

<b>Committee(s)</b>	<b>Dated:</b>
Culture, Heritage, and Libraries	17 <sup>th</sup> July 2023
<b>Subject:</b> Revenue Outturn – 2022/23	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>1-4, 7-12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>n/a</b>
<b>What is the source of Funding?</b>	<b>n/a</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>n/a</b>
<b>Report of:</b> The Chamberlain Deputy Town Clerk Executive Director of Innovation and Growth Executive Director Environment Executive Director of Children's & Community Services <b>Report Author:</b> Mark Jarvis, Head of Finance, Chamberlain's Department Reece Surridge- Finance Business Partner - Chamberlains	<b>For Information</b>

### Summary

This report compares the revenue outturn for the services overseen by your committee in 2022-23 with the final budget for the year. It also details the carry forward requests which are yet to be approved.

The outturn presented in this report are for the services, which are summarised below:

- i) **Deputy Town Clerk** – Small Business, Research & Enterprise Centre, Guildhall Library, London Metropolitan Archives & CHL Central Management.
- ii) **Executive Director of Innovation & Growth** – Destination City.
- iii) **Executive Director of Children's & Community Services** – Barbican & Artizan Street Libraries.
- iv) **Executive Director Environment** - Monument & Keats House.
- v) **City Surveyors**- Lower Thames Street.

Overall total net expenditure during the year was £21.604m whereas the budget was £20.990m representing an overspend of £0.614m as summarised below.

	Original Budget £000's	Final Budget £000's	Revenue Outturn £000's	Variations (Worse)/Better against Final Budget £000's
<b>Chief Officer</b>				
The Deputy Town Clerk	(9,723)	(9,983)	(9,975)	8
Executive Director of Innovation Growth	(1,565)	(1,792)	(2,022)	(230)
Executive Director of Community and Children's Services	(2,541)	(2,721)	(2,532)	189
Executive Director of Environment	41	10	(155)	(165)
The City Surveyor	(106)	(106)	(50)	56
<b>Total Chief Officer</b>	<b>(13,894)</b>	<b>(14,592)</b>	<b>(14,734)</b>	<b>(142)</b>
<b>The City Surveyor (including Cyclical Works Programme)</b>	<b>(523)</b>	<b>(794)</b>	<b>(616)</b>	<b>178</b>
<b>Support Services</b>	<b>(5,558)</b>	<b>(5,604)</b>	<b>(6,254)</b>	<b>(650)</b>
<b>Net Expenditure</b>	<b>(19,975)</b>	<b>(20,990)</b>	<b>(21,604)</b>	<b>(614)</b>

Expenditure and unfavourable variances are presented in brackets.

The overall outturn represented an overspend of £0.614m comprising of variations across several service areas detailed in paragraphs 3 & 4 of this report. The main variations are:

- **Executive Director of Innovation & Growth- increased net expenditure of £0.230m** – This is due to overspends in visitor services partially mitigated by underspends in the guildhall art gallery. In addition to central risk staffing overspends.
- **Executive Director of Community & Children's services- decreased net expenditure of £0.189m** – The primary driver of this variance is a staffing underspend of £0.186m at the Barbican library due to vacancies.
- **Executive Director Environment – increased net expenditure of £0.165m** - This increased expenditure is mostly due to income levels at Monument not returning to their pre pandemic budgeted levels.

## Recommendations

Members are asked to note the:

- Revenue outturn for 2022/23 showing an overall unfavourable variance to final budget of £0.614m and
- There are no carry forward requests for 2023/24 in relation to CHL committee.

## In Report

### Budget Position for 2022-23

1. The 2022-23 original budget for the services overseen by your committee was £19.975m as endorsed by the Court of Common Council in March 2022. This has subsequently been increased to a final budget of £20.990. An analysis of the increase of £1.015m is provided in appendix 1.

## Revenue Outturn for 2022-23

Summary Revenue Budgets 2022/23 By Chief Officer and Risk	Original Budget 2022/23 £000's	Final Budget 2022/23 £000's	Revenue Outturn 2022/23 £000's	Variations (Worse)/Better against Final Budget £000's
<b>Local Risk</b>				
The Deputy Town Clerk	(3,689)	(3,949)	(3,944)	5
Executive Director of Innovation Growth	(1,225)	(1,328)	(1,444)	(116)
Executive Director of Community and Children's Services	(2,258)	(2,438)	(2,268)	170
Executive Director of Environment	49	18	(145)	(163)
The City Surveyor	(100)	(100)	(44)	56
<b>Total Local Risk</b>	<b>(7,223)</b>	<b>(7,797)</b>	<b>(7,845)</b>	<b>(48)</b>
<b>Central Risk</b>				
The Deputy Town Clerk	(6,034)	(6,034)	(6,031)	3
Executive Director of Innovation Growth	(340)	(464)	(578)	(114)
Executive Director of Community and Children's Services	(283)	(283)	(264)	19
Executive Director of Environment	(8)	(8)	(10)	(2)
The City Surveyor	(6)	(6)	(6)	-
<b>Total Central Risk</b>	<b>(6,671)</b>	<b>(6,795)</b>	<b>(6,889)</b>	<b>(94)</b>
The City Surveyor (including Cyclical Works Programme)	(523)	(794)	(616)	178
Capital and Support Services	(5,558)	(5,604)	(6,254)	(650)
<b>Committee Total</b>	<b>(19,975)</b>	<b>(20,990)</b>	<b>(21,604)</b>	<b>(614)</b>

Expenditure and unfavourable variances are presented in brackets.

