

Committee:	Date:
Policy and Resources	18th January 2024
Subject: Departmental 2024/25 Budget Estimates - Policy and Resources Committee	Public
Report of: The Deputy Town Clerk, Remembrancer, Executive Director of Innovation Growth, The Chamberlain, The Executive Director of Environment & The Executive Director of Corporate Communications & External Affairs	For Decision
Report author: Mark Jarvis - Head of Finance, Chamberlain's Department Reece Surrige – Finance Business Partner - Chamberlains	

Summary

This report is the annual submission of the revenue budgets in relation to the operational services directly overseen by this 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) Deputy Town Clerk – Strategic Security & Resilience, Town Clerk's Charities, Grants and Contingencies (including grants to outside organisations and control of the Policy Initiative Fund and Contingency budgets).
- ii) Executive Director of Innovation & Growth – Innovation & Growth (which incorporates the Climate Action Strategy).
- iii) Remembrancer – Parliamentary and Ceremonial functions including the hosting of hospitality events.
- iv) The Chamberlain – Project Governance and the Major Programmes Office.
- v) The Executive Director of Environment – Small Business, Enterprise & Research Centre (SBREC).
- vi) Executive Director of Corporate Communications & External Affairs – Corporate communications, external affairs & media team.

The proposed budget for 2024/25 totals net expenditure of £28.523m, which is an increase of £2.540m (9.78%) compared with the 2023/24 original budget of £25.983m, which is principally due to:

- The full year effect of the July 2023 pay award (£0.747m),
- Net 3% inflation (£0.338m),
- Internal virement in relation to corporate volunteering budgets (£0.040m),
- Removal of continued improvement budget from project governance in line with agreed funding timeframes (£0.300m),
- A central risk budget reduction in line with Innovation & Growths agreement with the Green Finance Initiative (GFI) (£0.200m),
- A decrease in capital and support services recharges (£0.324m),
- Climate Action Strategy budgets have been reprofiled in line with their anticipated project pipeline for 24/25.

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

Summary Revenue Budgets Chief Officer and Risk (Table 1)	2023/24 and 2024/25 By	Original Budget 2023/24	Latest Budget 2023/24	Movement 2023/24 Original to 2023/24 Latest	Original Budget 2024/25	Movement 2023/24 Original to 2024/25 Original
		£m	£m	£m	£m	£m
Local Risk						
The Deputy Town Clerk		(0.870)	(0.930)	(0.060)	(0.893)	(0.023)
Executive Director of Innovation Growth		(6.046)	(9.338)	(3.292)	(6.497)	(0.451)
The Remembrancer		(1.437)	(1.473)	(0.036)	(1.570)	(0.133)
The Chamberlain		(0.547)	(0.552)	(0.005)	(0.285)	0.262
Executive Director of Environment		(0.569)	(0.595)	(0.026)	(0.625)	(0.056)
Executive Director of Corporate Communications & External Affairs		(1.840)	(2.088)	(0.248)	(2.079)	(0.239)
Total Local Risk		(11.309)	(14.976)	(3.667)	(11.949)	(0.640)
Central Risk						
The Deputy Town Clerk		(1.871)	(3.747)	(1.876)	(1.621)	0.250
Executive Director of Innovation Growth		(5.441)	(8.770)	(3.329)	(7.817)	(2.376)
The Remembrancer		(1.269)	(1.669)	(0.400)	(1.269)	0.000
The Chamberlain		(0.600)	(1.702)	(1.102)	(0.671)	(0.071)
Executive Director of Corporate Communications & External Affairs		(0.720)	(0.740)	(0.020)	(0.747)	(0.027)
Total Central Risk		(9.901)	(16.628)	(6.727)	(12.125)	(2.224)
Capital and Support Services		(4.773)	(4.773)	0.000	(4.449)	0.324
Committee Total		(25.983)	(36.377)	(10.394)	(28.523)	(2.540)

Note: figures in brackets indicate expenditure, increases in expenditure, or decreases in income.

Recommendations

Members are asked to:

- Review and approve the Deputy Town Clerk's, Remembrancer's, Executive Director of Innovation & Growth, The Chamberlains, The Executive Director of Environment & The Executive Director of Corporate Communications & External Affairs proposed revenue budgets for 2024/25 for submission to the Finance Committee.
- Authorise the Chamberlain, in consultation with the Deputy Town Clerk, Remembrancer, Executive Director of Innovation & Growth, The Chamberlain, The Executive Director of Environment & The Executive Director of Corporate Communications & External Affairs to revise these budgets to allow for any further implications arising from Corporate Projects, other reviews and changes to the Cyclical Works Programme; and

- iii) Authorise the Chamberlain to agree minor amendments for 2023/24 and 2024/25 budgets arising during budget setting.

