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| Committee(s) | Dated: |
| Policy & Resources Committee | 26 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? | 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 Deputy Town Clerk The Executive Director IG The Remembrancer The Executive Director of Corporate Communications & External Affairs The Interim Executive Director of Environment The Chamberlain & Chief Financial Officer 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 2023-24 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:

- i) **The Deputy Town Clerk** – 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 & Chief Financial Officer** – The Major Programmes Office.
- v) **The Executive Director of Corporate Communications & External Affairs** - Corporate communications, external affairs & media team.
- vi) **The Interim Executive Director of Environment-** Small Business, Enterprise & Research Centre (SBREC).

Overall total net expenditure during the year was £30m whereas the budget was £35.5m representing an underspend of £5.5m as summarised below.

| | Approved Revised Budget | Revenue Outturn | Variations (Worse)/Better against Final Budget |
|---|-------------------------|-----------------|--|
| | £000's | £000's | £000's |
| Chief Officer | | | |
| The Deputy Town Clerk | -4,340 | -2,398 | 1,942 |
| The Executive Director of Communications & External Affairs | -3,384 | -3,130 | 254 |
| The Remembrancer | -3,227 | -3,002 | 225 |
| Executive Director of Innovation & Growth | -17,981 | -15,064 | 2,917 |
| The Interim Executive Director of Environment | -674 | -644 | 30 |
| The Chamberlain & Chief Financial Officer | -608 | -702 | -94 |
| Total Chief Officer | -30,214 | -24,940 | 5,274 |
| Support Services | -5,322 | -5,118 | 204 |
| Net Expenditure | -35,536 | -30,058 | 5,478 |

Expenditure and unfavourable variances are presented as negative figures.

The overall underspend of £5.478m comprises 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 £1.942m** - The driver of the reduced expenditure is predominately due to underspends against P&R contingency budgets and PIF which will be carried forward into 2024-25.
- **The Executive Director of Corporate Communications & External Affairs - decreased net expenditure of £0.254m** - This underspend is predominately driven by an underspend against transformation fund projects which will be carried forward to 2024-25.
- **The Remembrancer - decreased net expenditure of £0.225m** – Driven by central risk underspends against the coronation contingency & staffing underspend due to delay in filling staff vacancies.
- **Executive Director of Innovation & Growth - decreased net expenditure of £2.917m** - The decreased in expenditure is driven by climate action strategy where there is currently a £2.572m underspend, Destination City growth bid underspend & FPS which holds a small overspend of £0.09m.
- **The Chamberlain & Chief Financial Officer– increased net expenditure of £0.094m** in central risk budget – Driven by the cost of using agency staff to fill posts within the Major Projects Management Office.

Recommendations

Members are asked to note the:

- Revenue outturn for 2023/24 showing an overall favourable variance to final budget of £5.478m; and
- Carry forward requests to 2024/25 of £1.026m affecting both local risk & central risk budgets have been approved.

In Report

Budget Position for 2023-24

1. The 2023-24 original budget for the services overseen by your committee was £26.278m as endorsed by the Court of Common Council in March 2023. This has subsequently been increased to a final budget of £35.536m. The increase of £9.258m is analysed in appendix 1.

Revenue Outturn for 2023-24

| | Approved Revised Budget | Revenue Outturn | Variations (Worse)/Better against Final Budget |
|---|----------------------------|-----------------|---|
| | £000's | £000's | £000's |
| Chief Officer | | | |
| Local Risk | | | |
| The Deputy Town Clerk | -921 | -848 | 73 |
| The Executive Director of Communications & External Affairs | -2,147 | -2,340 | -193 |
| The Remembrancer | -1,480 | -1,447 | 33 |
| Executive Director of Innovation & Growth | -9,211 | -8,873 | 338 |
| The Interim Executive Director of Environment | -674 | -644 | 30 |
| Total Local Risk | -14,433 | -14,153 | 280 |
| Central Risk | | | |
| The Deputy Town Clerk | -3,419 | -1,549 | 1,870 |
| The Executive Director of Communications & External Affairs | -1,237 | -790 | 447 |
| The Remembrancer | -1,747 | -1,555 | 192 |
| Executive Director of Innovation & Growth | -8,770 | -6,191 | 2,579 |
| The Chamberlain & Chief Financial Officer | -608 | -702 | -94 |
| Total Central Risk | -15,781 | -10,787 | 4,994 |
| Support Services | -5,322 | -5,118 | 204 |
| Net Expenditure | -35,536 | -30,058 | 5,478 |

