

Committee(s)	Dated:
Culture Heritage & Libraries Committee	29 January 2024
Subject: Departmental Budget Estimates 2024-25 – Culture, Heritage and Libraries Committee	Public
Does this proposal require extra revenue and/or capital spending?	N/A
Report of: The Chamberlain Deputy Town Clerk Executive Director of Innovation & Growth Interim Executive Director Environment Executive Director of Community and Children’s Services The City Surveyor	For Decision
Report author: 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 by Chief Officer, which are summarised below:

- i) **Deputy Town Clerk** – Guildhall Library, London Metropolitan Archives (LMA), City Records Service and Heritage Gallery
- ii) **Executive Director of Innovation & Growth** – The Destination City Team made up of - Guildhall Art Gallery, City Outdoors Programme, Visitor and City Information Services
- iii) **Executive Director of Community and Children’s Services** – Artizan Street, Barbican and Shoe Lane Libraries.
- iv) **Interim Executive Director Environment** – Keats House and Monument
- v) **The City Surveyor** – Mayoralty & Shrievalty and Lower Thames Street

The proposed budget for 2024/25 totals net expenditure of £21.481m, which is an increase of £0.570m (2.73%) compared with the 2023/24 original budget of £20.911m, which is principally due to:

- The full year effect of the July 2023 pay award (inc winter payment) (£0.806m),
- Net 3% inflation (£0.231m),
- Increase in repairs and maintenance costs (£0.017m),
- An increase in the Cyclical Works Programme (£0.050m),
- 3% inflationary uplift applied to the Museum of London grant (£0.159m),

- These increases are partially offset by the Small Business, Research & Enterprise Centre transferred to P&R committee (£0.569m),
- Implementation of fundamental review savings (£0.020m),
- A decrease in capital and support services recharges (£0.099m).

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

Summary Revenue Budgets 2023/24 and 2024/25 By Chief Officer and Risk (Table 1)	Original Budget 2023/24	Latest Budget 2023/24	Movement 2023/24 Original to Latest	Original Budget 2024/25	Movement 2023/24 Original to 2024/25
	£m	£m	£m	£m	£m
Local Risk					
The Deputy Town Clerk	(3.880)	(3.588)	0.292	(3.814)	0.066
Executive Director of Innovation Growth	(1.263)	(1.277)	(0.014)	(1.388)	(0.125)
Executive Director of Community and Children's Services	(2.356)	(2.522)	(0.166)	(2.662)	(0.306)
Interim Executive Director Environment	0.038	(0.061)	(0.099)	0.003	(0.035)
The City Surveyor	(0.100)	(0.104)	(0.004)	(0.104)	(0.004)
Total Local Risk	(7.561)	(7.552)	0.009	(7.965)	(0.404)
Central Risk					
The Deputy Town Clerk	(0.742)	(0.742)	0.000	(0.742)	0.000
Executive Director of Innovation Growth	(0.340)	(0.340)	0.000	(0.382)	(0.042)
Executive Director of Community and Children's Services	(0.283)	(0.283)	0.000	(0.283)	0.000
Interim Executive Director Environment	(0.008)	(0.008)	0.000	(0.022)	(0.014)
The City Surveyor	(0.006)	(0.006)	0.000	(0.006)	0.000
Central Management of CHL	(5.292)	(5.292)	0.000	(5.451)	(0.159)
Total Central Risk	(6.671)	(6.671)	0.000	(6.886)	(0.215)
Cyclical Works Programme (CWP)	(0.409)	(0.496)	(0.087)	(0.459)	(0.050)
Capital and Support Services	(6.270)	(6.269)	0.001	(6.171)	0.099
Committee Total	(20.911)	(20.988)	(0.077)	(21.481)	(0.570)

Recommendation

Members are asked to:

- Review the proposed allocation of the 2024/25 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee.
- Authorise the Chamberlain, in consultation with the Deputy Town Clerk, Executive Directors of Community and Children's Services, Environment, Innovation & Growth and the City Surveyor to revise these budgets to allow for any further implications arising from Corporate Projects, the Target Operating Model other reviews and changes to the Cyclical Works Programme.
- Authorise the Chamberlain to agree minor amendments for 2024/25 budgets arising during budget setting.

