

Committee:	Date:
Corporate Services Committee	6 September 2023
Subject: Revenue Outturn 2022-23	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	No
Report of: The Chamberlain	For Information
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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** – 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

Overall total net expenditure during the year was £12.576m whereas the budget was £13.610m representing an underspend of £1.034m as summarised below.

	Original Budget	Final Budget	Revenue Outturn	Variations Better/(Worse) against Final Budget
	£000	£000	£000	£000

Chief Officer				
Total Deputy Town Clerk	(3,679)	(5,269)	(5,201)	68
Total Chief Operating Officer	(4,649)	(6,120)	(5,464)	656
Total Comptroller and City Solicitor	(533)	(659)	(731)	(72)
Total Chief Officer	(8,861)	(12,048)	(11,396)	652
Support Services	(1,562)	(1,562)	(1,180)	382
Net Expenditure	(10,423)	(13,610)	(12,576)	1,034

Expenditure and unfavourable variances are presented in brackets.

The overall outturn underspend of £1.034m comprises variations across several services which are detailed in paragraphs 3 and 4 in this report. The main variations are:

- **Deputy Town Clerk's- decreased net expenditure of £0.068m** – This is in relation to an underspend on the transformation fund mitigated by overspends elsewhere in the service.
- **Chief Operating Officer- decreased net expenditure of £0.656m** – This predominately relates to an underspend in the apprenticeship contingency budget.
- **Comptroller and City Solicitor – increased net expenditure of £0.072m-** was a result of no commercial property transactions related legal fee income being received.

The Chief Operating Officer has carry forward amounts of £0.188m these are yet to be agreed and are detailed in Appendix 2.

Recommendations

Members are asked to note the:

- Revenue outturn for 2022/23 showing an overall favourable variance to final budget of £1.034m; and
- Yet to be agreed carry forward requests of local risk budgets of £0.188m to 2023/24.

In Report

Budget Position for 2022-23

1. The 2022-23 original budget for the services overseen by your Committee was £10.423m as endorsed by the Court of Common Council in March 2022. This has subsequently been increased to a final budget of £13.610m. An analysis of the increase of £3.187m is provided in Appendix 1.

Revenue Outturn for 2022-23

2. As indicated in the table in the summary, actual net expenditure for your Committee's services during 2022-23 totalled £12.576m compared to a budget of £13.610m, resulting in an underspend of £1.034m. 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.

	Original Budget	Final Budget	Revenue Outturn	Variations Better/(Worse) against Final Budget	Notes
	£000	£000	£000	£000	
Chief Officer					
Local Risk					
The Deputy Town Clerk	(3,391)	(4,205)	(4,279)	(74)	3i)
The Chief Operating Officer	(3,234)	(4,238)	(4,269)	(31)	3ii)
The Comptroller and City Solicitor	(733)	(859)	(731)	128	3iii)
Total Local Risk	(7,358)	(9,302)	(9,279)	23	
Central Risk					
The Deputy Town Clerk	(288)	(1,064)	(922)	142	4i)
The Chief Operating Officer	(1,415)	(1,882)	(1,195)	687	4ii)
The Comptroller and City Solicitor	200	200	0	(200)	4iii)
Total Central Risk	(1,503)	(2,746)	(2,117)	629	
Support Services	(1,562)	(1,562)	(1,180)	382	
Net Expenditure	(10,423)	(13,610)	(12,576)	1,034	

Expenditure and unfavourable variances are presented in brackets.

3. The main reasons for the variation to the **local risk budgets** are:

- i. **The Deputy Town Clerk - £0.074m overspend** - The overspend relates to overspends within supplies and services.
- ii. **The Chief Operating Officer - £0.031m overspend** - The overspend is mainly due to additional cost of Agency staff covering vacant posts and high internal legal fees incurred.
- iii. **The Comptroller and City Solicitor - £0.128m underspend** – This underspend is a result of increased internal and external income.

4. The main reasons for the variation to the **central risk budgets** are:
- i. **The Deputy Town Clerk - £0.142m underspend** – The drivers of this underspend are: transformation fund (£0.138m), corporate services (£0.059m) and transformation & change management (£0.015m) This is reduced by overspends on amortisation of intangible assets (£0.042m), and Guildhall staff events (£0.028m).
 - ii. **The Chief Operating Officer - £0.687m underspend** – This comprises of a lower requirement on the Apprenticeship Contingency budget (£0.727m) which covers the cost of centrally funded apprentices. This was offset in part by additional redundancy costs due to the TOM restructuring (£0.040m).
 - iii. **The Comptroller and City Solicitor - £0.200m overspend** was a result of no commercial property transaction related legal fee income being received.

