

<b>Committee:</b>	<b>Date:</b>
Corporate Services Committee	<b>10th January 2024</b>
<b>Subject:</b> Departmental Budget Estimates 2024-25 – Corporate Services 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 Town Clerk, The Deputy Town Clerk, Chief Strategy Officer, Comptroller & City Solicitor and The Chamberlain	<b>For Decision</b>
<b>Report author:</b> Mark Jarvis - Head of Finance, Chamberlain’s Department Reece Surridge – Finance Business Partner - 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 2023/24 and approve the proposed revenue budget for 2024/25.

The estimates presented in this report are for the services detailed in Appendix 1 by Chief Officer, which are summarised below:

- i) **The Chief People Officer (under the Town Clerk)**– The People & HR Team.
- ii) **Deputy Town Clerk & Chief Strategy Officer (relevant functions of both)**– Town Clerk’s Office, Governance & Member Services, Office of the Policy Chairman and Corporate Health & Safety, Business Support, Corporate Strategy & Performance and Equality, Diversity & Inclusion. (Please note for the purpose of this report Deputy Town Clerk & Chief Strategy Officer have been included together, their budgets will be fully separated by the commencement of 2024/25 financial year)
- iii) **Comptroller and City Solicitor** – Comptroller and City Solicitor’s Office and Democratic & Election Services.

The proposed budget for 2024/25 totals net expenditure of £11.070m, which is an increase of £0.790m (7.68%) compared with the 2023/24 original budget of £10.280m, which is principally due to:

### Increases:

- The full year effect of the July 2023 pay award (£1.014m)
- Net 3% inflation (£0.333m) and
- Incorporation of payroll into People & HR Team budgets (£0.466m) and
- Health & Safety moved into Deputy Town Clerk from City Surveyors (£0.289m) and
- Health & Safety budget has been made permanent (£0.207m).

### Decreases:

- Movement of a post within Town Clerk budgets out of Guildhall admin (£0.044m) and
- Project governance moved to P&R committee (£0.547m) and
- Apprentice contingency central risk budget moved to Finance committee (£1.415) and

- Staff events budget removed from Guildhall Admin (£0.072m).

The overall budget is summarised by Chief Officer in the following table.

Summary Revenue Budgets 23-24 & 24-25	Original Budget	Latest Approved Budget	Movement 2023/24 Original to Latest	Original Budget	Movement 2023/24 Original to 2024/25 Original
By Chief Officer and Risk (Table 1)	2023/24 £m	2023/24 £m	£m	2024/25 £m	£m
<b>Local Risk</b>					
The Chief People Officer (under the Town Clerk)	(3.161)	(3.745)	(0.584)	(4.081)	(0.920)
The Deputy Town Clerk & Chief Strategy Officer	(4.739)	(5.833)	(1.094)	(5.509)	(0.770)
Comptroller & City Solicitor	(0.877)	(1.074)	(0.197)	(1.453)	(0.576)
<b>Total Local Risk</b>	<b>(8.777)</b>	<b>(10.652)</b>	<b>(1.875)</b>	<b>(11.043)</b>	<b>(2.266)</b>
<b>Central Risk</b>					
The Chief People Officer (under the Town Clerk)	(1.415)	(2.079)	(0.664)	0.000	1.415
The Deputy Town Clerk & Chief Strategy Officer	(0.288)	(0.318)	(0.030)	(0.227)	0.061
Comptroller & City Solicitor	0.200	0.200	0.000	0.200	0.000
<b>Total Central Risk</b>	<b>(1.503)</b>	<b>(2.197)</b>	<b>(0.694)</b>	<b>(0.027)</b>	<b>1.476</b>
Support Services inc Guildhall Admin Recharge	10.280	11.198	0.918	11.070	0.790
<b>Committee Total</b>	<b>0.000</b>	<b>(1.651)</b>	<b>(1.651)</b>	<b>0.000</b>	<b>(0.000)</b>

Figures in brackets indicate expenditure, increases in expenditure, or decreases in income.

