

Committee:	Date:
Corporate Services Committee	11 th September 2024
Subject: Revenue Outturn 2023-24	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 Deputy Town Clerk, The Chief Strategy Officer, The Comptroller and City Solicitor, Chief People Officer, The Chamberlain	For Information
Report Authors: Mark Jarvis, Head of Finance, Chamberlain's Department Reece Surridge, Senior Accountant, Chamberlain's Department	

Summary

This report compares the revenue outturn for the services overseen by your committee in 2023-24 with the final budget for the year. It also details the carry forward requests which have been approved.

The outturn presented in this report are for the services, which are summarised below:

- i) **Deputy Town Clerk** – Town Clerk's Office, Governance & Member Services, Office of the Policy Chairman, Corporate Health & Safety, Business Support
- ii) **Comptroller and City Solicitor** – Comptroller and City Solicitor's Office & Democratic & Election Services
- iii) **Chief People Officer** – Corporate HR, Occupational Health & Staff Training
- iv) **Chief Strategy Officer** – Corporate Strategy & Performance and Equality, Diversity & Inclusion
- v) **The Chamberlain & Chief Financial Officer** – Project Governance

Overall total net service expenditure during the year was £13.7m whereas the budget was £16.6m representing an underspend of £2.9m predominately owing to a £2.6m variance against central recharges. Excluding central recharges, the variance to budget was a £0.3m underspend.

During 2023/24 a review of central support services recharges was carried out. This involved updating the basis of apportionment and underlying data for recharges following the Target Operating Model (TOM) and Governance Review along with trying to make them more transparent and fairer across all services. The updated data and basis has led to several variations to the original budget across committees, but overall total recharges have remained within the original envelope. Consultation has been held with areas where recharges are funded from local reserves, i.e. HRA and Police and City Bridge Foundation. Any

variation/increase in costs across other services are met from the deficit funding and have no effect on front-line service outturns.

The full review and proposals for ongoing application is due to be brought to members in the autumn. Should the recommendations of the review be approved and fully adopted, the 2024/25 budget will be reviewed and updated where necessary.

	Approved Revised Budget	Revenue Outturn	Variations (Worse)/Better against Final Budget
Chief Officer	£000's	£000's	£000's
The Deputy Town Clerk	-4,580	-4,303	277
Chief Strategy Officer	-1,371	-1,321	50
Executive Director of HR & Chief People Officer	-5,999	-6,145	-146
Comptroller and City Solicitor and Deputy Chief Executive	-1,154	-1,741	-587
Chamberlain & Chief Financial Officer	-1,672	-944	728
Total Chief Officer	-14,776	-14,454	322
Central Services	-1,835	749	2,584
Total Net Service Expenditure	-16,611	-13,705	2,906
Recovery of Central Services Support Costs	16,611	13,705	-2,906
Net Expenditure	0	0	0

Expenditure and unfavourable variances are presented in brackets.

The overall outturn shows an underspend of £0.322m which comprises of variations across several services which are detailed in paragraphs 3 and 4 in this report. The main variations are:

- **Deputy Town Clerk's- underspend of £0.277m** – The underspend is primarily due to vacancies and natural staff attrition throughout the service.
- **Chief Strategy Officer- underspend of £0.050m** – EDI had a total underspend of £0.069m which is partially offset by a small overspend in corporate strategy & performance.
- **Executive Director of HR & Chief People Officer – overspend of £0.064m** – This is due to local risk staffing overspends being partially mitigated by central risk underspends (transformation fund).
- **Comptroller and City Solicitor & Deputy Chief Executive – overspend of £0.587m**- Was a result of no commercial property transactions related legal fee income being received in addition to over-established staff.
- **Chamberlain & Chief Financial Officer – underspend of £0.727m** – Driven by an underspends against transformation funded projects within project governance.

There are approved carry forward requests of £0.039m these are agreed and are detailed in Appendix 2.

Recommendations

Members are asked to note the:

- Revenue outturn for 2023/24 showing an overall favourable variance to final budget of £2.9m (£0.3m excl. central recharges); and
- Agreed carry forward requests of local risk budgets of £39k to 2024/25.

