

<b>Committee(s)</b>	<b>Dated:</b>
Culture Heritage & Libraries Committee	23 January 2023
<b>Subject:</b> Departmental Budget Estimates 2023-24 – Culture, Heritage and Libraries Committee	<b>Public</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N/A</b>
<b>Report of:</b> The Chamberlain Executive Director of Innovation & Growth Executive Director of Environment Executive Director of Community and Children’s Services	<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 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 by Chief Officer, which are summarised below:

- i) **Deputy Town Clerk** – Guildhall Library, Small Business Research and Enterprise Centre (SBREC), London Metropolitan Archives (LMA), City Records Service and Heritage Gallery
- ii) **Executive Director of Innovation & Growth** – The Destination City Team made up of - Guildhall Art Gallery, City Outdoors Programme, Visitor and City Information Services
- iii) **Executive Director of Community and Children’s Services** – Artizan Street, Barbican and Shoe Lane Libraries.
- iv) **Executive Director of Environment** – Keats House and Monument

The proposed budget for 2023/24 totals net expenditure of £20.715m, which is an increase of £0.740m (3.70%) compared with the 2022/23 original budget of £19.975m, which is principally due to:

- An increase in capital and support services recharges (£0.514m)
- The full year effect of the July 2022 pay award (£0.222m),
- Net 2% inflation (£0.148m),
- Increase in repairs and maintenance costs (£0.017m) offset by
- Net changes in the Cyclical Works Programme (£0.131m) and
- Previously agreed Fundamental Review savings (£0.030m).

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>Moveme nt 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	(3.851)	(3.851)	0.000	(4.005)	(0.154)
Executive Director of Innovation Growth	(1.531)	(3.938)	(2.407)	(1.294)	0.237
Executive Director of Community and Children's Services	(2.271)	(2.371)	(0.100)	(2.370)	(0.099)
Executive Director of Environment	0.007	0.007	0.000	(0.008)	(0.015)
The City Surveyor	(0.100)	(0.100)	0.000	(0.102)	(0.002)
<b>Total Local Risk</b>	<b>(7.746)</b>	<b>(10.253)</b>	<b>(2.507)</b>	<b>(7.779)</b>	<b>(0.033)</b>
<b>Central Risk</b>					
The Deputy Town Clerk	(0.742)	(0.742)	0.000	(0.892)	(0.150)
Executive Director of Innovation Growth	(0.340)	(0.340)	0.000	(0.340)	0.000
Executive Director of Community and Children's Services	(0.283)	(0.283)	0.000	(0.313)	(0.030)
Executive Director of Environment	(0.008)	(0.008)	0.000	(0.008)	0.000
The City Surveyor	(0.006)	(0.006)	0.000	(0.019)	(0.013)
Central Management of CHL	(5.292)	(5.292)	0.000	(5.292)	0.000
<b>Total Central Risk</b>	<b>(6.671)</b>	<b>(6.671)</b>	<b>0.000</b>	<b>(6.864)</b>	<b>(0.193)</b>
<b>Capital and Support Services</b>	<b>(5.558)</b>	<b>(5.558)</b>	<b>0.000</b>	<b>(6.072)</b>	<b>(0.514)</b>
<b>Committee Total</b>	<b>(19.975)</b>	<b>(22.482)</b>	<b>(2.507)</b>	<b>(20.715)</b>	<b>(0.740)</b>

## Recommendation

Members are asked to:

- review the proposed allocation of the 2023/24 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee;
- authorise the Chamberlain, in consultation with the Executive Directors of Community and Children's Services, Environment, Innovation & Growth and the City Surveyor to revise these budgets to allow for any further implications arising from Corporate Projects, the Target Operating Model other reviews and changes to the Cyclical Works Programme;
- authorise the Chamberlain to agree minor amendments for 2022/23 and 2023/24 budgets arising during budget setting.

## **Main Report**

### **Introduction**

1. The revenue budget management arrangements are to:
  - Provide a clear distinction between local risk, central risk and recharge budgets.
  - Place responsibility for budgetary control on departmental Chief Officers.
  - Apply a cash limit policy to Chief Officers' budgets.
2. The budget has been analysed by the service expenditure and compared with the original budget for the current year.
3. 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**

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 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 £0.300m. 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.
7. The estimate for 2023/24 does not include the 23/24 Destination City Growth Bid of £2.3m which was in principle awarded for three years (22/23 – 24/25) as a one off from contingency funds each year.

## **Business Planning Priorities for 2023/24**

8. The Innovation and Growth Department, Environment Department and Department of Community and Children's Services' business priorities for the forthcoming year are set out in the 2023/24 business plans.

