

<b>Committee(s):</b> Licensing	<b>Dated:</b> 02 February 2023
<b>Subject:</b> Revenue Budgets 2023/24	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	n/a
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	n/a
<b>Report of:</b> The Chamberlain Executive Director Environment	<b>For Decision</b>
<b>Report author:</b> Jenny Pitcairn, Chamberlain's Department	

### Summary

This report presents for approval the revenue budgets for the Licensing Committee for 2023/24.

Overall, the proposed revenue budget for 2023/24 totals (£340,000), an increase of (£99,000) in net expenditure compared to the 2022/23 Original Budget of (£241,000).

The proposed budget for 2023/24 has been prepared within the resource envelope allocated to the Executive Director by Resource Allocation Sub Committee in October 2022.

The resource envelope must be adhered to, as failure to do so will impact Finance Committee's ability to set Council Tax rates for the year ahead and the requirement in law for the City to set a balanced budget.

### Recommendations

Members are asked to:

- i) review and approve the proposed revenue budget for 2023/24 for submission to Finance Committee;
- ii) authorise the Chamberlain, to revise these budgets to allow for any further implications arising from subsequently approved savings proposals or Target Operating Model (TOM) implementation; and
- iii) agree that amendments for 2022/23 and 2023/24 budgets arising from changes to recharges during budget setting or any further implications arising from subsequently approved savings proposals, energy price increases and other reviews be delegated to the Chamberlain in consultation with the Executive Director Environment.

## Main Report

### Background

1. This report sets out the latest budget for 2022/23 and the proposed revenue budgets for 2023/24 for your Committee and under the control of the Executive Director Environment, analysed between:
  - (i) **Local Risk Budgets** – these are budgets deemed to be largely within the Chief Officer’s control.
  - (ii) **Support Services and Capital Charges** – these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk.
2. In the various tables, income, increases in income, and reductions in expenditure are shown as positive balances, whereas brackets will be used to denote expenditure, increases in expenditure, or reductions in income.
3. The latest 2022/23 budget and provisional 2023/24 budgets are summarised in Table 1 below.

<b>Table 1 Summary Revenue Budgets 2022/23 and 2023/24</b>	<b>Original Budget 2022/23 £'000</b>	<b>Latest Budget 2022/23 £'000</b>	<b>Original Budget 2023/24 £'000</b>
Local Risk Expenditure	(879)	(880)	(943)
Local Risk Income	670	670	618
<b>Total Local Risk</b>	<b>(209)</b>	<b>(210)</b>	<b>(325)</b>
Support Services and Capital Charges	(32)	(45)	(15)
<b>Total Net Expenditure</b>	<b>(241)</b>	<b>(255)</b>	<b>(340)</b>

### Latest Revenue Budget for 2022/23

4. The 2022/23 latest budget is net expenditure of (£255,000), an increase in net expenditure of (£14,000) from the 2022/23 original budget. The main reasons for this net increase are:
  - Implementation of TOM restructure, (£1,000)
  - A net increase in central and departmental recharges, (£13,000)

### Proposed Revenue Budget for 2023/24

5. The proposed 2023/24 budget is net expenditure of (£340,000), an increase of (£99,000) in net expenditure compared to the 2022/23 original budget.
6. For 2023/24 budgets include:
  - (i) 4% uplift for inflation offset by 2% efficiency savings (net 2% growth).
  - (ii) The full year effect of pay increases from July 2022.The resulting resource envelope must be adhered to, as failure to do so will impact Finance Committee’s ability to set Council Tax rates for the year ahead and the requirement in law for the City to set a balanced budget.

7. The budget has been prepared within the resource envelope allocated to the Executive Director by Resource Allocation Sub Committee, with the following exceptions and assumptions:

- The Executive Director is still in the process of identifying savings proposals which, if delivered, will enable her to remain within her City Fund resource envelope. As a result, the savings required have been incorporated into the 2023/24 budget as “Savings to be Applied” and will be revised as necessary throughout the year. These have been ring-fenced by Committee in the first instance, with none within Licensing Committee at present, but this does not necessarily reflect the final distribution of savings across the Department, which is yet to be determined.

8. Table 2 below summarises the movements between the 2022/23 and 2023/24 original budgets.

<b>Provisional Revenue Budgets 2023/24</b>	<b>Original Budget (OR) 2022/23 £'000</b>	<b>Original Budget (OR) 2023/24 £'000</b>	<b>Movement OR to OR £'000</b>	<b>Para Ref</b>
<b>LOCAL RISK</b>				
<b>Expenditure</b>				
Employees	(701)	(762)	(61)	9(i)
Premises Related Expenses	(48)	(48)	0	
Supplies and Services	(46)	(49)	(3)	
Third Party Payments	(84)	(84)	0	
<b>TOTAL Expenditure</b>	<b>(879)</b>	<b>(943)</b>	<b>(64)</b>	
<b>Income</b>				
Customer, Client Receipts	670	618	(52)	9(ii)
<b>TOTAL Income</b>	<b>670</b>	<b>618</b>	<b>(52)</b>	
<b>TOTAL LOCAL RISK</b>	<b>(209)</b>	<b>(325)</b>	<b>(116)</b>	
<b>RECHARGES</b>				
Central Recharges	(138)	(135)	3	
Recharges within Fund	(9)	(14)	(5)	
Recharges across Funds	115	134	19	
<b>TOTAL RECHARGES</b>	<b>(32)</b>	<b>(15)</b>	<b>17</b>	9(iii)
<b>TOTAL NET EXPENDITURE</b>	<b>(241)</b>	<b>(340)</b>	<b>(99)</b>	

9. The significant movements (greater than £10,000) between the budgets shown in Table 2 are attributable to:

- Increases in pay costs due to pay awards, incremental progression and regrading, (£61,000).
- An anticipated reduction in fee income reflecting current activity levels.
- The decrease of £17,000 in support services and capital charge expenditure reflects changes in the budgets of departments and their apportionment between committees, most significantly due to implementation of the TOM restructure

## Staffing Statement

10. Table 3 below shows the movement in manpower and related staff costs.

Table 3 Staffing Summary	Original Budget 2022/23		Original Budget 2023/24	
	Manpower Full-time Equivalent	Estimated Cost £'000	Manpower Full-time Equivalent	Estimated Cost £'000
<b>Total Licensing</b>	<b>10.7</b>	<b>(701)</b>	<b>10.7</b>	<b>(762)</b>

## Conclusion

11. This report presents the proposed budgets for 2023/24 for the Licensing Committee for Members to consider and approve.

## Appendices

- None

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