

Committee:	Dated
Finance Committee	23 July 2019
Subject: Revenue Budget Monitoring to June 2019	Public
Report of: Chamberlain	For Information
Report author: Philip Gregory, Deputy Financial Services Director	

Summary

The overall forecast year-end position at Quarter 1 is £8.3m better than budget. This comprises a favourable variance of £7.8m on Central Risk Budgets and £0.5m on Chief Officer Cash Limited Budgets.

Chief Officer Cash Limited Budgets

The year-end forecast at the end of the first quarter is £0.5m better than the latest approved budget of £234.7m.

Central Risk Budgets

Year-end Central Risk Budgets are forecast to be better than budget by £7.8m against the budget of £5.8m. This principally relates to Corporate Income from Property Investments and Interest on Cash Balances which are forecast to be £5.5m and £2.6m respectively better than budget.

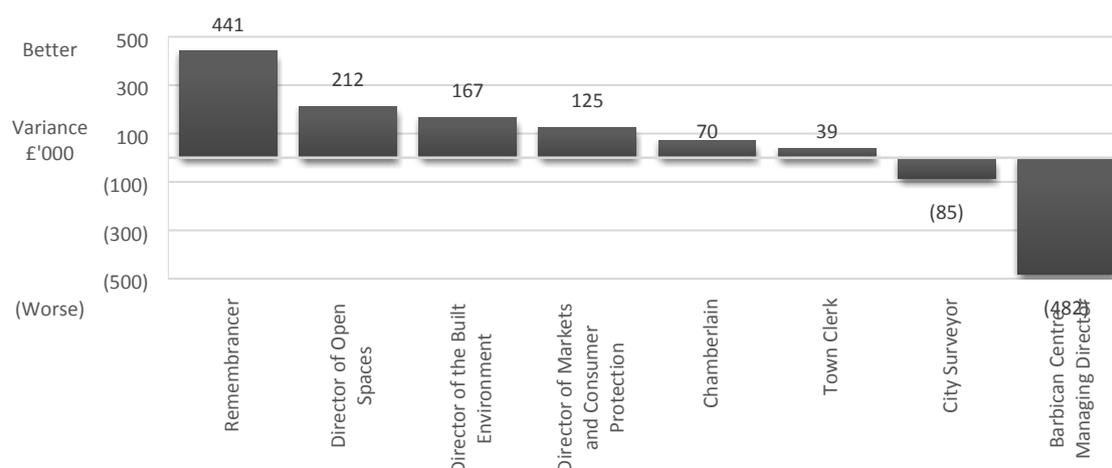
Recommendation

Members are asked to note the report.

Main Report

Chief Officer Cash Limited Budgets

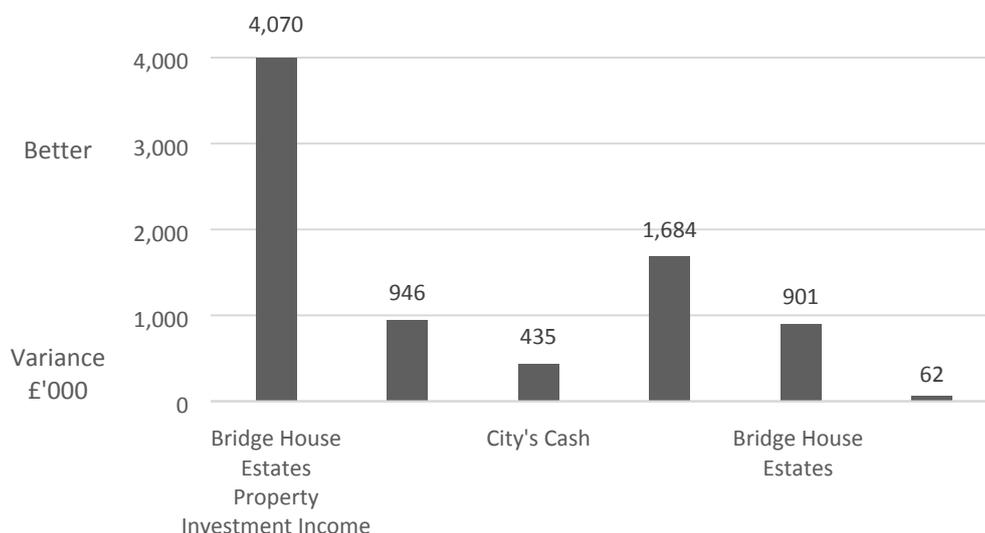
1. The year-end forecast is £0.5m better than the latest approved budget of £234.7m. Chief Officer variances against net local risk budgets are shown in the chart below.