Expenditure and unfavourable variances are presented as negative figures.

2. As indicated in the table in the summary, actual net expenditure for your committee's services during 2023-24 totalled £30.058m compared to a budget of £35.536m, resulting in an underspend of £5.478m. 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 Executive Director of Corporate Communications & External Affairs - £0.193m overspend** - This overspend is predominately driven by currently over-established posts within the service area.
- ii. **The Deputy Town Clerk - £0.073m underspend** - Predominately driven by an underspend against Town Clerk's charities (£0.05m) & resilience (£0.02m).
- iii. **The Executive Director of Innovation & Growth - £0.338m underspend** – The decrease in expenditure is predominantly against the Destination City growth bid (**£0.506m underspend**) which will be requested as a carry forward. 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.
- iv. **The Remembrancer - £0.033m Underspend** – The underspend primarily relates to staff salaries as a result of delay in filling vacancies.

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

- i. **The Town Clerk & Deputy Town Clerk - £1.870m underspend** – The driver of the decreased expenditure in Deputy Town Clerk is due to: policy initiative funding (**£1.153m underspend**) this underspend is composed of a combination of underspends against projects which were awarded funding (**£0.610m underspend**) and a closing balance of uncommitted funds (**£0.543m**).

In addition, there was underspends on P&R contingency of (**£0.609m**).

- ii. **Executive Director of Innovation & Growth - £2.579m underspend** – The driver of this underspend is within climate action strategy where there was decreased expenditure of £2.572m. Attributed to a delay in projects which will now be commenced in year 4 due to a reassessment of plans based on continuous learning.
- iii. **The Executive Director of Corporate Communications & External Affairs - £0.447m underspend**- This is predominantly driven by underspends against transformation fund projects due to delays in recruiting staff driven by a tight labour market. The service still intends to deliver these projects and will request a carry forward of unspent funds into 2024-25.

- iv. **The Remembrancer - £0.192m underspend-** This relates primarily to an underspend against the Coronation contingency.

Carry Forwards to 2024-25

5. There are carry forward requests of £1.026m relating to The Remembrancer & The Executive Director of Innovation & Growth & The Executive Director of Communications & External Affairs. Details of the Carry Forwards are set out in Appendix 2.

Year-end position and financial pressure in 2024/25

6. Looking forward to 2024/25 the only significant financial risk identified within this committee is the continued budget shortfalls which remain within the Corporate Communications & External Affairs department. This is currently being addressed as part of their business case.