## Recommendation

Members are asked to:

- Note the latest revenue budget for 2024/25,
- Review and approve the estimate for 2024/25 for submission to the Finance Committee,
- Authorise the Chamberlain, in consultation with the Town Clerk, Deputy Town Clerk, the Comptroller and City Solicitor to revise these budgets to allow for any further implications arising from Corporate Projects, other reviews and changes to the Cyclical Works Programme,
- Authorise the Chamberlain to agree minor amendments for 2023-24 and 2024-25 budgets arising during budget setting be delegated to the Chamberlain.

## Main Report

### Background

1. An overview of the services provided under this Committee can be found in Appendix 1.

### Estimate for 2024/25

2. This report seeks approval to the estimate for 2024/25 in relation to the operational services overseen by your committee. 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 2023/24 and proposed budget for 2024/25.

### Assumptions

- The estimate for 2024/25 includes a 3% uplift for inflation and the full year impact of pay increases to staff arising from the pay deal effective from July 2023 & the winter pay award effective from April 2023.
- The estimate for 2024/25 does not include any potential new pay deal from July 2024.

5. 2023/24 budget movements in relation to the split up of areas formerly under the Chief Operating Officer have been reflected in both the original & latest approved budgets.

#### **Latest Approved Budget 2023/24**

6. The latest approved budget for 2023/24 totals net expenditure of £12.849m which is an increase of £2.569m (24.99%) compared with the original budget of £10.280m. The main reasons for this increase are:
- i) **The Chief People Officer (under the Town Clerk) (£1.248m net increase)** – Allocations from contingency of £0.212m for redundancy costs, £0.047m of underspends carried forward to provide HR Support, £1.415m transfer of apprentice contingency budget to finance committee, £1.859m contingency drawdown for HR transformation projects and £0.079m – July '23 pay award, £0.047m 2022/23 carry forwards & £0.466m adjustments to unidentified savings budgets.
  - ii) **Deputy Town Clerk & Chief Strategy Officer (£1.124m net increase)** – £0.060m winter payment award effective from April '23, £0.185m July 23 pay award, £0.101m carry forwards in relation to underspends against transformation fund, £0.405m transfer from other budgets in line with previous committee approvals to fund the CPR office, £0.424m H&S contingency drawdown & transfer of budget from surveyors and £0.072m budget reduction in relation to the transfer of staff event budgets to Finance committee.
  - iii) **Comptroller & City Solicitor (£0.197m net increase)** - £0.053m winter payment award effective from April '23 & £0.144m July 23 pay award.

#### **Estimate 2024/25**

7. The proposed budget for 2024/25 totals net expenditure of £11.070m, which is an increase of £0.790m (7.68%) compared with the 2023/24 original budget of £10.280m. The main reasons for this increase are:
- i) **The Chief People Officer (under the Town Clerk) (£0.495m net decrease)** - Full effect of the July 23 pay award and April '23 winter payment £0.395m, net 3% inflation £0.157m, apprenticeship contingency budgets transfer to finance committee £1.415m.
  - ii) **Deputy Town Clerk & Chief Strategy Officer (£0.859m net increase)** – Full year effect of the winter payment and July '23 pay award and April '23 winter payment £0.333m, 3% net expenditure inflationary uplift £0.150m and the transfer of staff event budgets from Corporate Services Committee to Finance Committee £0.072m, H&S contingency allocation & transfer of budget from surveyors £0.424m.
  - iii) **Comptroller and City Solicitor (£0.330m net increase)** – The full effect of the winter payment and July '23 pay award £0.295m and net 3% inflation £0.035m.
  - iv) **An increase in recharges (£0.164m net increase)** across all three Chief Officer Areas due to the increased cost of running the Guildhall facilities.

#### **Potential Further Budget Adjustments**

8. 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.
9. In particular it should be noted that there are unknown resource requirements yet to be quantified relating to requirements associated with the Equality, Diversity and Inclusion team (which has just transferred to the Chief Strategy Officer's function). This is highlighted in that departmental business plan and, in particular, it should be noted that headcount will increase in 2024/25 to stabilise the function and build it to deliver Member ambitions and commitments.
10. Equally, with the recent transfer of the Corporate Health & Safety function to the Deputy Town Clerk and the outcomes of the independent review into the City Corporation's Health & Safety arrangements being quantified, it is possible that some additional resource may be required to meet obligations in this area (please see separate report, Health & Safety Update, on the agenda for this Committee).
11. Finally, it should be noted that the current budgeting arrangements see the Deputy Town Clerk and Chief Strategy Officer's financial information merged and reported on together in this report, as a consequence of historic budgeting and structural arrangements. Work will be undertaken over the coming year to disaggregate these to reflect the structural position and ensure proper staffing and operational budget reporting, aiding greater scrutiny and transparency.

