

Revenue Budget Monitoring to September 2019 - Appendices

Appendix 1

Chief Officer Cash Limited Budgets by Fund - Comparison with the Previous Quarter									
Original Budget £'000	Chief Officer	Full Year Forecast as at Q1				Full Year Forecast as at Q2			
		Latest Budget £'000	Forecast £'000	Variance Better / (Worse)		Latest Budget £'000	Forecast £'000	Variance Better / (Worse)	
				£'000	%			£'000	%
	City Fund								
(1,716)	Chamberlain	(1,830)	(1,830)	(0)	(0%)	(1,830)	(1,761)	69	4%
(4,621)	City Surveyor	(6,052)	(6,095)	(43)	(1%)	(6,082)	(6,276)	(194)	(3%)
(11,156)	Director of Community and Children's Services	(11,496)	(11,496)	0	0%	(11,498)	(10,896)	602	26%
(2,202)	Director of Markets and Consumer Protection	(2,555)	(2,443)	112	4%	(2,555)	(1,884)	671	26%
613	Director of Open Spaces	568	571	3	1%	567	537	(30)	(5%)
(16,365)	Director of the Built Environment	(20,197)	(20,019)	178	1%	(20,250)	(20,149)	101	0%
(437)	Executive Director Mansion House and Old Bailey	(459)	(459)	0	0%	(402)	(411)	(9)	(2%)
(16,271)	Managing Director, Barbican Centre	(16,627)	(17,109)	(482)	(3%)	(16,715)	(17,912)	(1,197)	(7%)
(13,178)	Town Clerk	(15,279)	(15,253)	26	0%	(15,513)	(15,274)	239	2%
(65,333)	Total City Fund (excluding Police)	(73,927)	(74,133)	(207)	0%	(74,278)	(74,026)	252	(1%)
	City's Cash								
(92)	Chamberlain	(96)	(95)	1	1%	(96)	(96)	0	0%
(15,417)	City Surveyor	(17,011)	(17,309)	(298)	(2%)	(16,847)	(17,357)	(510)	(3%)
(912)	Director of Community and Children's Services	(1,057)	(1,057)	0	0%	(1,057)	(1,057)	0	0%
(1,441)	Director of Markets and Consumer Protection	(1,504)	(1,491)	13	1%	(1,504)	(1,389)	115	8%
(11,121)	Director of Open Spaces	(11,435)	(11,467)	(32)	(0%)	(11,826)	(11,808)	18	0%
(3,251)	Executive Director Mansion House and Old Bailey	(3,344)	(3,344)	0	0%	(3,344)	(3,354)	(10)	(0%)
(1,023)	Head, City of London Boy's School	(1,023)	(1,023)	0	0%	(1,035)	(1,035)	0	0%
2	Headmaster, City of London Freeman's School	2	2	0	0%	(10)	(10)	0	0%
(231)	Headmistress, City of London School for Girls	(231)	(231)	0	0%	(240)	(240)	0	0%
(6,207)	Principal, Guildhall School of Music and Drama	(6,400)	(6,400)	(0)	(0%)	(6,410)	(6,410)	0	0%
(1,212)	Remembrancer	(1,216)	(1,174)	42	3%	(1,216)	(1,194)	22	2%
(106)	Town Clerk	(141)	(128)	13	9%	(266)	(264)	2	1%
(41,011)	Total City's Cash	(43,456)	(43,717)	(261)	(1%)	(43,851)	(44,213)	(362)	(1%)
	Bridge House Estates								
0	Chamberlain	(45)	(45)	0	0%	(45)	(45)	0	0%
(2,200)	City Surveyor	(2,356)	(2,373)	(17)	(0)	(2,414)	(2,414)	(0)	(0%)
(218)	Director of Open Spaces	(273)	(32)	241	88%	(215)	(166)	49	23%
(262)	Director of the Built Environment	(270)	(281)	(11)	(4%)	(270)	(265)	5	2%
(2,326)	Town Clerk	(2,466)	(2,466)	0	0%	(2,517)	(2,558)	(41)	(2%)
(5,006)	Total Bridge House Estates	(5,410)	(5,197)	213	(4%)	(5,461)	(5,448)	13	0%
	Guildhall Administration								
(21,857)	Chamberlain	(22,609)	(22,540)	69	(1%)	(23,159)	(23,055)	104	0%
(7,105)	City Surveyor	(8,782)	(8,509)	273	3%	(8,645)	(8,737)	(92)	(1%)
(3,547)	Comptroller and City Solicitor	(882)	(882)	0	0%	(797)	(797)	0	0%
349	Remembrancer	327	726	399	122%	327	663	336	103%
(6,948)	Town Clerk	(6,570)	(6,570)	0	0%	(6,625)	(6,557)	68	1%
(39,108)	Total Guildhall Administration	(38,516)	(37,775)	741	2%	(38,899)	(38,482)	417	1%
(150,458)	Grand Total (excluding Police)	(161,309)	(160,823)	486	0%	(162,489)	(162,171)	318	0%
(72,729)	Commissioner of Police (City Fund)	(73,413)	(73,413)	0	0%	(73,614)	(75,833)	(2,219)	8%
(223,187)	Grand Total	(234,722)	(234,236)	486	0%	(236,103)	(238,004)	(1,901)	(1%)