### **Departmental budget estimates for 2023/24**

9. The proposed budget for 2023/24 totals net expenditure of £20.715m, which is an increase of £0.740m (3.70%) compared with the 2022/23 original budget of £19.975m. The main reasons for this increase are:

i) **Deputy Town Clerk (£0.304m net increase)** – The full year effect of the July 22 pay award £0.115m, Changes to the Cyclical Works Programme costs due to the cost-of-living crises £0.105m, net 2% inflation £0.076m and increase of £0.008m in repairs and maintenance costs of ongoing project work.

ii) **Executive Directive of Innovation & Growth (£0.237m net decrease)** – An increase of £0.072m broken down into - the full effect of the July 22 pay award £0.042m, net 2% inflation £0.026m and increase in repairs and maintenance costs of £0.004m offset by a decrease in the previous year's Cyclical Works Programme budget £0.279m and previously agreed fundamental review savings of £0.030m.

iii) **Executive Director of Community and Children's Services (£0.129m net increase)** – The full effect of the July 2022 pay award £0.052m, net 2% inflation £0.046m, increase to the cyclical works programme of £0.030m and an increase in repairs and maintenance costs of £0.001m.

iv) **Executive Director of Environment (£0.015m net increase)** – The full effect of the July 22 pay award £0.013m, an increase in repairs and maintenance of £0.004m offset by a net decrease in inflation of £0.002m.

v) **City Surveyors (£0.015m net increase)** – Changes to the Cyclical Works Programme of £0.013m and a net increase in inflation of £0.002m.

vi) **An increase in recharges (£0.514m)** – across all four Chief Officer Areas due to the increased cost of running the Guildhall facilities and IT services

### **Potential Further Budget Adjustments**

10. 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.

### **Latest Approved Budget 2022/23**

11. The latest approved budget for 2022/23 totals net expenditure of £ 22.482m which is an increase of £2.507m (12.55%) compared with the original budget of £19.975m. The main reasons for this increase are:

i) **Executive Director of Innovation & Growth (£2.407m net increase)** – £2.300m Destination City Growth Bid allocated from contingency to enable the rebranding of the City of London as a destination of choice for tourism, living and working with the goal to increase footfall to pre-pandemic levels, £0.077m – 21/22 underspends carry forward for commissioning an artist of international significance for the Destination Programme's first major event in 2022 and £0.030m underspends carry forward for the Beckford and Cass Statues Interpretation Project.

ii) **Executive Director of Community and Children's (£0.100m net increase)** – £0.055m of underspends carried forward from previous year's carry forward for the essential health & safety fire stopping work and an additional £0.045m books budget from the main DCCS budget for the Barbican lending library.

iii) **The Deputy Town Clerk and the Executive Director of Environment budgets remained the same**

### Staffing Statement

12. 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	71.6	(3.581)	72.3	(3.875)
Executive Director of Innovation & Growth	16.5	(0.975)	28.4	(1.700)
Executive Director of Community and Children's Services	41.7	(1.938)	46.7	(2.344)
Executive Director of Environment	9.6	(0.509)	9.6	(0.525)
<b>Grand Total</b>	<b>139.4</b>	<b>(7.003)</b>	<b>157.0</b>	<b>(8.444)</b>

13. Staffing levels have increased for the Deputy Town Clerk' teams, Innovation & Growth, Community and Children's Services between 2022/23 and 2023/24.

14. A breakdown of staffing costs and FTE's by division of service can be found in Appendix 5.

### Capital and Supplementary Revenue Project Costs

15. It should be noted that the Monument Visitor Centre is still on hold following a review of funding priorities in response to the current financial pressures.
16. 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**

17. All events under the Outdoor Arts Programme will require robust Risk Assessment and Method Statements (RAMS) which will be developed in consultation with internal and external security services including the City Police.

### **Financial Implications**

18. 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.
19. The budgets overseen by this Committee of the Deputy Town Clerk, Executive Director of Innovation & Growth, Executive Director of Community and Children's Services and Executive Director of Environment have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees.

### **Public sector equality duty**

20. Our fees and charges are regularly benchmarked with neighbouring / competing facilities, but we will continue to informally assess any negative impact on protected characteristic groups.

### **Resourcing implications**

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

## **Conclusion**

22. This report presents budgets overseen by this Committee for 2023/24 for the Executive Director of Innovation & Growth, Executive Director of Community and Children's and Executive Director of Environment for Members to consider and approve.