### Staffing Statement

12. A summary of the employee related costs and FTEs by department are shown in the table below.

Corporate Services Committee Operational Services staffing statement by Chief Officer	Original Budget 2023-24		Estimate 2024-25	
	Staffing Full-time equivalent	Estimated cost £m	Staffing Full-time equivalent	Estimated cost £m
The Chief People Officer (under the Town Clerk)	62.4	3.954	63.6	4.557
Deputy Town Clerk & Chief Strategy Officer	70.2	4.991	69.7	5.835
Comptroller and City Solicitor	54.5	5.098	59.3	5.140
<b>TOTAL</b>	<b>124.7</b>	<b>10.089</b>	<b>129</b>	<b>10.975</b>

13. Staffing levels for The Deputy Town Clerk & The Chief Strategy Officer combined have reduced by 0.5 FTE's from 2023/24. For the Town Clerk they have increased by 1.2 FTE and increased by 4.8 FTE for the Comptroller and City Solicitor between 2023/24 and 2024/25 budgets giving a net increase in FTE of 4.2 due to the incorporation of Elections department into their service. The estimated equivalent cost has increased by £0.886m due to the overall increase in staffing numbers and the recent pay award.

### Corporate & Strategic Implications

14. The Town Clerk's Office lies at the centre of the City Corporation's strategic management processes, helping to shape the development of corporate policy and strategy. It provides corporate leadership and co-ordination at officer level. The Town Clerk's Office is also responsible for promoting high standards of corporate governance and providing support to Members and Committees.

### **Security implications**

15. There are currently no Security Implications identified as a result of the budgets.

### **Financial implications**

16. Finance Committee and the Court of Common Council has proposed that a 3% inflationary increase on the Original 2023-24 net local risk budgets should be made by all departments in their 2024-25 local risk budgets.

17. The Town Clerk's Department, The Deputy Town Clerk and Comptroller and City Solicitor's Department budgets have been prepared in accordance with guidelines agreed by the Corporate Services and Finance Committees.

### **Equalities Implications**

18. Whilst there are currently no Public Sector Equality Duty Implications arising from this specific budget report, it should be noted that there may be potential equalities implications in terms of our ability to discharge equality duties within the current resource arrangements (as referenced in the Corporate Performance & Strategy Team's business plan report, elsewhere on this Committee's agenda). The requirements for the EDI Corporate Team including resource considerations will be scoped by quarter one, FY 2024-25.

### **Resourcing implications**

19. The budgets presented in this report are within their available resource base. However, there are budget pressures from resourcing identified earlier in this report.

### **Conclusion**

20. This report presents the budget estimates 2024-25 for the Town Clerk's, Deputy Town Clerk, Chief Strategy Officer and Comptroller & City Solicitor's Departments for Members to consider and approve.

### **Appendices**

- Appendix 1 – Summary of Services by Chief Officer
- Appendix 2 – The Corporate Services Committee Detail Budget with Notes
- Appendix 3 – Corporate Services Committee Budget – Analysis of Risk by Chief Officer

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**Summary of Services by Chief Officer (relevant to this committee)**

**The Chief People Officer (under the Town Clerk):**

- The People & HR Team

**Deputy Town Clerk:**

- Corporate Health and Safety
- Town Clerk's Office
- Governance & Member Services
- Office of the Policy Chairman
- Business Support

It should be noted that this paper only reports on those elements of the DTC function which fall under the remit of these committees, i.e, as set out in this report Other elements, e.g., the London Metropolitan Archives, the Police Authority, Mansion House, etc are the subject of separate reporting to the relevant service committees and relevant figures are therefore excluded from this report

**Chief Strategy Officer:**

- Equity, Equality, Diversity & Inclusion
- Corporate Strategy & Standards
- Corporate Performance & Analysis
- Business Planning
- Corporate Risk Management

**Deputy Chief Executive, Comptroller and City Solicitor Comptroller:**

- Contracts and Litigation Division
- Property Division
- Public & Corporate Law Division
- Office Services Division
- Electoral Services

