##### **Innovation & Growth (IG)**

IG's principal objective is to strengthen the City's competitiveness as the world's leading financial and professional services centre for the long-term, so that the City continues to drive prosperity across London and the UK through its offices in Guildhall, Brussels, China and India. Staff in Central London Forward and Heart of the City are not included in the Policy & Resources Service Overview as, although accommodation is provided for them within Innovation & Growth, they have external funding sources and separate business plans.



In 2023/24, Innovation & Growth will provide pre-agreed grants of £1.0m to external partner organisations, comprising £0.5m to TheCityUK and £0.5m to the Green Finance Institute. These amounts are included in the Summary Original Budget 2023/24 under Central Risk for Innovation & Growth which is £2.851m in total.

### **Culture Mile Project**

The Culture Mile Project is a fixed term project to create “The City of London’s Cultural District”, stretching from Farringdon to Moorgate. The five founding partners are City of London Corporation, Barbican, Guildhall School of Music & Drama, London Symphony Orchestra and Museum of London. They together, with the local community are creating a vibrant, creative area in the north-west corner of the Square Mile aimed at giving visitors the best destination experience.

Culture Mile amplifies the creativity embedded within the area and uses it to create lasting change. Alongside animating the whole district with imaginative collaborations and events, Culture Mile delivers major enhancements to the streets and improve directions.

[Culture Mile | City of London's cultural district](#)

### **Remembrancer**

#### **Parliamentary**

The Remembrancer is charged with safeguarding the constitutional position of the City of London Corporation and supports its contribution to society, the economy and the environment. The Office holder is one of the City's four Law Officers. The Remembrancer is the City's Parliamentary Agent and the Parliamentary Agent for the Honourable the Irish Society, and the City's Chief of Protocol.

The Office is the official level channel of communication between Parliament and the City. In the contemporary context, this means day to day examination of Parliamentary business including examination of and briefing on proposed legislation and amendments to it, regular liaison with the Select Committees of both Houses and contact with officials in Government departments dealing with Parliamentary Bills. The work also includes briefings of members of both Houses for debates in which the City Corporation or City stakeholders have an interest, general liaison and intelligence gathering. The Office monitors the activities of the GLA and its associated bodies and their effect on the City and the work of the devolved administrations.

#### **State, Diplomatic and Ceremonial functions**

These include the arrangements for events and related hospitality, the budget for which enables the Remembrancer's Office to facilitate such activities on behalf of the Lord Mayor and the City, or at the request of The Queen, in liaison with Her Majesty's Government and organisations and individuals with connections to the City. These include Royal and National occasions, state banquets, other hospitality, related events for visiting Heads of State and Government, distinguished organisations, and individuals. The budget also includes the cost of the Remembrancer's staff who manage these functions.

Functions are held in the Guildhall, Mansion House and other City venues such as Livery Halls, depending on the nature of the event. The Remembrancer's Office also has responsibility for the Lord Mayor's Banquet and elements of the Lord Mayor's Day at Guildhall and the Royal Courts of Justice.

## **Chief Operating Officer**

### **Major Programmes Office**

The multi-disciplinary team is funded through central risk and made up from a combination of project professionals, finance, procurement, and communications resources. The team works cross-departmentally to ensure effective and efficient decision making for the Major Programmes.

### **Project Governance**

The Project Governance Team ensure all projects have appropriate officer-level governance arrangements in place.

They ensure that - roles and responsibilities for projects are set out clearly and decisions taken at the right level of seniority.

### Policy and Resources Committee Summary Budget

This appendix shows a high-level summary of Policy and Resources Committee budgets.

<b>Summary Revenue Budgets 2022/23 and 2023/24 - by Chief Officer</b>	<b>Original Budget 2022-23 £m</b>	<b>Latest Budget 2022-23 £m</b>	<b>Proposed Budget 2023-24 £m</b>
<b>Local Risk</b>			
The Deputy Town Clerk	(2.443)	(2.802)	(2.547)
Executive Director of Innovation & Growth	(5.749)	(5.611)	(5.974)
The Remembrancer	(1.379)	(1.379)	(1.437)
The Chief Operating Officer	(0.236)	(0.536)	(0.536)
<b>Total Local Risk</b>	<b>(9.807)</b>	<b>(10.328)</b>	<b>(10.494)</b>
<b>Central Risk</b>			
The Deputy Town Clerk	(2.591)	(5.432)	(2.985)
Executive Director of Innovation & Growth	(3.088)	(3.088)	(2.851)
The Remembrancer	(1.286)	(1.497)	(1.286)
The Chief Operating Officer	(0.600)	(0.600)	(0.600)
<b>Total Central Risk</b>	<b>(7.565)</b>	<b>(10.617)</b>	<b>(7.772)</b>
<b>Capital and Support Services</b>	<b>(4.369)</b>	<b>(4.369)</b>	<b>(5.033)</b>
<b>Committee Total</b>	<b>(21.741)</b>	<b>(25.314)</b>	<b>(23.249)</b>