Appendices

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

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Appendix 1

| Analysis of movements 2023/24 Original Budget to Final Budget | £000's |
|---|----------------|
| Original Local Risk Budget (Deputy Town Clerks) | -870 |
| 2023-24 Agency Back Pay | -5 |
| 2023-24 Pay Award inc Winter Payment | -20 |
| Removal of Budgets Transferred to London Councils | -26 |
| Final Local Risk Budget (Deputy Town Clerks) | -921 |
| Original Local Risk Budget (Communications) | -1840 |
| 2023-24 Pay Award inc Winter Payment | -88 |
| 2023-24 Agency Back Pay | -17 |
| Chief of Staff Post Virement | -31 |
| 2022-23 COVID Contingency Carry Forward | -120 |
| 2023-24 Apprenticeship Contingency Allocation | -11 |
| 2023-24 Corporate Volunteering Virement | -40 |
| Final Local Risk Budget (Communications) | -2147 |
| Original Local Risk Budget (Environment) | -569 |
| 2023-24 Pay Award inc Winter Payment | -26 |
| 2023-24 Apprenticeship Contingency Allocation | -79 |
| Final Local Risk Budget (Environment) | -674 |
| Original Local Risk Budget (Remembrancer) | -1,437 |
| 2023-24 Pay Award inc Winter Payment | -80 |
| 2022-23 Carry Forwards | 44 |
| Hospitality Contingency Drawdown | -7 |
| Final Local Risk Budget (Remembrancer) | -1,480 |
| Original Local Risk Budget (I&G) | -5,974 |
| 2023-24 Agency Back Pay | -1 |
| 2023-24 Pay Award inc Winter Payment | -184 |
| 2022-23 Destination City Growth Bid Carry Forward | -800 |
| 2023-24 Destination City Growth Bid Budget Virement | -2,300 |
| IG Contribution to the Office for the Policy Chairman | 48 |
| Final Local Risk Budget (I&G) | -9,211 |
| Original Central Risk Budget (Chamberlains) | -600 |
| 2023-24 Agency Back Pay | -1 |
| 2023-24 Pay Award inc Winter Payment | -7 |
| Final Central Risk Budget (Chamberlains) | -608 |
| Original Central Risk Budget (Deputy Town Clerks) | -1,871 |
| 2022-23 Carry Forwards | -1,069 |
| 2022-23 P&R Contingency Carry Forwards | -478 |
| 2023-24 Agency Backpay | -1 |
| 2022-23 P&R Project Reserve Carry Forward | -343 |
| Project Reserve Transferred to Finance Committee | 343 |
| Final Central Risk Budget (Deputy Town Clerks) | -3,419 |
| Original Central Risk Budget (Communications) | -1085 |
| 2023-24 Pay Award inc Winter Payment | -20 |
| 2023-24 Transformation Fund Budget Allocation | -132 |
| Final Central Risk Budget (Communications) | -1237 |
| Original Central Risk Budget (Remembrancer) | -1,269 |
| Corenation Contingency Drawdown | -400 |
| Hospitality Contingency Drawdown | -78 |
| Final Central Risk Budget (Remembrancer) | -1,747 |
| Original Central Risk Budget (I&G) | -5,441 |
| 2023-24 Pay Award inc Winter Payment | -82 |
| CAS Budget Allocation 2023-24 | -3247 |
| Final Central Risk Budget (I&G) | -8,770 |
| Original Support Services and Capital Charges Budget | -5,322 |
| Net movements | 0 |
| Final Support Services and Capital Charges Budget | -5,322 |
| Total Original Budget | -26,278 |
| Total increase | -9,258 |
| Total Final Budget | -35,536 |

Appendix 2

| Approved Carry Forwards to 2024-25 | £000's |
|--|--------|
| <p><u>The Executive Director of Innovation & Growth</u></p> <p>Work was paused on the Destination City Programme whilst the programme was viewed. New recommendations have been agreed by Culture Heritage and Libraries and Policy and Resources Committees and there is a funding requirements for 2025/26. The Chamberlain has agreed in consultation with the Chairman and Deputy Chairman of Resource Allocation Sub Committee to carry forward the underspend of £717,000.</p> | 717 |
| <p>Total Executive Director of Innovation & Growth</p> | 717 |
| <p><u>The Remembrancer</u></p> <p>Carry forward requested by the Remembrancer £33k to fund the commission of a painting to mark the King's Dinner at Mansion House in line with previous coronation celebrations</p> | 33 |
| <p>Total Remembrancers</p> | 33 |
| <p><u>Communications (transformation fund)</u></p> <p>It has been agreed that communications will be able to carry forward their transformation funding into 2024/25 which was allocated from to support its major transformation programme.</p> | 276 |
| <p>Total Communications</p> | 276 |