Appendix 2

Chief Officer Cash Limited Budgets - Income and Expenditure Variances					
	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse) £'000 %		Cause / Action
Barbican Center Managing Director	(45,280)	(46,779)	(1,499)	(4%)	This is a combination of items: increases to City contracts where inflation (more than 2% budget) and management fees have been added, release of the start of year target and carry forward, a delay in the buildings team restructure, health and safety works and an increase in programming activity (box office more than covers). It also includes increased maternity pay (£142k) and Health and Safety funding for the City Surveyors to get to the Exhibition halls to the next gateway (£121k).
	28,565	28,867	302	1%	Additional programming means box office is set to do well in Music and Theatre, though Into the Night which opened in early October has started slow and may pose a risk of £250k. This is offset by an anticipated increase to Tax relief.
Chamberlain	(25,669)	(25,480)	189	4%	Largely staff savings across Cost of Collection due to vacant posts for the first quarter of 2019/20
	539	523	(16)	(6%)	Minor Variances
City Surveyor	(46,722)	(47,236)	(514)	(3%)	Unanticipated compensation payment for early surrender of lease on City Fund Estate & higher employee security costs than anticipated offset in part by reduced repairs costs at Walbrook Wharf. CS Dept carry forward overspend and higher rate of reactive repairs on City's Cash operational estate.
	12,734	12,453	(281)	(7%)	Expected shortfall in dilapidations income on City Fund Estate and shortfall in service charge income at Walbrook Wharf. Shortfall in CC property development income (£125k). Shortfall in BHE service charges on account (£52k)
Comissioner of Police	(149,699)	(159,061)	(9,362)	(6%)	Projections indicate an overspend of £2.2m by the end of the year, primarily due to an unfunded increase in Police Officer pension contributions in the region of £2.5m based on full establishment. Current workforce levels indicate pressure of £2.3m this year. Since period 5, there has been a favourable movement of c.£400k (Period 5 forecast £2.6m overspend). This is predominately due to favourable additional income in seized vehicles and revised staffing forecasts following the continued management of vacant posts. The forecast includes pressure on Action Fraud (AF) around disputed invoices from IBM of c.£530k for this year. The AF position continues to be monitored as does potential use of the reserve. There are additional budget pressures on overtime, a larger pay award for Officers than expected and legal costs in relation to the London Bridge inquest. Savings of £6.3m are built into the budget, with £4.7m in pay and £1.6m in non-pay. Maintaining acceptable service levels whilst holding the required level of vacant posts as part of agreed pay mitigation continues to be challenge. Ongoing management of the vacancy factor, maximising income opportunities and managing non-essential spend continue in order to bring the position back within budget by the end of the year.
	76,085	83,228	7,143	10%	
Comptroller and City Solicitors	(4,564)	(4,564)	0	0%	No Variance
	3,767	3,767	0	0%	
Director of Community and Childrens Services	(32,718)	(32,087)	631	2%	A number of high cost clients passed away during the year in Community and Children's Services resulting in a net underspend. One client has become NHS funded and is no longer a cost to the City. Budget is very volatile and a couple of new clients could have a major impact on the outturn. In addition, vacant posts were factored into the budget for a full year but not yet filled.
	20,163	20,135	(28)	(0%)	Minor Variances