## APPENDIX 3

### Policy and Resources Committee Summary Budget by Risk

<b>SUMMARY BY RISK</b>				
Analysis of Service Expenditure by Risk	Original Budget 2022-23 £m	Latest Approved Budget 2022-23 £m	Proposed Budget 2023-24 £m	Movement 2022-23 ORI to 2023-24 ORI £m
<b>LOCAL RISK</b> ( <i>budgets largely within direct control of Chief Officer</i> )				
<b>EXPENDITURE</b>				
Employees	(7.837)	(8.621)	(8.524)	(0.687)
Premises Related Expenses	(0.171)	(0.171)	(0.171)	(0.000)
Transport Related Expenses	(0.052)	(0.045)	(0.052)	(0.000)
Supplies & Services	(2.777)	(2.700)	(2.777)	(0.000)
Savings to be Applied	0.000	0.080	(0.000)	(0.000)
<b>Total Expenditure</b>	(10.837)	(11.457)	(11.524)	(0.687)
<b>INCOME</b>				
Charges for specific services	1.030	1.192	1.030	(0.000)
<b>Total Income</b>	1.030	1.192	1.030	(0.000)
<b>TOTAL LOCAL RISK</b>	(9.807)	(10.265)	(10.494)	(0.687)
<b>CENTRAL RISK</b> ( <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> )				
<b>EXPENDITURE</b>				
Employees	(2.810)	(3.032)	(2.630)	0.180
Transport Related Expenses	(0.004)	(0.004)	(0.004)	(0.000)
Supplies & Services	(2.751)	(4.896)	(2.803)	(0.052)
Capital Charges	(0.735)	(0.734)	(0.735)	(0.000)
Contingency	(1.550)	(2.014)	(1.550)	(0.000)
<b>Total Expenditure</b>	(7.850)	(10.680)	(7.722)	0.128
<b>INCOME</b>				
Charges for specific services (printing & stationery income)	0.285	0.000	0.000	(0.285)
<b>Total Income</b>	0.285	0.000	0.000	(0.285)
<b>TOTAL CENTRAL RISK</b>	(7.565)	(10.680)	(7.722)	(0,157)
<b>TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES</b>	(17.372)	(20.945)	(18.216)	(0.844)
<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>				
Central Recharges	(6.226)	(6.226)	(6.890)	(0.664)
Capital Charges	(0.155)	(0.155)	(0.155)	(0.000)
Recharges Within Fund	0.384	0.384	0.384	(0.000)
Recharges Across Funds	1.628	1.628	1.628	(0.000)
<b>Total Support Services and Capital Charges</b>	(4.369)	(4.369)	(5.033)	(0.664)
<b>TOTAL NET EXPENDITURE</b>	<b>(21.741)</b>	<b>(25.314)</b>	<b>(23.249)</b>	<b>(1.508)</b>

**Policy and Resources Committee  
Staffing Statement**

Staffing Statement	Original Budget 2022-23		Proposed Budget 2023-24	
	Staffing Full-time equivalent	Estimated cost £m	Staffing Full-time equivalent	Estimated cost £m
Resilience	9.0	0.827	7.0	0.565
Communications	23.5	1.764	23.5	1.809
Grants and Contingencies	6.0	0.267	5.0	0.265
Town Clerk's Charities	1.0	0.095	1.0	0.095
<b>Total Deputy Town Clerk</b>	<b>39.5</b>	<b>2.953</b>	<b>36.5</b>	<b>2.734</b>
Innovation & Growth	71.1	5.385	72.8	5.691
Culture Mile Project	3.7	0.226	0.0	0.000
<b>Total Executive Director of Innovation &amp; Growth</b>	<b>74.8</b>	<b>5.611</b>	<b>72.8</b>	<b>5.691</b>
Ceremonial	16.5	1.247	18.5	1.273
<b>Total Remembrancer</b>	<b>16.5</b>	<b>1.247</b>	<b>18.5</b>	<b>1.273</b>
Major Programmes Office	8.0	0.600	8.0	0.600
Project Governance	3.0	0.236	3.0	0.536
<b>Total Chief Operating Officer</b>	<b>11.0</b>	<b>0.836</b>	<b>11.0</b>	<b>1.136</b>
<b>Grand Total</b>	<b>141.8</b>	<b>10.647</b>	<b>138.8</b>	<b>10.834</b>

## APPENDIX 5

	Project	Exp. Pre 01/04/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Later Years £'000	Total £'000
<b><u>City's Cash</u></b>	<b><u>Authority to start work</u></b>						
Security	Operational Buildings Security Enhancements (residual fees)	359	207	-	-	-	566
Other schemes	Crossrail Art Foundation	3,420	80	-	-	-	3,500
Other schemes	St Lawrence Jewry Church	1,773	2,238	-	-	-	4,011
<b><u>City Fund</u></b>	<b><u>Pre-Authority to start work</u></b>						
Other schemes	Walbrook Wharf Future Feasibility	-	150	-	-	-	150
<b>TOTAL POLICY &amp; RESOURCES</b>		<b>5,552</b>	<b>2,675</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,227</b>

1. It should be noted that the above figures *exclude*:

- forecast expenditure on the Major Projects (Salisbury Square Development at Fleet Street, Museum relocation and Markets consolidation) which are subject to separate governance and consideration as part of the medium-term financial plans.
- forecast expenditure on future schemes which have yet to gain approval via the gateway process.