

Committee(s)	Dated:
Policy & Resources Committee	21 st September 2023
Subject: Revenue Outturn – 2022/23	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1-4, 7-12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of: The Town Clerk & Deputy Town Clerk The Executive Director Innovation and Growth The Remembrancer The Chief Operating Officer The City Surveyor Report Author: Mark Jarvis, Head of Finance, Chamberlain’s Department Reece Surrige- Finance Business Partner - Chamberlains	For Information

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:

-) **The Town Clerk & 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).
- i) **Executive Director of Innovation & Growth** – Innovation & Growth (which incorporates the Culture Mile Project).
- ii) **Remembrancer** – Parliamentary and Ceremonial functions including the hosting of hospitality events.
- iii) **Chief Operating Officer** – Project Governance and the Major Programmes Office.
- iv) **The City Surveyor** - Revenue costs for Fleet Street estate (Salisbury Square Development) & Barbican Centre renewal major projects. These are costs that cannot be capitalised so are shown as central risk under your committee and are matched with a budget allocated from the project.

Overall total net expenditure during the year was £27.387m whereas the budget was £31.290m representing an underspend of £3.903m as summarised below.

	Original Budget	Final Budget	Revenue Outturn	Variations (Worse)/Better against Final Budget
	£0	£0	£0	£0
Chief Officer				
The Town Clerk inc Deputy Town Clerk	(5,034)	(7,898)	(5,872)	2,026
The Chief Operating Officer	(836)	(1,433)	(1,227)	206
The Remembrancer	(2,665)	(2,918)	(2,941)	(23)
City Surveyor (including Cyclical Works Programme)	0	0	(66)	(66)
Executive Director of Innovation & Growth	(8,837)	(13,610)	(11,477)	2,133
The City Surveyor	0	(1,062)	(1,062)	0
Total Chief Officer	(17,372)	(26,921)	(22,645)	4,276
Support Services	(4,369)	(4,369)	(4,742)	(373)
Net Expenditure	(21,741)	(31,290)	(27,387)	3,903

Expenditure and unfavourable variances are presented in brackets.

The overall outturn represented an underspend of £3.903m comprising of variations across several service areas detailed in paragraphs 3 & 4 of this report. The main variations are:

- **The Town Clerk & Deputy Town Clerk - decreased net expenditure of £2.026m** - The driver of the reduced expenditure is predominately due to underspends against contingency budgets and PIF.
- **The Chief Operating Officer - decreased net expenditure of £0.206m** - This underspend is due to vacant posts caused by a delay in recruitment.
- **The Remembrancer - increased net expenditure of £0.089m** - Due to a slight increase on expenditure relating to events & cyclical works programme spend for which the budget is held within the programme.
- **Executive Director of Innovation & Growth - decreased net expenditure of £2.133m** - The decreased in expenditure is driven by climate action where there is currently a £1.171m underspend & Destination City growth bid where there is a £1.065m variance for the reasons set out in the report.

Recommendations

Members are asked to note the:

- Revenue outturn for 2022/23 showing an overall favourable variance to final budget of £3.903m; and
- Carry forward requests to 2023/24 of £2.373m affecting both local risk & central risk budgets have been approved.

In Report

Budget Position for 2022-23

1. The 2022-23 original budget for the services overseen by your committee was £21.741m as endorsed by the Court of Common Council in March 2022. This has subsequently been increased to a final budget of £31.290m. The increase of £9.549m is analysed in appendix 1.

Revenue Outturn for 2022-23

	Original Budget	Final Budget	Revenue Outturn	Variations (Worse)/Better against Final Budget
	£000	£000	£000	£000
Chief Officer				
Local Risk				
The Town Clerk inc Deputy Town Clerk	(2,443)	(2,941)	(2,878)	63
The Chief Operating Officer	(236)	(544)	(317)	227
The Remembrancer	(1,379)	(1,421)	(1,478)	(57)
City Surveyor (including Cyclical Works Programme)	0	0	(66)	(66)
Executive Director of Innovation & Growth	(5,749)	(8,059)	(7,136)	923
Total Local Risk	(9,807)	(12,965)	(11,875)	1,090
Central Risk				
The Town Clerk inc Deputy Town Clerk	(2,591)	(4,957)	(2,994)	1,963
The Chief Operating Officer	(600)	(889)	(910)	(21)
The Remembrancer	(1,286)	(1,497)	(1,463)	34
Executive Director of Innovation & Growth	(3,088)	(5,551)	(4,341)	1,210
The City Surveyor	0	(1,062)	(1,062)	0
Total Central Risk	(7,565)	(13,956)	(10,770)	3,186
Support Services	(4,369)	(4,369)	(4,742)	(373)
Net Expenditure	(21,741)	(31,290)	(27,387)	3,903

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 £27.387m compared to a budget of £31.290m, resulting in an underspend of £3.903m. 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 Chief Operating Officer - £0.227m underspend** - This underspend is due to vacant posts in the service area.