Main Report

Introduction

1. The revenue budget management arrangements are to:
 - Provide a clear distinction between local risk, central risk and recharge budgets.
 - Place responsibility for budgetary control on departmental Chief Officers.
 - Apply a cash limit policy to Chief Officers' budgets.
2. The budget has been analysed by the service expenditure and compared with the original budget for the current year.
3. 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

4. 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 and winter pay award effective from April 2023.
5. 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.
6. The estimate for 2024/25 does not include the 24/25 Destination City Growth Bid of £2.3m which was in principle awarded for three years (22/23 – 24/25) as a one off from contingency funds each year.

Business Planning Priorities for 2024/25

7. The Deputy Town Clerk's Department, Innovation and Growth Department, Environment Department and Department of Community and Children's Services'

business priorities for the forthcoming year are set out in the 2024/25 business plans.

Departmental budget estimates for 2024/25

8. The proposed budget for 2024/25 totals net expenditure of £21.481m, which is an increase of £0.570m (2.73%) compared with the 2023/24 original budget of £20.911m. The main reasons for this increase are:

i) **Deputy Town Clerk (£0.066m net decrease)** – The full year effect of the July 23 pay award £0.392m and an 3% inflationary uplift of £0.111m. In year SBREC's reporting line was moved from Deputy Town Clerk to the Executive Director of Environment representing a budget decrease 0.569m.

ii) **Executive Directive of Innovation & Growth (£0.167m net increase)** – An increase of £0.167m broken down into - the full effect of the July 23 pay award £0.146m, a net 3% inflationary uplift £0.041m and offset by a previously agreed fundamental review savings of £0.020m.

iii) **Executive Director of Community and Children's Services (£0.306m net increase)** – The full effect of the July 2023 pay award £0.234m, net 3% inflationary uplift £0.079m.

iv) **Interim Executive Director Environment (£0.049m net increase)** – The full effect of the July 2023 pay award £0.034m, and an uplift to capital charges budgets of £0.014m.

v) **The City Surveyor (£0.004m net increase)** – This increase is in relation to an inflationary uplift of £0.004m.

vi) **A decrease in recharges (£0.049m)** – There has been a slight decrease in CHL's apportionment of the central recharges.

Potential Further Budget Adjustments

9. 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.

Latest Approved Budget 2023/24

10. The latest approved budget for 2023/24 totals net expenditure of £20.988m which is an increase of £0.077m (0.37%) compared with the original budget of £20.911m. £0.148m relates to the 2023 winter pay award applied to all staff, £0.399m is in relation to the July 2023 pay award & £0.087m relates to changes in the CWP

budgets. These are net off by a £0.569m reductions due to the relocation of SBREC to P&R committee.

Staffing Statement

11. 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	80.3	(4.279)	72.5	(4.208)
Executive Director of Innovation & Growth	28.4	(1.700)	25.8	(1.767)
Executive Director of Community and Children's Services	46.7	(2.344)	43.4	(2.269)
Interim Executive Director Environment	9.6	(0.525)	8.8	(0.512)
Grand Total	165.0	(8.848)	150.5	(8.756)

12. Staffing levels have decreased for the Deputy Town Clerk' teams, Innovation & Growth and Community and Children's Services between 2023/24 and 2024/25.

13. A breakdown of staffing costs and FTE's by division of service can be found in Appendix 5.

Capital and Supplementary Revenue Project Costs

14. 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.

2023/24 Financial Position as at 31st December 2023

15. CHL committee budgets are forecasting a £41k overspend for 2023/24 financial year as at Q3 period end.

Security Implications

16. All events under the Outdoor Arts Programme will require robust Risk Assessment and Method Statements (RAMS) which will be developed in consultation with internal and external security services including the City Police.

Financial Implications

17. The proposed 2024/25 budget includes a 3% inflationary uplift based on the original 2023/24 budget after 2023 pay award and other adjustments have been taken into account.

18. The budgets overseen by this Committee of the Deputy Town Clerk, Executive Director of Innovation & Growth, Executive Director of Community and Children's

Services and Interim Executive Director Environment have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees.