## Appendix 2

CORPORATE SERVICES COMMITTEE Analysis of Service Expenditure By Risk and Chief Officer	Actual 2022-23	Original Budget 2023-24	Latest Approved Budget 2023-24	Original Budget 2024-25	Movement Original 2023-24 to Original 2024-25
	Em	Em	Em	Em	Em
<b>LOCAL RISK - EXPENDITURE</b>					
Employees	(12.789)	(13.940)	(15.266)	(15.526)	(1.586)
Premises Related Expenses	(0.005)	(0.005)	(0.005)	(0.005)	0.000
Transport Related Expenses	(0.117)	(0.035)	(0.118)	(0.078)	(0.043)
Supplies & Services	(1.510)	(0.933)	(0.933)	(1.114)	(0.181)
Private Contractors	0.000	0.000	0.000	0.000	0.000
Contingency	0.000	1.391	0.000	0.000	(1.391)
Transfer to Reserve	0.000	0.000	0.000	0.000	0.000
Savings to be Applied	0.000	0.000	0.925	0.825	0.825
<b>TOTAL LOCAL RISK - EXPENDITURE</b>	<b>(14.421)</b>	<b>(13.522)</b>	<b>(15.397)</b>	<b>(15.896)</b>	<b>(2.376)</b>
<b>LOCAL RISK - INCOME</b>					
Charges for specific services	5.138	4.745	4.745	4.855	0.110
<b>TOTAL LOCAL RISK - INCOME</b>	<b>5.138</b>	<b>4.745</b>	<b>4.745</b>	<b>4.855</b>	<b>0.110</b>
<b>NET LOCAL RISK</b>	<b>(9.283)</b>	<b>(8.777)</b>	<b>(10.652)</b>	<b>(11.043)</b>	<b>(2.266)</b>
<b>CENTRAL RISK - EXPENDITURE</b>					
Employees	(1.625)	(0.106)	(0.903)	(0.790)	(0.684)
Premises Related Expenses	0.000	0.000	0.000	0.000	0.000
Transport Related Expenses	0.000	0.000	0.000	0.000	0.000
Supplies & Services	(0.474)	(0.192)	(2.084)	(0.094)	0.098
Capital Charges	(0.043)	0.000	0.000	0.000	0.000
Childcare vouchers	0.000	0.000	0.000	0.000	0.000
Contingency	0.000	(1.431)	(0.016)	(0.016)	1.415
<b>TOTAL CENTRAL RISK - EXPENDITURE</b>	<b>(2.142)</b>	<b>(1.729)</b>	<b>(3.003)</b>	<b>(0.900)</b>	<b>0.829</b>
<b>CENTRAL RISK - INCOME</b>					
Charges for specific services	0.025	0.226	0.806	0.200	(0.028)
Other Contributions	0.000	0.000	0.000	0.673	0.673
<b>TOTAL CENTRAL RISK - INCOME</b>	<b>0.025</b>	<b>0.226</b>	<b>0.806</b>	<b>0.873</b>	<b>0.647</b>
<b>NET CENTRAL RISK</b>	<b>(2.117)</b>	<b>(1.503)</b>	<b>(2.197)</b>	<b>(0.027)</b>	<b>1.476</b>
<b>TOTAL EXPENDITURE BEFORE SUPPORT SERVICES</b>	<b>(11.400)</b>	<b>(10.280)</b>	<b>(12.849)</b>	<b>(11.070)</b>	<b>(0.790)</b>
Central Recharges	(1.863)	(1.859)	(1.859)	(1.895)	0.164
Capital Charges	0.000	0.000	0.000	0.000	0.000
Recharges Within Fund	0.041	0.033	0.033	0.033	0.000
Recharges Across Funds	0.647	0.117	0.117	0.117	0.000
GA Recharge	12.575	11.989	12.907	12.615	0.626
<b>TOTAL NET EXPENDITURE RECHARGED AS SUPPORT SERVICES</b>	<b>11.400</b>	<b>10.280</b>	<b>11.198</b>	<b>11.070</b>	<b>0.790</b>
<b>By Chief Officer:</b>					
The Chief People Officer (under the Town Clerk)	(5.124)	(4.578)	(5.824)	(4.081)	0.495
The Deputy Town Clerk & Chief Strategy Officer	(5.545)	0.000	0.000	0.000	0.000
Comptroller and City Solicitor	(0.731)	(0.677)	(0.874)	(1.253)	(0.578)
	<b>(11.400)</b>	<b>(5.253)</b>	<b>(6.698)</b>	<b>(5.334)</b>	<b>(0.081)</b>