Carry Forwards to 2023-24

5. There are carry forward requests to the total of £0.188m these relate to local risk budgets and are all in relation to the Chief Operating Officer. Although the chief operating officer is overspent under corporate services committee, they have recorded an underspend overall which entitles them to request carry forwards. Details of the Carry Forwards are set out in Appendix 2.

Year-end position and financial pressure in 2022/23

6. Looking forward to 2023/24 there is an identified financial risk.
- i. Deputy Town Clerks department still has a significant unidentified saving to achieve although it has been achieved this year through temporary measures no longer term plan has been finalised.

Appendices

- Appendix 1 – Analysis of movements from 2022-23 Original Budget to 2022-23 Final Budget
- Appendix 2 – Proposed Carry Forwards to 2023/24

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Analysis of movements 2022-23 Original Budget to Final Budget	£'000
Original local risk budget (Deputy Town Clerk)	(3,391)
July '22 Pay Award	(95)
Transfer of travel budget for Office of Policy Chair Duties	(48)
Funding allocation for Risk Manager post	(91)
Allocation of budget to fund Office of Policy Chairs staffing cost	(73)
Allocation of budget to fund Head of Campaigns and Election Engagement	(102)
Allocation of budget to fund Corporate Strategy & Performance Team	(405)
Final local risk budget (Deputy Town Clerk)	(4,205)
Original local risk budget (Chief Operating Officer)	(3,234)
July '22 Pay Award	(164)
Allocation for centrally funded apprentices	(105)
Allocation from Finance Committee to fund H&S and EDI additional staffing requirements	(300)
Carry Forwards to 2022-23	(398)
Additional budget from Finance Committee to fund HR Transformation	(37)
Final local risk budget (Chief Operating Officer)	(4,238)
Original local risk budget (Comptroller and City Solicitor)	(733)
July '22 Pay Award	(126)
Final local risk budget (Comptroller and City Solicitor)	(859)
Original central risk budget (Deputy Town Clerk)	(288)
July '22 Pay Award	(6)
Additional funding for Guildhall staff events	(45)
Redundancy costs met centrally	(108)
Transformation Fund Allocation from finance contingency- Supporting Change	(73)
Transformation Fund Carry Forward to 2022-23	(544)
Final central risk budget (Deputy Town Clerk)	(1,064)
Original central risk budget (Chief Operating Officer)	(1,415)
HR's Redundancy and Pension Strain costs corporately met from Finance Committee	(1,155)
Apprenticeship Contingency Budget allocated to fund Apprentices	688
Final central risk budget (Chief Operating Officer)	(1,882)
Original central risk budget (Comptroller and City Solicitor)	200
Final central risk budget (Comptroller and City Solicitor)	200
Original support services and capital charges budget	(1,562)
Net movements	0
Final support services and capital charges budget	(1,562)
Total original budget	(10,423)
Total increase	(3,187)
Total final budget	(13,610)

APPENDIX 2

Local Risk Carry Forwards by Chief Officer	£000's
The Chief Operating Officer (Guildhall Admin)	
Provide a health & safety training offer to benefit the whole corporation and delivering a varied training offer to staff.	38
Facilitated support to enable the successful integration of the corporate health & safety team and the property and fire safety team into a one.	17
Extension of 2 FTE posts from July - March 2024 until ERP is implemented.	47
Carry forward of the unrealised costs of the Midland HR Phase 1 Project approximately £18k of the overall £30k spend needs to be allocated to the 2023/24 budget as carry forward.	18
The use of XPerHR will support the HR team with critical activities within the HR function such as policy development, template development and first line advisory.	10
To engage external consultancy as part of vision, purpose, values work.	20
Extension of a culture role beyond 12-month FTC. One-mid level role holding culture change support portfolio for City of London including support on people strategy, surveys, and related culture work. Current FTC expires 22 Nov 2023. 4 months remaining at grade D for 2023/24.	18
Staff development - Initial figure based on £300/person for 60+ people. Would benefit from being compared against development budgets for other functions.	20
Total Chief Operating Officer (Local Risk)	188
TOTAL CARRY FORWARDS (to be approved)	188