Public sector equality duty

19. Our fees and charges are regularly benchmarked with neighbouring / competing facilities, but we will continue to informally assess any negative impact on protected characteristic groups.

Resourcing implications

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

Conclusion

21. This report presents budgets overseen by this Committee for 2024/25 for the Deputy Town Clerk, Executive Director of Innovation & Growth, Executive Director of Community and Children's and Executive Director of Environment for Members to consider and approve.

Appendices

- Appendix 1 – Committee Summary – Analysis of Service Expenditure
- Appendix 2 – Summary Revenue Budget by Chief Officer (including recharges)
- Appendix 3 – Capital Project Bids 2024/25
- Appendix 4 – Staffing Statement

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Appendix 1

SUMMARY BY RISK				
	Original Budget	Latest Approved Budget	Proposed Budget	Movement
Analysis of Service Expenditure by Risk	2023-24	2023-24	2024-25	2023-24 ORI to 2024-25 ORI
	£m	£m	£m	£m
LOCAL RISK <i>(budgets largely within direct control of Chief Officer)</i>				
EXPENDITURE				
Employees	(7.373)	(7.584)	(8.083)	(0.690)
Premises Related Expenses	(0.457)	(0.442)	(0.475)	(0.018)
Transport Related Expenses	(0.067)	(0.086)	(0.093)	(0.028)
Supplies & Services	(1.244)	(1.072)	(1.332)	(0.088)
Savings to be Applied	0.279	0.199	0.000	(0.279)
Total Expenditure	(8.862)	(8.965)	(9.983)	(1.101)
INCOME				
Charges for specific services	1.301	1.413	1.998	0.697
Total Income	1.301	1.413	1.998	0.697
TOTAL LOCAL RISK	(7.561)	(7.552)	(7.985)	(0.404)
CENTRAL RISK <i>(managed by Chief Officer but outcome can be strongly influenced by factors outside his/her control or are budgets of a corporate nature)</i>				
EXPENDITURE				
Employees	(0.129)	(0.129)	(0.171)	(0.042)
Premises Related Expenses	(1.098)	(1.098)	(1.098)	0.000
Transport Related Expenses	(0.001)	(0.001)	(0.001)	0.000
Supplies & Services	(0.289)	(0.292)	(0.289)	0.000
Capital Charges	(0.038)	(0.038)	(0.051)	(0.015)
Joint Ventures	(5.292)	(5.292)	(5.450)	(0.158)
Savings to be Applied	0.000	0.023	0.000	0.000
Total Expenditure	(6.823)	(6.823)	(7.038)	(0.215)
INCOME				
Charges for specific services	0.152	0.152	0.152	0.000
Total Income	0.152	0.152	0.152	0.000
TOTAL CENTRAL RISK	(6.671)	(6.671)	(6.886)	(0.215)
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES	(14.232)	(14.223)	(14.851)	(0.619)
SUPPORT SERVICES AND CAPITAL CHARGES				
Central Recharges	(4.720)	(4.719)	(4.318)	0.402
Capital Charges	(1.831)	(1.831)	(2.134)	(0.303)
Recharges Within Fund	(0.175)	(0.175)	(0.175)	0.000
Recharges Across Funds	0.456	0.456	0.456	0.000
Cyclical Works Programme (CWP)	(0.409)	(0.496)	(0.459)	(0.050)
Total Support Services and Capital Charges	(6.679)	(6.765)	(6.630)	0.049
TOTAL NET EXPENDITURE	(20.911)	(20.988)	(21.481)	(0.570)