Notes - Examples of types of service expenditure:-

- (i) Supplies and Services – equipment, furniture, materials, uniforms, printing, stationery, professional fees, grants & subscriptions.
- (ii) Charges for specific services – printing & stationery charges, commercial property fee income, corporate recruitment, HR services to
- (iii) Employees (central risk) – includes union representatives, Chief Officers recruitment advertising, long service mementoes.
- (iv) Support services reflect the share of the Guildhall complex costs and IS charges.
- (v) Transformation Fund expenditure reallocated across all funds

## Appendix 3

CORPORATE SERVICES COMMITTEE Analysis of Risk by Chief Officer	Original Budget 2023-24	Latest Approved Budget 2023-24	Original Budget 2024-25	Movement from Original 2023-24 to Original 2024-25
	£m	£m	£m	£m
<b>The Chief People Officer (under the Town Clerk)</b>				
<b>Local Risk</b>				
Expenditure	(3.731)	(4.315)	(4.576)	(0.845)
Income	0.570	0.570	0.495	(0.075)
<b>Total Local Risk</b>	<b>(3.161)</b>	<b>(3.745)</b>	<b>(4.081)</b>	<b>(0.920)</b>
<b>Central Risk</b>				
Expenditure	(1.415)	(2.885)	(0.673)	0.742
Income	0.000	0.606	0.673	(0.075)
<b>Total Central Risk</b>	<b>(1.415)</b>	<b>(2.079)</b>	<b>0.000</b>	<b>1.415</b>
Support Charges inc Guildhall Admin Recharges	4.576	5.042	4.081	(0.495)
<b>Total The Chief People Officer (under the Town Clerk)</b>	<b>0.000</b>	<b>(0.782)</b>	<b>0.000</b>	<b>0.000</b>
<b>The Deputy Town Clerk &amp; Chief Strategy Officer</b>				
<b>Local Risk</b>				
Expenditure	(4.739)	(5.833)	(5.509)	(0.770)
Income	0.000	0.000	0.000	0.000
<b>Total Local Risk</b>	<b>(4.739)</b>	<b>(5.833)</b>	<b>(5.509)</b>	<b>(0.770)</b>
<b>Central Risk</b>				
Expenditure	(0.314)	(0.318)	(0.227)	0.087
Income	0.026	0.000	0.000	(0.026)
<b>Total Central Risk</b>	<b>(0.288)</b>	<b>(0.318)</b>	<b>(0.227)</b>	<b>0.061</b>
Support Charges inc Guildhall Admin Recharges	5.027	5.479	5.736	0.709
<b>Total Deputy Town Clerk &amp; Chief Strategy Officer</b>	<b>0.000</b>	<b>(0.672)</b>	<b>0.000</b>	<b>0.000</b>
<b>Comptroller and City Solicitor</b>				
<b>Local Risk</b>				
Expenditure	(5.052)	(5.249)	(5.813)	(0.761)
Income	4.175	4.175	4.380	0.185
<b>Total Local Risk</b>	<b>(0.877)</b>	<b>(1.074)</b>	<b>(1.453)</b>	<b>(0.576)</b>
<b>Central Risk</b>				
Expenditure	0.000	0.000	0.000	0.000
Income	0.200	0.200	0.200	0.000
<b>Total Central Risk</b>	<b>0.200</b>	<b>0.200</b>	<b>0.200</b>	<b>0.000</b>
Support Charges inc Guildhall Admin Recharges	0.677	0.677	1.253	0.576
<b>Total Comptroller and City Solicitor</b>	<b>0.000</b>	<b>(0.197)</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Net Expenditure (recharged as support services across the City Corporation's activities)</b>	<b>0.000</b>	<b>(1.651)</b>	<b>0.000</b>	<b>0.000</b>

Figures in brackets indicate expenditure, increase in expenditure or decreases in income