Main Report

1. An overview of the services provided under this Committee can be found in Appendix 1.
2. This report seeks approval to the estimate for 2024/25 in relation to the operational services overseen by this 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

3. The estimates for 2024/25 include a 3% uplift for inflation based on net expenditure budget 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.
4. The estimate for 2024/25 does not include any potential new pay deal from July 2024.

Latest Approved Budget 2023/24

5. The latest approved budget for 2023/24 totals net expenditure of £33.377m which is an increase of £10.394m (40%) compared with the original budget of £25.983m. The main reasons for this increase are:
 - i) **Deputy Town Clerk (£1.956m net increase)** – Pay awards for July '23 & April '23 winter payment (£0.020m), Uncommitted PIF balances bought forward from 22/23 (£0.701m), Unspent PIF balances deferred from 22/23 (£0.368m), Uncommitted P&R contingency balances bought forward from 22/23 (£0.357m), Unspent P&R contingency balances deferred from 22/23 (£0.121m), and P&R project reserve carry forward from 22/23 (£0.343m).
 - ii) **The Remembrancer (£0.436m net increase)** – Pay awards for July '23 & April '23 winter payment (£0.080m), Coronation drawdown from contingency (£0.400m), Unidentified savings carried forward (£0.044m).
 - iii) **Executive Director of Innovation & Growth (£6.621m net increase)** – Pay awards for July '23 & April '23 winter payment (£0.266m), Destination City growth bid allocation 23/24 (£2.300m), Destination City growth bid carry forward 22/23 (£0.800m), Climate Action Strategy 23/24 budget allocation (£3.247m) which is a budget IG oversees for 5 departments across the organisation.

- iv) **The Chamberlain (£1.107m net increase)** – Pay awards for July '23 & April '23 winter payment (£0.012m), Transformation fund allocations to project governance to fund several organisation wide transformation projects (£1.095m).
- v) **Executive Director of Environment (£0.028m net increase)** - Pay awards for July '23 & April '23 winter payment (£0.028m).
- vi) **Executive Director of Corporate Communications & External Affairs (£0.268m net increase)** – Pay awards for July '23 & April '23 winter payment (£0.108m), Corporate Volunteering budget virement (£0.040m), COVID contingency carry forwards (£0.120m).

Estimate 2024/25

6. The proposed budget for 2024/25 totals net expenditure of £28.523m, which is an increase of £2.540m (9.78%) compared with the 2023/24 original budget of £25.983m. The main reasons for this increase are:
 - i) **Deputy Town Clerk (£0.142m net decrease)** – The full year effect of the July 23 pay award (£0.054m), net 3% inflation (£0.014m), the removal of the Future London budget as no further payments are due (£0.250m).
 - ii) **The Remembrancer (£0.133m net increase)** – The full effect of the July 23 pay award (£0.087m and net 3% inflation (£0.046m).
 - iii) **Executive Director of Innovation & Growth (£2.827m net increase)** – The full effect of the July 2023 pay award (£0.357m), a net 3% inflation uplift (£0.186m), reduction to the Green Finance Initiative budget (£0.200m) and reprofiling has been applied to the climate action strategy budgets in line with anticipated project pipeline.
 - iv) **The Chamberlain (£0.191m net decrease)** – The full effect of the July 2023 pay award and a 3% inflationary uplift (£0.109m) and the removal of project governance's continuous improvement funding (£0.300m).
 - v) **Executive Director of Environment (£0.056m net increase)** – The full effect of the July 2023 pay award (£0.038m) and a net 3% inflation uplift (£0.018m).
 - vi) **Executive Director of Corporate Communications & External Affairs (£0.266m net increase)** - The full effect of the July 2023 pay award (£0.167m), a net 3% inflation uplift (£0.059m) and a budget virement in relation to corporate volunteering (£0.040m).
 - vii) **A decrease in recharges (£0.324m)** – across all six Chief Officer Areas.