Chief Officer Cash Limited Budgets - Income and Expenditure Variances					
	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse) £'000 %		Cause / Action
Director of Markets and Consumer Protection	(25,254)	(25,039)	215	3%	Projected underspends are mainly due to reduced expenditure for repairs & maintenance at Billingsgate Market and reduced contributions from the Repainting and Special Works Fund account to reflect the revised anticipated level of works and increased use of the reserves instead. Additionally there have been underspends at Smithfield Market due to reduced water usage, electricity costs for the basement being recharged to the Museum of London Project, and salary savings at Spitalfields Market and the Ports due to staff vacancies. This is partially offset by additional staffing, premises and vehicle costs at the HARC to accommodate the large increase in passports for pets trade, and one-off and increased costs relating to the move of the main Ports office.
	21,195	21,766	571	4%	Increased income projection is due to additional trade for passports for pets at the HARC which has increased significantly since last year, this is believed to be the result of pets being brought into the country prior to BREXIT to avoid any negative impacts of a no-deal or changed arrangements, and a new income stream from the Construction Levy. Further additional income due to one-off filming income at Billingsgate Market and higher levels of car parking income at Smithfield Market. Projected income reductions due to reduced service charge bills for tenants at Billingsgate Market, as a result of reduced contributions towards repairs & maintenance. This additional income is also partly offset by reductions in CVED trade at the Ports, which may have been impacted by uncertainties over BREXIT and finally reduced service charge bills to tenants at Spitalfields Market to offset the reduced salary savings mentioned above.
Director of Open Spaces	(28,154)	(27,979)	175	3%	Although the Monument has seen a more positive start to 2019/20 than in previous years, income figures were still under target from April to the end of August, meaning specific expenditure budgets have been reduced in a concerted effort to redress the balance. Performance is therefore more positive against a revised income target of £593,000, although the commensurate reduction in expenditure has sadly seen the standing-down of all educational activities, minor works and a proportion of marketing workstreams. The Monument is therefore likely to come in on target at year end, unless tourism sector external factors highlighted by industry bodies are experienced between now and the end of 2019/20.
	16,680	16,542	(138)	(2%)	The Bridge's 125th year has seen positive progress to date with regard to income generation. Assuming this continues at the current rate of 7% above the original target, the revised year end forecast for total income has been increased accordingly to £6,637,000. With this figure having been raised by £420K, the retail element of the business alone is expected to result in a 40% achievement above target, meaning a significant proportion of this must be added to retail stock expenditure budgets. Raising retail cost expenditure by £205K and adding £108K to further improvement activities (accessible toilets, development of storage facilities).
Director of the Built Environment	(37,330)	(36,270)	1,060	5%	Projected expenditure underspends are mainly due to a host of salary savings across the Department due to posts held vacant as part of the Fundamental Review and the new Development Management structure changes within Town Planning. Additionally we have savings on the repair & maintenance of vehicles within the Transport Organisation as a result of a newer and smaller fleet of vehicles and a reduction in electricity costs due to new more efficient LED Highways street lighting.
	16,810	15,856	(954)	(6%)	Projected income shortfalls are mainly due reduced staff recharges to capital projects due largely to staffing vacancies. Further shortfalls are due to declining building regulation fee income and hoarding and scaffolding licence income due to reduced market activity, reduced toilet barrier income continuing from the previous year and the non-drawdown of the LATS Reserve as a result of overall Departmental underspends forecast. These shortfalls are partly offset by additional off-street and on-street car parking income.