### **Appendices**

- Appendix 1 – Committee Summary – Analysis of Service Expenditure
- Appendix 2 – Analysis by Service Managed
- Appendix 3 – Summary Revenue Budget by Chief Officer
- Appendix 4 – Capital Project Bids 2023/24
- Appendix 5 – Staffing Statement

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<b>SUMMARY BY RISK</b>					
Analysis of Service Expenditure by Risk	Actual 2021-22 £m	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	(7.230)	(7.003)	(7.205)	(7.298)	(0.295)
Premises Related Expenses	(0.357)	(0.440)	(0.495)	(0.440)	(0.000)
Transport Related Expenses	(0.021)	(0.069)	(0.070)	(0.069)	(0.000)
Supplies & Services	(1.427)	(1.223)	(2.456)	(1.223)	(0.000)
Savings to be Applied /Transfer to Reserves	(0.227)	0.508	(0.508)	0.508	(0.000)
<b>Total Expenditure</b>	(9.262)	(8.227)	(10.734)	(8.522)	(0.295)
<b>INCOME</b>					
Charges for specific services	1.602	1.004	1.004	1.004	(0.000)
<b>Total Income</b>	1.602	1.004	1.004	1.004	(0.000)
<b>TOTAL LOCAL RISK</b>	(7.660)	(7.223)	(9.730)	(7.518)	(0.295)
City Surveyor Local Risk	(0.593)	(0.523)	(0.523)	(0.261)	0.262
<b>TOTAL LOCAL RISK</b>	(8.253)	(7.746)	(10.253)	(7.779)	(0.033)
<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	(0.736)	(0.129)	(0.129)	(0.129)	(0.000)
Premises Related Expenses	(1.073)	(1.096)	(1.096)	(1.096)	(0.000)
Transport Related Expenses	0.000	(0.001)	(0.001)	(0.001)	(0.000)
Supplies & Services	(0.202)	(0.269)	(0.269)	(0.462)	(0.193)
Third Party Payments	(5.292)	(5.292)	(5.292)	(5.292)	(0.000)
Capital Charges	(0.036)	(32.744)	(32.744)	(32.744)	(0.000)
<b>Total Expenditure</b>	(7.339)	(39.531)	(39.531)	(39.724)	(0.193)
<b>INCOME</b>					
Customer, Client Receipts & Transfer from Reserves	0.350	32.860	32.860	32.860	(0.000)
<b>Total Income</b>	0.350	32.860	32.860	32.860	(0.000)
<b>TOTAL CENTRAL RISK</b>	(6.989)	(6.671)	(6.671)	(6.864)	(0.193)
<b>TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES</b>	(15.242)	(14.417)	(16.924)	(14.643)	(0.226)
<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>					
Central Recharges	(6.343)	(5.899)	(5.899)	(6.371)	(0.472)
Capital Charges	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Recharges Within Fund	(0.124)	(0.115)	(0.115)	(0.157)	(0.042)
Recharges Across Funds	0.456	0.456	0.456	0.456	(0.000)
<b>Total Support Services and Capital Charges</b>	(6.011)	(5.558)	(5.558)	(6.072)	(0.514)
<b>TOTAL NET EXPENDITURE</b>	<b>(21.253)</b>	<b>(19.975)</b>	<b>(22.482)</b>	<b>(20.715)</b>	<b>(0.740)</b>



Analysis by Service Managed	Fund	Actual 2021/22 £'000	Original Budget 2022/23 £'000	Latest Approved Budget 2022/23 £'000	Original Budget 2023/24 £'000	Movement 2022/23 OR / 2023/24 OR £'000
<b>Executive Director of Innovation &amp; Growth<sup>^</sup></b>						
Guildhall Art Gallery	CF	(3,025)	(3,031)	(3,061)	(390)	2641
Visitor & City Information Services	CF	(989)	(827)	(3204)	(3250)	(2423)
City Outdoor Arts Programme	CF	(292)	(340)	(340)	(670)	(330)
Police Museum	CF	(17)	-	-	-	-
<b>Total Executive Director of Innovation &amp; Growth</b>		<b>(4,323)</b>	<b>(4,198)</b>	<b>(6,605)</b>	<b>(4,310)</b>	<b>(112)</b>
<b>Deputy Town Clerk</b>						
Guildhall Library	CF	(744)	(575)	(575)	(597)	(22)
Small Business and Research Enterprise Centre	CF	(569)	(602)	(602)	(626)	(24)
London Metropolitan Archives	CF	(3,294)	(2,786)	(2,786)	(3,034)	(248)
City Records Services	CF	(1,070)	(962)	(962)	(1062)	(100)
Heritage Gallery	CC	(25)	(25)	(25)	(25)	-
<b>Total Deputy Town Clerk</b>		<b>(5,702)</b>	<b>(4,950)</b>	<b>(4950)</b>	<b>(5,344)</b>	<b>(394)</b>
<b>Director of Environment</b>						
Keats House	CC	(264)	(264)	(264)	(331)	(67)
Monument	CC	(141)	122	122	121	(1)
<b>Total Director of Environment</b>		<b>(421)</b>	<b>(142)</b>	<b>(142)</b>	<b>(210)</b>	<b>(68)</b>
<b>Director of Community &amp; Children's Services</b>						
Barbican & Shoe Lane Libraries	CF	(3,166)	(2,968)	(3,013)	(3,103)	(135)
Artizan Street Library	CF	(228)	(381)	(436)	(393)	(12)
<b>Total Director of Community &amp; Children's Services</b>		<b>(3,394)</b>	<b>(3,349)</b>	<b>(3,449)</b>	<b>(3,496)</b>	<b>(147)</b>
<b>City Surveyor</b>						
Roman Remains & Guildhall Complex Land	CF	(17)	(21)	(21)	(35)	(14)
Mayoralty & Shrievalty	CC	(88)	(115)	(115)	(120)	(5)
<b>Total City Surveyor</b>		<b>(105)</b>	<b>(136)</b>	<b>(136)</b>	<b>(155)</b>	<b>(19)</b>
Culture, Heritage & Libraries Directorate	CF	(2,016)	(1,908)	(1,908)	(1,908)	(0)
Museum of London	CF	(5,292)	(5,292)	(5,292)	(5,292)	-
<b>Total City Fund</b>	CF	<b>(20,719)</b>	<b>(19,693)</b>	<b>(22,200)</b>	<b>(20,360)</b>	<b>(667)</b>
<b>Total City's Cash</b>	CC	<b>(534)</b>	<b>(282)</b>	<b>(282)</b>	<b>(355)</b>	<b>(73)</b>
<b>Total</b>		<b>(21,253)</b>	<b>(19,975)</b>	<b>(22,482)</b>	<b>(20,715)</b>	<b>(740)</b>