Appendix 2

Analysis by Service Managed	Fund	Actual 2022/23 £m	Original Budget 2023/24 £m	Latest Approved Budget 2023/24 £m	Original Budget 2024/25 £m	Movement 2023/24 OR 2024/25 OR £m
Executive Director of Innovation & Growth						
Guildhall Art Gallery	CF	(3.025)	(2.774)	(2.782)	(2.616)	0.158
Visitor & City Information Services	CF	(1.093)	(1.110)	(1.089)	(1.235)	(0.125)
City Outdoor Arts Programme	CF	(0.578)	(0.369)	(0.398)	(0.410)	(0.041)
Total Executive Director of Innovation & Growth		(4.696)	(4.253)	(4.269)	(4.261)	(0.008)
Deputy Town Clerk						
Guildhall Library	CF	(0.626)	(0.574)	(0.605)	(0.610)	(0.036)
Small Business, Enterprise & Research Centre (SBREC)	CF	(0.540)	(0.569)	0.000	0.000	0.569
London Metropolitan Archives	CF	(3.071)	(2.970)	(3.187)	(3.253)	(0.283)
London Metropolitan Archives Projects	CF	0.000	(0.101)	(0.140)	(0.098)	0.003
City Records Services	CF	(1.045)	(0.985)	(1.054)	(1.215)	(0.230)
Heritage Gallery	CE	(0.025)	(0.025)	(0.025)	(0.025)	0.000
Total Deputy Town Clerk		(5.307)	(5.224)	(5.011)	(5.201)	0.023
Interim Executive Director Environment						
Keats House	CE	(0.382)	(0.300)	(0.372)	(0.431)	(0.131)
Monument	CE	(0.125)	0.092	0.065	0.018	(0.074)
Total Interim Executive Director Environment		(0.507)	(0.208)	(0.307)	(0.413)	(0.205)
Director of Community & Children's Services						
Barbican & Shoe Lane Libraries	CF	(3.059)	(3.131)	(3.287)	(3.431)	(0.300)
Artizan Street Library	CF	(0.421)	(0.398)	(0.413)	(0.446)	(0.048)
Total Director of Community & Children's Services		(3.480)	(3.529)	(3.700)	(3.877)	(0.348)
City Surveyor						
Roman Remains & Guildhall Complex Land	CF	(0.028)	(0.035)	(0.037)	(0.025)	0.010
Mayoralty & Shrievalty	CE	(0.157)	(0.118)	(0.120)	(0.123)	(0.005)
Total City Surveyor		(0.185)	(0.153)	(0.157)	(0.148)	0.005
Culture, Heritage & Libraries Directorate						
Museum of London	CF	(2.119)	(2.252)	(2.252)	(2.131)	0.121
	CF	(5.292)	(5.292)	(5.292)	(5.450)	(0.158)
Total City Fund	CF	(20.897)	(20.560)	(20.536)	(20.920)	(0.360)
Total City's Cash	CE	(0.689)	(0.351)	(0.452)	(0.561)	(0.210)
Total		(21.586)	(20.911)	(20.988)	(21.481)	(0.570)

Appendix 3- Capital Project Bids for 2024/25

No Capital Bids for 2024/25.

Appendix 4

Staffing statement	Original Budget 2023/24		Original Budget 2024/25	
	Staffing FTE	Estimated cost £m	Staffing FTE	Estimated cost £m
Guildhall Library	8.5	(0.460)	9	(0.495)
Small Business and Research Enterprise Centre (SBREC)	7	(0.416)	0	0.000
London Metropolitan Archives (LMA)	36.7	(1.985)	36.7	(2.175)
London Metropolitan Archives (LMA) Projects	10.0	(0.449)	7.1	(0.377)
City Records Services	18.1	(0.969)	19.7	(1.161)
Total Deputy Town Clerk	80.3	(4.279)	72.5	(4.208)
Guildhall Art Gallery	3.2	(0.201)	2.6	(0.193)
Visitor Services & City Information Centre	25.2	(1.499)	23.2	(1.574)
Total Executive Director of Innovation & Growth	28.4	(1.700)	25.8	(1.767)
Barbican and Shoe Lane Libraries	40.7	(2.086)	37.4	(1.981)
Artizan Street Library	6.0	(0.258)	6	(0.288)
Total Executive Director of Community and Children's Services	46.7	(2.344)	43.4	(2.269)
Keats House	4.0	(0.245)	3.9	(0.247)
Monument	5.6	(0.280)	4.9	(0.265)
Total Interim Executive Director Environment	9.6	(0.525)	8.8	(0.512)
TOTAL CULTURE, HERITAGE AND LIBRARIES	165.0	(8.848)	150.5	(8.756)