2. The forecast position comprises a favourable variance of £1.4m against budgeted income of £280.5m partially offset by an adverse variance of £0.9m against budgeted expenditure of £515.2m. Appendix 2 provides income and expenditure budget variances by Chief Officer.
3. Income from Guildhall lettings for the Remembrancer is forecast to be £0.6m above target due to an increased number of event bookings.
4. The Barbican forecast year-end position is an adverse variance of £0.5m comprising an overspend of £1m on programme costs and from a delay in buildings restructure partially offset by additional income of £0.5m from programming income which is set to do well, with tax relief outperforming budget.
5. The City of London Police forecast is a nil variance at the end of Quarter 1. This is consistent with the period 2 position reported to Performance and Resource Management Committee in June 2019. A detailed projected outturn will be produced and presented to Police Authority Board in September 2019. There are a number of risks within the Force which are currently being managed and mitigated.

Central Risk Budgets

6. The forecast for Central Risk Budgets at Quarter 1 is a better than budget position of £7.8m against the budget of £5.8m. Appendix 3 provides the Central Risk forecast variances by Chief Officer. This comprises favourable variances of £7.5m against budgeted income of £207.8m and £0.3m against budgeted expenditure of £202.0m. The key budget areas are addressed in the following paragraphs.
7. Property Investment income at Quarter 1 is forecast to be £5.5m better than budget of £131.7m and comprises:
 - Bridge House Estates £4.1m favourable - Principally due to £3.1m additional rent payable by Electra to surrender the lease
 - City Fund £1.0m favourable – Lease extension with Trillium, for Bastion House where vacation by tenant had been expected
 - City's Cash £0.4m favourable – Tottenham Court Road expected rent-free period and void costs are not now expected
8. Interest on cash balances are anticipated to be £11m at year-end which is £2.6m above budget of £8.3m. Appendix 4 provides further information on the Corporate Income Budgets.



9. The full year grant commitments allocation for City Bridge Trust (CBT) for 2019/20 is forecast to be £21.4m which is on target against the original budget. This consists of £20m for the core grants programme (Bridging Divides) alongside other amounts set aside for continuation of the anniversary programmes (Employability & Infrastructure Support) and support for The Mayor's Fund for Young Londoners. All amounts are held within the year-end

BHE designated grant-making fund. Expenditure to date is £3.4m, being the commitments approved at the first CBT Committee of this year. With a large volume of grant applications having been received by CBT over recent months, approximately £5.9m of grants will be going to the July CBT Committee for review. This will take spend ahead of the phased budget for the year. Further consideration as to whether this increase is a one-off spike in demand or a longer-term trend will be discussed at the July CBT Committee, alongside the impact on the budget allocation.

Conclusion

10. Members are asked to note the forecast year-end position at Quarter 1 of £8.3m better than budget position comprising a favourable variance of £7.8m on Central Risk Budgets and £0.5m on Chief Officer Cash Limited Budgets.

Appendices

- Appendix 1: Chief Officers Cash Limited Budgets by Fund
- Appendix 2: Chief Officers Cash Limited Budgets – Income and Expenditure Budget Variances
- Appendix 3: Central Risk Budgets
- Appendix 4: Central Risk Budgets - Corporate Income Budgets
- Appendix 5: Chief Officer Cash Limited Budgets – Budget changes during the Quarter

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