In Report

Budget Position for 2023-24

- The 2023-24 original budget for the services overseen by your committee was £12.508m as endorsed by the Court of Common Council in March 2023. This has subsequently been increased to a final budget of £16.611m, to allow for pay awards and allocations from contingencies, alongside approved carry forwards from the prior year. A full analysis of the increase of £4.103m is provided in Appendix 1.

Revenue Outturn for 2023-24

- As indicated in the table in the summary, actual net expenditure for your committee's services during 2023-24 excluding recharges totalled £14.454m compared to a budget of £14.776m, resulting in an underspend of £0.322m. 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.

Summary Revenue Budgets 2023/24 By Chief Officer and Risk	Approved Revised Budget 2023/24 £000's	Revenue Outturn 2023/24 £000's	Variations (Worse)/Better against Final Budget £000's
Local Risk			
The Deputy Town Clerk	-4,273	-4,021	252
Chief Strategy Officer	-1,334	-1,295	39
Executive Director of HR & Chief People Officer	-3,916	-4,564	-648
Comptroller and City Solicitor and Deputy Chief Executive	-1,354	-1,741	-387
Chamberlain & Chief Financial Officer	-577	-571	6
Total Local Risk	-11,454	-12,193	-739
Central Risk			
The Deputy Town Clerk	-307	-281	26
Chief Strategy Officer	-37	-26	11
Executive Director of HR & Chief People Officer	-2,083	-1,580	503
Comptroller and City Solicitor and Deputy Chief Executive	200	0	-200
Chamberlain & Chief Financial Officer	-1,095	-373	722
Total Central Risk	-3,322	-2,261	1,061
Central Recharges	-1,835	749	2,584
Recovery of Central Support Services	16,611	13,705	-2,906
Committee Total	0	0	0

Expenditure and unfavourable variances are presented in brackets.

- The main reasons for the variation to the **local risk budgets** are:
 - The Deputy Town Clerk - £0.252m underspend** – The underspend is primarily due to vacancies and natural staff attrition throughout the service.
 - Chief Strategy Officer - £0.039m underspend** – Driven by a staffing vacancy within Equality, Diversity & Inclusion (£0.039m).

- iii. **Executive Director of HR & Chief People Officer - £0.567m overspend** – Predominately driven by staffing levels within Human Resources.
- iv. **The Comptroller and City Solicitor - £0.387m overspend** – The overspend within comptrollers is attributed to higher staffing requirements due to demand for legal services (£0.25m) in addition to overspends in relation to business-as-usual subscriptions. The higher staffing cost is better value for money than outsourcing to external legal advice.

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

- i. **Executive Director of HR & Chief People Officer - £0.5m underspend** – This underspend is driven by timing of the Ambition 25 project and payments to Korn Ferry, the project is expected to use the full funding allocation going forward.
- ii. **The Comptroller and City Solicitor - £0.2m overspend** - was a result of no commercial property transaction related legal fee income being received which is in line with historical trends for the department.
- iii. **Chamberlain & Chief Financial Officer - £0.722m underspend** – The driver of this underspend is underspends against Project Governance transformation fund projects.

Carry Forwards to 2023-24

5. There is one carry forward requests for £39k relating to EDI activities that could not be carried out due to staffing constraints. Full details are shown in Appendix 2.

Year-end position and financial pressure in 2024/25

6. Looking forward to 2024/25 there is an identified financial risk.
 - i. The Executive Director of Human Resources & Chief People Officer is carrying a substantial unidentified saving into 2024-25. Higher staffing levels have been needed to carry out much needed work on the People Strategy. Work is currently underway to resolve funding requirements as part of 2025/26 budget setting.