Potential Further Budget Adjustments

- i) Members should note that the Cyclical Works Programme (CWP) figures included in the Estimate Report relate only to elements of previously agreed programmes, which will be completed in 2023/24 and 2024/25. The separate bid for CWP works programme for 2024/25 has not been included in this report. The report will be submitted to Committee in January 2024 and will then require approval from Resource Allocation Sub-Committee to agree the funding. Once both Sub-Committees have agreed the 2024/25 programme Members will be advised of the outcome and Members are asked to authorise the Chamberlain to revise the budgets to allow for these approvals.
- ii) Corporate communications & external affairs division are currently reviewing communication related spend across the organisation and as such corporate communications & external affairs budgets may change throughout the year.
- iii) Climate Action Strategy is part of a multi-year programme. IG oversees this budget on behalf of a total of 5 departments. Budget figures shown in this report are estimates for 24/25 however they are subject to change based on developments in the project pipeline.

Staffing Statement

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

Table 2 Staffing Statement	Original Budget 2023-24		Proposed Budget 2024-25	
	Staffing Full-time equivalent	Estimated cost £m	Staffing Full-time equivalent	Estimated cost £m
Deputy Town Clerk	8	0.66	6	0.494
Executive Director of Innovation Growth	84.8	6.353	82.4	6.983
Remembrancer	13.24	1.273	17	1.370
The Chamberlain	11	1.136	13.5	1.174
Executive Director of Environment	6	0.356	9.6	0.612
Executive Director of Corporate Communications & External Affa	28.5	2.074	31	2.413
Grand Total	151.54	11.852	159.5	13.046

8. Staffing levels increased slightly across all chief officers between 2023/24 and 2024/25.

9. A breakdown of staffing costs and FTE’s by division of service can be found in Appendix 3

Capital and Supplementary Revenue Project Costs

The latest estimated costs for the Committee’s current capital and supplementary revenue projects are summarised in Appendix 4.

It should be noted that the figures exclude:

- forecast expenditure on the Major Projects (Salisbury Square Development at Fleet Street, Museum relocation and Markets consolidation) which are subject to separate governance and consideration as part of the medium-term financial plans.

- forecast expenditure on future schemes which have yet to gain approval via the gateway process.

The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2024.

Security Implications

10. There are currently no security implications identified as a result of the business plans and budgets.

Financial Implications

11. The proposed 2024/25 budget includes a 3% inflationary uplift based on the original 2024/25 net local risk budget after 2023/24 pay awards have been factored in.
12. The budgets overseen by this Committee of the Deputy Town Clerk, Executive Director of Innovation & Growth, Remembrancer, The Chamberlain, The Executive Director of Environment and The Executive Director of Corporate Communications & External Affairs have been prepared in accordance with corporate guidelines.

Public sector equality duty

13. There are currently no public sector equality duty implications identified.

Resourcing implications

14. The budgets presented in this report are within their available resource base. As a result, there are currently no resourcing implications identified.

Conclusion

15. This report presents budgets overseen by this Committee for 2024/25 for the Town Clerk, Deputy Town Clerk, Executive Director of Innovation & Growth, The Remembrancer, The Chamberlain & The Executive Director of Corporate Communications & External Affairs for Members to consider and approve.

Appendices

- Appendix 1 – Summary of Services by Chief Officer
- Appendix 2 – Summary Budget – analysis by risk
- Appendix 3 – Staffing Statement by Division of Service
- Appendix 4 - Capital and Supplementary Revenue Projects

Contacts:

Mark Jarvis

Head of Finance: Chamberlains Department

Mark.Jarvis@cityoflondon.gov.uk

Reece Surridge

Finance Business Partner: Chamberlain's Department

Reece.Surridge@cityoflondon.gov.uk

Summary of Services by Chief Officer

Deputy Town Clerk

Strategic Security & Resilience

The Strategic Security & Resilience team has a number of functions, all focused on making the City a safe and pleasant environment in which to work, live and visit. The team provides services internally and for the wider City community, in two main areas: Emergency and Contingency Planning and Security.

Grants and Contingencies

- City's Cash - this covers certain central risk grants payable from City's Cash to outside organisations including Central London Forward and funding towards The CityUK, the Policy Initiatives Fund and the Committee's City's Cash contingency.
- City Fund - this mainly relates to central risk grants payable from the City Fund to outside organisations and grants under the control of Innovation & Growth (IG) which cannot be paid under IG powers.

Town Clerk's Charities

This is the budget given to the Central Grants Unit to enable it to finish carrying out the Corporate Charity Review of the charities that City of London Corporation is a Trustee.