Chief Officer Cash Limited Budgets - Income and Expenditure Variances					
	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse) £'000 %		Cause / Action
Executive Director Mansion House and Old Bailey	(8,141) 4,395	(8,175) 4,409	(34) 14	(1%) 0%	Minor Variances
Head of the Boys School	(21,220)	(21,335)	(115)	(1%)	CLS is reporting an improvement of £448,000 in its forecast compared to the budget. This increase is largely due to savings of £257,000 the School has identified against employee expenditure following a review of staffing, additional tuition fee income of £115,000 resulting from increased pupil numbers from September 2019 and a saving of £55,000 from the decision to discontinue the annual contribution to the John Carpenter Club. As a result, the forecast transfer to the Capital Reserve Fund this year is increased by £448,000, from £430,000 to £878,000.
	20,185	20,300	115	1%	
Headmaster of City of London Freemens School	(19,415)	(18,744)	671	3%	CLFS is reporting an unfavourable variance of £225,000 relating to expenditure. This is across a range of headings including cleaning, hired transport, professional fees, rates, water, energy and financing costs. As a result of this and the variance on income, the forecast transfers to reserves this year are forecast to reduce by £896,000 (£671,000+£225,000). Transfers are classified as expenditure so the forecast is showing an overall reduction in expenditure of £671,000 (due to the variance of £225,000 netting off within this heading). The school is implementing strategies to increase pupil numbers both in-year and from September 2020 and is focussing on active in-year financial management and cost control. An unfavourable variance of £671,000 is reported as follows: 1. Tuition fees - £507,000. The budget assumed 915 pupils in summer 2019 then 922 pupils from September 2019. There were 903 pupils in summer 2019 and 897 to 901 pupils are anticipated from September 2019. 2. Boarding fees - £117,000. The budget was set based on 60 pupils at the school this financial year but the actual number of boarders at September 2019 is 48. 3. Other income - £47,000 due to lower uptake of music lessons and lower use of the tuck shop.
	19,405	18,734	(671)	(3%)	
Headmistress of City of London School for Girls	(15,957)	(16,072)	(115)	(1%)	The variance reflects the increase in the transfer to the Capital Reserve Fund as a result of the forecast increased tuition fee income. CLSG is reporting an improvement in its forecast of £115,000 compared to the budget. This increase is due to strong pupil numbers in the Autumn term 2019 with 746 pupils on roll compared to the budgeted level of 729 pupils and increases the forecast year end transfer to the school's Capital Reserve Fund.
	15,717	15,832	115	1%	
Principal Guildhall School of Music and Drama	(31,351)	(31,616)	(265)	(1%)	Minor Variances
	24,941	25,206	265	1%	
Remembrancer	(2,658)	(2,643)	15	1%	Minor Variances
	1,769	2,112	343	19%	
Town Clerk	(27,976)	(27,732)	244	3%	Currently forecasting to budget as underspends will go towards unidentified savings for non IG areas. IG forecasts are expected to be 600k under at year end (£200k local risk CF, £400k central risk CC). Graduates staffing is currently expected to be under budget due to only 2 of the 4 posts being filled. Expected Underspend is £68k. Partially offset by an additional £41k required for the engagement of freelance grant assessors due to the backlog of CBT grant applications.
	3,055	3,078	23	1%	
Total	(522,107)	(530,811)	(8,704)	2%	
	286,004	292,808	6,803	2%	
Grand Total	(236,103)	(238,004)	(1,901)	1%	