<sup>^</sup> The changes in the budgets for the different areas in innovation and growth reflects the new structure from 23/24

<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	(3.851)	(3.851)	(4.005)
Executive Director of Innovation & Growth	(1.531)	(3.938)	(1.294)
Executive Director of Community and Children's Services	(2.271)	(2.371)	(2.370)
Executive Director of Environment	0.007	0.007	(0.008)
The City Surveyor	(0.100)	(0.100)	(0.102)
<b>Total Local Risk</b>	<b>(7.746)</b>	<b>(10.253)</b>	<b>(7.779)</b>
<b>Central Risk</b>			
The Deputy Town Clerk	(0.742)	(0.742)	(0.892)
Executive Director of Innovation & Growth	(0.340)	(0.340)	(0.340)
Executive Director of Community and Children's Services	(0.283)	(0.283)	(0.313)
Executive Director of Environment	(0.008)	(0.008)	(0.008)
The City Surveyor	(0.006)	(0.006)	(0.019)
Central Management of CHL	(5.292)	(5.292)	(5.292)
<b>Total Central Risk</b>	<b>(6.671)</b>	<b>(6.671)</b>	<b>(6.864)</b>
<b>Capital and Support Services</b>	<b>(5.558)</b>	<b>(5.558)</b>	<b>(6.072)</b>
<b>Committee Total</b>	<b>(19.975)</b>	<b>(22.482)</b>	<b>(20.715)</b>

**Capital Project Bids for 2023/24**

No Capital Bids for 2023/24.

Staffing statement	Original Budget 2022/23		Original Budget 2023/24	
	Staffing FTE	Estimated cost £m	Staffing FTE	Estimated cost £m
Guildhall Library	8.5	(0.438)	8.5	(0.460)
Small Business and Research Enterprise Centre (SBREC)	6.6	(0.358)	9.0	(0.461)
London Metropolitan Archives (LMA)	36.7	(1.827)	36.7	(1.985)
City Records Services	19.8	(0.958)	18.1	(0.969)
<b>Total Deputy Town Clerk</b>	<b>71.6</b>	<b>(3.581)</b>	<b>72.3</b>	<b>(3.875)</b>
Guildhall Art Gallery	7.5	(0.422)	3.2	(0.201)
Visitor Services & City Information Centre	9.0	(0.553)	25.2	(1.499)
<b>Total Executive Director of Innovation &amp; Growth</b>	<b>16.5</b>	<b>(0.975)</b>	<b>28.4</b>	<b>(1.700)</b>
Barbican and Shoe Lane Libraries	35.7	(1.692)	40.7	(2.086)
Artizan Street Library	6.0	(0.246)	6	(0.258)
<b>Total Executive Director of Community and Children's Services</b>	<b>41.7</b>	<b>(1.938)</b>	<b>46.7</b>	<b>(2.344)</b>
Keats House	3.8	(0.230)	3.8	(0.245)
Monument	5.8	(0.279)	5.8	(0.280)
<b>Total Executive Director of Environment</b>	<b>9.6</b>	<b>(0.509)</b>	<b>9.6</b>	<b>(0.525)</b>
<b>TOTAL CULTURE, HERITAGE AND LIBRARIES</b>	<b>139.4</b>	<b>(7.003)</b>	<b>157.0</b>	<b>(8.444)</b>