Appendices

- Appendix 1 – Analysis of movements from 2023-24 Original Budget to 2023-24 Final Budget
- Appendix 2 – Agreed Carry Forwards to 2024/25

Contact:

Mark Jarvis

Head of Finance: Chamberlains Department

Mark.Jarvis@cityoflondon.gov.uk

Reece Surridge

Senior Accountant: Chamberlain's Department

Reece.Surridge@cityoflondon.gov.uk

APPENDIX 1

Analysis of movements 2023-24 Original Budget to Final Budget	£000's
Original Local Risk Budget (Town Clerk)	-3,197
2023-24 Pay Award inc Winter Payment	-188
Office for the policy chairman contribution from IG	-48
CPR Office Budget Allocation from Contingency	-405
London Council support service contribution	61
H&S Contingency Drawdown	-207
H&S Contribution from City Surveyors	-289
Final Local Risk Budget (Town Clerk)	-4,273
Original Local Risk Budget (Chief Strategy Officer)	-1,311
2023-24 Pay Award inc Winter Payment	-46
2023-24 Centrally Funded Apprenticeships	-21
Transfer of Admin Assistant budget to COO's office	44
Final Local Risk Budget (Chief Strategy Officer)	-1,334
Original Local Risk Budget (Executive Director of HR & Chief People Officer)	-3,132
2023-24 Pay Award inc Winter Payment	-100
2023-24 Hays Backdated Agency Pay Award	-10
2023-24 Centrally Funded Apprenticeships	-98
2022-23 Carry Forwards into 2023-24	-47
2023-24 Finance Contingency Drawdown	-63
Unidentified Savings Adjustment	-466
Final Local Risk Budget (Executive Director of HR & Chief People Officer)	-3,916
Original Local Risk Budget (Comptroller and City Solicitor)	-1095
2023-24 Pay Award inc Winter Payment	-213
2023-24 Hays Backdated Agency Pay Award	-46
Final Local Risk Budget (Comptroller and City Solicitor)	-1354
Original Local Risk Budget (Chamberlain & Chief Financial Officer)	-547
2023-24 Pay Award inc Winter Payment	-5
2023-24 Centrally Funded Apprenticeships	-25
Final Local Risk Budget (Chamberlain & Chief Financial Officer)	-577
Original Central Risk Budget (Town Clerk)	-293
2023-24 Pay Award inc Winter Payment	-1
2023-24 Hays Backdated Agency Pay Award	-1
Staff event budgets transferred to finance committee	72
Transformation Fund Virement CSO to DTC	-84
Final Central Risk Budget (Town Clerk)	-307
Original Central Risk Budget (Chief Strategy Officer)	0
2022-23 Carry Forwards into 2023-24	-101
2023-24 Transformation Fund Virement to DTC	84
Corporate Plan Drawdown from Contingency	-20
Final Central Risk Budget (Chief Strategy Officer)	-37
Original Central Risk Budget (Executive Director of HR & Chief People Officer)	-1,415
2023-24 Pay Award inc Winter Payment	-8
2023-24 Hays Backdated Agency Pay Award	-4
2023-24 Apprentice Contingency Drawdown	1,415
TOM Redundancy Budget Allocation	-212
Korn Ferry Budget Drawdown from Contingency	-1,859
Final Central Risk Budget (Executive Director of HR & Chief People Officer)	-2,083
Original Central Risk Budget (Comptroller and City Solicitor)	200
Final Central Risk Budget (Comptroller and City Solicitor)	200
Original Central Risk Budget (Chamberlain & Chief Financial Officer)	0
2023-24 Transformation Fund Allocation	-1095
Final Central Risk Budget (Chamberlain & Chief Financial Officer)	-1,095
Original Support Services and Capital Charges Budget	-1,718
Net movements	-117
Final Support Services and Capital Charges Budget	-1,835
Total Original Budget	-12,508
Total increase	-4,103
Total Final Budget	-16,611

APPENDIX 2

Local Risk Carry Forwards by Chief Officer	£000's
<p data-bbox="212 320 914 365"><u>The Chief Strategy Officer (Guildhall Admin)</u></p> <p data-bbox="212 409 1233 622">In 2023-24 EDI was underspent due to resourcing issues which means they were not able to deliver all of their projected programmes & activities within 2023-24 financial year. These will be rolled forward into 2024-24 instead in line with agreed political & corporate EDI priorities.</p>	39
Total Chief Strategy Officer (Local Risk)	39
TOTAL CARRY FORWARDS	39