Appendix 3

Central Risk Budgets				
Chief Officer	Latest Gross Income/ (Expenditure) Budget £'000	Forecast £'000	Variance Better / (Worse)	
			£'000	%
Chamberlain	(83,788)	(84,164)	(376)	(0%)
Chamberlain	51,800	55,592	3,792	7%
Total Chamberlain	(31,988)	(28,572)	3,416	11%
City Surveyor	(7,818)	(8,165)	(347)	(4%)
City Surveyor	142,892	150,272	7,380	5%
Total City Surveyor	135,074	142,107	7,033	5%
Comptroller and City Solicitors	200	200	0	0%
Total Comptroller and City Solicitors	200	200	0	0%
Director of Community and Children's Services	(14,296)	(14,640)	(344)	(2%)
Director of Community and Children's Services	12,472	12,370	(102)	(1%)
Total Director of Community and Children's Services	(1,824)	(2,269)	(445)	(24%)
Director of Markets and Consumer Protection	(561)	(488)	73	13%
Director of Markets and Consumer Protection	6,450	6,362	(88)	(1%)
Total Director of Markets and Consumer Protection	5,889	5,874	(15)	(0%)
Director of Open Spaces	(1,257)	(1,232)	25	2%
Director of Open Spaces	1,522	1,522	0	0%
Total Director of Open Spaces	265	290	25	9%
Director of the Built Environment	(12,591)	(11,912)	679	5%
Director of the Built Environment	19,535	18,696	(839)	(4%)
Total Director of Built Environment	6,944	6,784	(160)	(2%)
Executive Director Mansion House and Old Bailey	(3,112)	(3,111)	1	0%
Executive Director Mansion House and Old Bailey	1,547	1,556	9	1%
Total Executive Director Mansion House and Old Bailey	(1,565)	(1,555)	10	1%
Managing Director, Barbican Centre	(3,490)	(3,490)	0	0%
Managing Director, Barbican Centre	530	530	0	0%
Total Managing Director, Barbican Centre	(2,960)	(2,960)	0	0%
Principal Guildhall School of Music and Drama	(3,516)	(3,516)	0	0%
Total Guildhall School of Music and Drama	(3,516)	(3,516)	0	0%
Remembrancer	(2,124)	(2,124)	0	0%
Remembrancer	204	204	0	0%
Total Remembrancer	(1,920)	(1,920)	0	0%
Town Clerk	(77,824)	(77,530)	294	0%
Town Clerk	1,458	1,422	(36)	(2%)
Total Town Clerk	(76,366)	(76,108)	258	0%
Total	(210,377)	(210,372)	5	0%
Total	238,610	248,726	10,116	4%
Grand Total	28,233	38,355	10,122	36%

Appendix 4

Central Risk - Corporate Income Budgets				
	Original Budget	Forecast Outturn	Variance Better / (Worse)	
	£'000	£'000	£'000	%
Property Investment Income				
City Fund	48,677	47,668	1,009	2
City's Cash	59,467	58,942	525	1
Bridge House Estates	23,527	17,768	5,759	20
Total Property Investment Income	131,671	138,964	7,293	5
Interest on Cash Balances				
City Fund	7,938	10,407	2,469	24
City's Cash	300	626	326	52
Bridge House Estates	100	1,042	942	90
Total Interest on Cash Balances	8,338	12,075	3,737	31
Grand Total	140,009	151,039	11,030	7

Appendix 5

Chief Officer Cash Limited Budgets - Budget Changes		
	£'000	£'000
Original Local Risk Budget		(223,299)
Virements		
Additional Funding agreed RASC January 2019 transferred from Central Risk contingencies	(11,789)	
Changes to service charges and recharges as a result of additional funding above	(54)	
Approved Local Risk Carry Forwards and Overspends	(908)	
Approved Adjustments - Transitional Rate Relief Uplift	(53)	
		(12,804)
Latest Local Risk Budget		(236,103)