Executive Director of Innovation & Growth

Innovation & Growth (IG)

IG's principal objective is to strengthen the City's competitiveness as the world's leading financial and professional services centre for the long-term, so that the City continues to drive prosperity across London and the UK through its offices in Guildhall, Brussels, China and India. Staff in Central London Forward and Heart of the City are not included in the Policy & Resources Service Overview as, although accommodation is provided for them within Innovation & Growth, they have external funding sources and separate business plans.

In 2023/24, Innovation & Growth will provide pre-agreed grants of £1.0m to external partner organisations, comprising £0.5m to TheCityUK and £0.5m to the Green Finance Institute. These amounts are included in the Summary Original Budget 2023/24 under Central Risk for Innovation & Growth which is £2.851m in total.

Remembrancer

Parliamentary

The Remembrancer is charged with safeguarding the constitutional position of the City of London Corporation and supports its contribution to society, the economy, and the

environment. The Office holder is one of the City's four Law Officers. The Remembrancer is the City's Parliamentary Agent and the Parliamentary Agent for the Honourable the Irish Society, and the City's Chief of Protocol.

The Office is the official level channel of communication between Parliament and the City. In the contemporary context, this means day to day examination of Parliamentary business including examination of and briefing on proposed legislation and amendments to it, regular liaison with the Select Committees of both Houses and contact with officials in Government departments dealing with Parliamentary Bills. The work also includes briefings of members of both Houses for debates in which the City Corporation or City stakeholders have an interest, general liaison and intelligence gathering. The Office monitors the activities of the GLA and its associated bodies and their effect on the City and the work of the devolved administrations.

State, Diplomatic and Ceremonial functions

These include the arrangements for events and related hospitality, the budget for which enables the Remembrancer's Office to facilitate such activities on behalf of the Lord Mayor and the City, or at the request of The King in liaison with His Majesty's Government and organisations and individuals with connections to the City. These include Royal and National occasions, state banquets, other hospitality, related events for visiting Heads of State and Government, distinguished organisations, and individuals. The budget also includes the cost of the Remembrancer's staff who manage these functions.

Functions are held in the Guildhall, Mansion House and other City venues such as Livery Halls, depending on the nature of the event. The Remembrancer's Office also has responsibility for the Lord Mayor's Banquet and elements of the Lord Mayor's Day at Guildhall and the Royal Courts of Justice.

The Chamberlain

Major Programmes Office

The multi-disciplinary team is funded through central risk and made up from a combination of project professionals, finance, procurement, and communications resources. The team works cross-departmentally to ensure effective and efficient decision making for the Major Programmes.

Project Governance

The Project Governance Team ensure all projects have appropriate officer-level governance arrangements in place.

They ensure that - roles and responsibilities for projects are set out clearly and decisions taken at the right level of seniority.

The Executive Director of Corporate Communications & External Affairs

The Corporate Communications & External Affairs Department

The Corporate Communications and External Affairs division is currently comprised of Corporate Affairs, Filming Unit, Media, and Publishing (including internal communications and digital). It sits at the heart of the organisation and oversees the communications and corporate affairs priorities of the organisation and its principals, building the reputation and impact of the City Corporation as a whole and helping it to deliver its goals.

The purpose of the division is to use the power of first-class strategic communications and external engagement across multiple channels and audiences to help deliver the ambitious goals of the City of London Corporation for all the diverse communities we serve on a local, London, national and global scale.

As a highly professional and critical enabling function, the Corporate Communications and External Affairs division supports the City Corporation's strategic commitments, including delivery of the Policy Chairman's priorities and the Lord Mayor's theme.

The Executive Director of Environment

Small Business Research and Enterprise Centre (SBREC)

The Small Business Research & Enterprise Centre (SBREC) is a trusted business support resource based at the Guildhall in the City of London and supports SMEs, sole traders, start-ups and pre-startups. It offers flexible workspaces with dedicated WiFi, with affordable meeting rooms for hire. It provides members with free onsite access to a wide range of specialist business research data for the UK and worldwide. It also offers a subscription membership giving remote 24/7 access to a wider range of in-depth information and data. SBREC works in partnership with many not-for-profit organisations, charities and learning institutions, partnering in projects and knowledge sharing, and delivering bespoke training. SBREC delivers a regular programme of affordable business events supporting small business growth and tailored business start-up 121 advice, both in-person and digitally. SBREC works closely with other City Corporation departments and sections, partnering in projects offering business support.