2. As indicated in the table in the summary, actual net expenditure for your committee's services during 2022-23 totalled £21.604m compared to a budget of £20.990m, resulting in an overspend of £0.614m. A comparison of the final budget with the revenue outturn by Chief Officer is shown in the Summary and is analysed by risk in the table below.
3. The main reasons for the variation to the **local risk budgets** are:
  - i. **The Executive Director of Innovation & Growth - £0.116m overspend** – The increased expenditure is predominately driven by overspends on visitor services recruitment costs (£0.034m), consultancy fees (£0.070m), and reduced income (£0.084m). These overspends are mitigated by underspends in print & catering (£0.027m) and underspends on marketing (£0.035m), equipment/ materials (£0.043m) at the Guildhall Art Gallery.
  - ii. **Executive Director of Community & Childrens Services - £0.170m underspend** - The primary driver of this variance is a staffing underspend of £0.186m at the Barbican library due to the recruitment freeze which was in place during the majority of 2022/23.
  - iii. **Executive Director Environment - £0.163m overspend** - This overspend is mainly due to Monument income levels remaining

significantly below pre pandemic budgeted levels. Monument also recorded increased expenditure on business rates offset by a staffing underspend.

- iv. **The City Surveyor - £0.056m underspend** - The reduction in spend is due to an underspend on vehicle maintenance in relation to vehicles used for the Lord Mayors show (£0.460m).

4. The main reasons for the variation to the **central risk budgets** are:

- i. **The Executive Director of Innovation & Growth - £0.114m overspend** – The driver of this increased expenditure was higher than expected staffing costs (£0.137m) offset by non-staffing underspends of (£0.023m).

### **Carry Forwards to 2023-24**

5. There are no carry forward requests for 2023/24 in relation to CHL committee.

### **Year-end position and financial pressure in 2023/24**

- 6. Looking forward to 2023/24 there the main financial risk is at Monument where the income remains below pre pandemic levels. The department are trying to explore alternative models of increasing footfall and ways to enhance the attraction to ensure income shortfalls are minimised.

### **Appendices**

- Appendix 1 – Analysis of movements from 2022-23 Original Budget to 2022-23 Final Budget.

### **Contact:**

#### **Mark Jarvis**

Head of Finance: Chamberlains Department

[Mark.Jarvis@cityoflondon.gov.uk](mailto:Mark.Jarvis@cityoflondon.gov.uk)

#### **Reece Surridge**

Finance Business Partner: Chamberlain's Department

[Reece.Surridge@cityoflondon.gov.uk](mailto:Reece.Surridge@cityoflondon.gov.uk)

### **Appendix 1**

<b>Analysis of movements 2022-23 Original Budget to Final Budget</b>	<b>£000</b>
Original Local Risk Budget (Deputy Town Clerk)	(3,689)
July '22 Pay Award	(232)
2022-23 Centrally Funded Apprenticeships	(35)
<b>Final Local Risk Budget (Deputy Town Clerk)</b>	<b>(3,949)</b>
Original Local Risk Budget (Executive Director IG)	(1,225)
2022-23 Pay award	(28)
2022-23 Centrally Funded Apprenticeships	(45)
2022-23 Carry forward statues review	(30)
<b>Final Local Risk Budget (Executive Director IG)</b>	<b>(1,328)</b>
Original Local Risk Budget (Executive Director DCCS)	(2,258)
2022-23 Pay award	(80)
2022-23 Carry Forwards- Fire Safety work	(55)
Transfer of budget from Housing for library services	(45)
<b>Final Local Risk Budget (Executive Director DCCS)</b>	<b>(2,438)</b>
Original Local Risk Budget (City Surveyor)	(100)
<b>Final Local Risk Budget (City Surveyor)</b>	<b>(100)</b>
Original Local Risk Budget (Executive Director Environment)	49
2022-23 Pay award	(22)
Open spaces virement to monument re: Feasability Study	(10)
<b>Final Local Risk Budget (Executive Director Environment)</b>	<b>18</b>
Original Central Risk Budget (Deputy Town Clerk)	(6,034)
Net Movements	0
<b>Final Central Risk Budget (Deputy Town Clerk)</b>	<b>(6,034)</b>
Original Central Risk Budget (Executive Director IG)	(340)
2022-23 Pay Award	(5)
2022-23 Pension Strain	(119)
<b>Final Central Risk Budget (Executive Director IG)</b>	<b>(464)</b>
Original Central Risk Budget (Executive Director DCCS)	(283)
Net Movements	0
<b>Final Central Risk Budget (Executive Director DCCS)</b>	<b>(283)</b>
Original Central Risk Budget (Executive Director Environment)	(8)
Net Movements	0
<b>Final Central Risk Budget (Executive Director Environment)</b>	<b>(8)</b>
Original Central Risk Budget (City Surveyor)	(6)
Net Movements	0
<b>Final Central Risk Budget (City Surveyor)</b>	<b>(6)</b>
Original Support Services and Capital Charges Budget	(5,558)
Net movements	(46)
<b>Final Support Services and Capital Charges Budget</b>	<b>(5,604)</b>
<b>Total Original Budget</b>	<b>(19,452)</b>
<b>Total increase</b>	<b>(744)</b>
<b>Total Final Budget</b>	<b>(20,196)</b>