- ii. **The Remembrancer - £0.123m overspend-** The increase in expenditure is due to overspends on events (**£0.077m**) and repairs & maintenance (**£0.066m**) for improvements to the North Wing Reception and Guildhall complex fire strategy Review which although showing as an overspend in P&R are covered by budgets within the cyclical works programme (CWP).
- iii. **The Executive Director of Innovation & Growth - £0.923m underspend** – The decrease in expenditure is predominantly against the Destination City growth bid (**£1.065m**). This underspend was identified by the team in year, and a carry forward request of £836k was agreed by committee in February. This carry forward amount was amended to £800k based on the overall IG underspend at year end. The growth bid carry forward is not reflected in the outturn figures as they are produced before carry forwards are formally agreed. This is partially offset by increased expenditure elsewhere in IG driven by higher than expected external recruitment costs.

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

- i. **The Town Clerk & Deputy Town Clerk - £1.963m underspend** – The driver of the decreased expenditure in Deputy Town Clerk is due to: policy initiative funding (**£1.170m underspend**) this underspend is composed of a combination of underspends against projects which were awarded funding (**£0.469m underspend**) and a closing balance of uncommitted funds (**£0.701m**).

In addition, there was underspends on COVID contingency budget (**£0.293m**) and P&R contingency underspends of (**£0.458m**). As well as an underspend of (**£0.343m**) on the P&R project reserve. All contingency underspends will have carry forward requests attached to them.

- ii. **Executive Director of Innovation & Growth - £1.210m underspend** – The driver of this underspend is within climate action strategy where there was decreased expenditure of £1.171m. Attributed to a delay in projects which will now be commenced in year 3 due to a reassessment of plans based on continuous learning.

Carry Forwards to 2023-24

- 5. There is a carry forward request of £2.373m. Details of the Carry Forwards are set out in Appendix 2.

Year-end position and financial pressure in 2023/24

- 6. Looking forward to 2023/24 there are no significant financial risks which have been identified.

Appendices

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

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Appendix 1

Analysis of movements 2022/23 Original Budget to Final Budget	£000
Original Local Risk Budget (Town Clerk)	(2,443)
2022-23 Pay award	(89)
21-22/22-23 Carry Forwards	(55)
Ceremonial contingency drawdown	(194)
COVID contingency carry forward	(47)
COVID Contingency transfers- Square Mile Recovery Communications Officer	(80)
Extinction Rebellion costs	(15)
Virement in relation to corporate volunteering activities	(38)
Final Local Risk Budget (Town Clerk)	(2,941)
Original Local Risk Budget (COO)	(236)
Continuous Improvement - (Met from Finance Cttee)	(300)
Budget Uplift: Jul22 Pay Award	(8)
Final Local Risk Budget (COO)	(544)
Original Local Risk Budget (Remembrancer)	(1,379)
2022-23 Pay Award	(42)
Final Local Risk Budget (Remembrancer)	(1,421)
Original Local Risk Budget (IG)	(5,749)
2022-23 Pay Award	(71)
21-22/ 22-23 Budget Carry Forwards	(30)
Budget virement in relation to the Policy Chairman travel expenses	48
2022-23 funding returned to PIF- Global Investment Futures	120
21-22 Destination City carry forward	(77)
Allocation of 22-23 Destination City growth bid	(2,300)
Final Local Risk Budget (IG)	(8,059)
Original Central Risk Budget (Town Clerk)	(2,591)
PIF uncommitted balance brought forward from 2021/22	(137)
PIF unspent balances deferred from 2021/22	(889)
PIF unspent balances in 2021/22 returned to Fund	(204)
COVID contingency allocation 2022/23	555
COVID contingency carry forward from 2021/22	(728)
COVID contingency transfers back into fund 2022/21	(120)
P&R projects carry forward from 2021/22	(343)
P&R contingency carry forward from 2021/22	(304)
2022/23 Pension strain costs	(72)
2022/23 Pay award	(4)
COL Public Protection Virement	(141)
Final Central Risk Budget (Town Clerk)	(4,957)
Original Central Risk Budget (COO)	(600)
Redundancy costs funded through central contingency budget	(289)
Final Central Risk Budget (COO)	(889)
Original Central Risk Budget (Remembrancer)	(1,286)
21/22 - 22/23 Carry Forwards- City Hospitality	(211)
Final Central Risk Budget (Remembrancer)	(1,497)
Original Central Risk Budget (IG)	(3,088)
2022-23 Pay Award	(70)
Allocation of 22-23 Climate Action Strategy budget	(2,393)
Final Central Risk Budget (IG)	(5,551)
Original Central Risk Budget (CS)	0
2022-23 SRP budget allocation	(1,062)
Final Central Risk Budget (CS)	(1,062)
Original Support Services and Capital Charges Budget	(4,369)
Net movements	0
Final Support Services and Capital Charges Budget	(4,369)
Total Original Budget	(21,741)
Total increase	(9,549)
Total Final Budget	(31,290)

Appendix 2

Approved Carry Forward Requests to 2023/24	£000
Local Risk	
<u>Executive Director Innovation & Growth</u>	
2022/23 Destination City Growth Bid underspend	800
Total Local Risk	800
Central Risk	
<u>The Town Clerk</u>	
2022/23 Policy Initiative Fund unallocated funds	701
2022/23 COVID Contingency Fund unallocated funds	172
2022/23 P&R Project Reserve unallocated funds	343
2022/23 P&R Contingency unallocated funds	357
Total Central Risk	1573
Total Carry Forward Requests	2,373