Policy and Resources Committee
Summary Budget by Risk

SUMMARY BY RISK				
Analysis of Service Expenditure by Risk	Original Budget 2023-24 £m	Latest Approved Budget 2023-24 £m	Proposed Budget 2024-25 £m	Movement 2023-24 ORI to 2024-25 ORI £m
LOCAL RISK <i>(budgets largely within direct control of Chief Officer)</i>				
EXPENDITURE				
Employees	(8.503)	(9.434)	(9.467)	(0.964)
Premises Related Expenses	(0.172)	(0.182)	(0.171)	0.001
Transport Related Expenses	(0.056)	(0.076)	(0.156)	(0.100)
Supplies & Services	(3.432)	(5.493)	(2.479)	0.953
Savings to be Applied	0.000	0.044	0.000	0.000
Total Expenditure	(12.163)	(15.141)	(12.273)	(0.110)
INCOME				
Charges for specific services	0.854	0.165	0.324	(0.530)
Total Income	0.854	0.165	0.324	(0.530)
TOTAL LOCAL RISK	(11.309)	(14.976)	(11.949)	(0.640)
CENTRAL RISK <i>(managed by Chief Officer but outturn can be strongly influenced by factors outside his/her control or are budgets of a corporate nature)</i>				
EXPENDITURE				
Employees	(2.632)	(4.124)	(4.253)	(1.621)
Transport Related Expenses	(0.004)	(0.004)	(0.006)	(0.002)
Supplies & Services	(4.998)	(10.932)	(7.719)	(2.721)
Capital Charges	(0.717)	(0.717)	(0.717)	0.000
Contingency	(1.550)	(1.421)	0.000	1.550
Total Expenditure	(9.901)	(17.198)	(12.695)	(2.794)
INCOME				
Charges for specific services	0.000	0.570	0.570	0.570
Total Income	0.000	0.570	0.570	0.570
TOTAL CENTRAL RISK	(9.901)	(16.628)	(12.125)	(2.224)
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES	(21.210)	(31.604)	(24.074)	(2.864)
SUPPORT SERVICES AND CAPITAL CHARGES				
Central Recharges	(6.414)	(6.414)	(6.087)	0.327
Capital Charges	(0.258)	(0.258)	(0.261)	(0.003)
Recharges Within Fund	0.384	0.384	0.384	0.000
Recharges Across Funds	1.515	1.515	1.515	0.000
Total Support Services and Capital Charges	(4.773)	(4.773)	(4.449)	0.324
TOTAL NET EXPENDITURE	(25.983)	(36.377)	(28.523)	(2.540)

**Policy and Resources Committee
Staffing Statement**

Staffing Statement	Original Budget 2023-24		Proposed Budget 2024-25	
	Staffing Full-time equivalent	Estimated cost £m	Staffing Full-time equivalent	Estimated cost £m
Resilience	7	0.565	5	0.399
Town Clerk's Charities	1	0.095	1	0.095
Total Deputy Town Clerk	8	0.66	6	0.494
Small Business Enterprise & Research Centre	6	0.356	9.6	0.612
Executive Director of Environment	6	0.356	9.6	0.612
Corporate Communications, Media & External Affairs	28.5	2.074	31	2.413
Executive Director of Corporate Communications & External Affairs	28.5	2.074	31	2.413
Innovation & Growth	72.8	5.691	70.4	6.054
Climate Action Strategy	12	0.662	12	0.929
Total Executive Director of Innovation & Growth	84.8	6.353	82.4	6.983
Ceremonial	13.24	1.273	17	1.370
Total Remembrancer	13.24	1.273	17	1.37
Major Programmes Office	8	0.600	8	0.671
Project Governance	3	0.536	5.5	0.503
Total Chamberlain	11	1.136	13.5	1.174
Grand Total	151.54	11.852	159.5	13.046

Policy and Resources Committee
Capital & Supplementary Revenue Projects

Service	Project	Exp. Pre 01/04/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Later Years £'000	Total £'000
Citys Estate	Authority to start work						
Security	Operational Buildings Security Enhancements (residual fees)	332	234	1,658	-	-	2,224
Other Schemes	Crossrail Art Foundation	3,419	80				3,499
Other Schemes	St Lawrence Jewry Church	3,924					3,924
City Fund	Disposal Costs						
Other Schemes	Wallbrook Wharf Feasibility		150		-	-	150
TOTAL POLICY & RESOURCES		7,675	464	1,658	-	-	9,797