

Revenue Budget Monitoring Period 2 2020/21 – Appendices

Appendix 1

Chief Officer Cash Limited Budgets by Fund					
Original Budget £'000	Chief Officer	Full Year Forecast as at 31 May 2020			
		Latest Budget £'000	Forecast £'000	Variance Better / (Worse)	
				£'000	%
	City Fund				
(1,755)	Chamberlain	(1,755)	(1,644)	111	6%
(5,117)	City Surveyor	(5,240)	(5,124)	116	2%
(11,168)	Director of Community and Children's Services	(12,320)	(12,672)	(352)	(3%)
(2,199)	Director of Markets and Consumer Protection	(2,199)	(3,770)	(1,571)	(71%)
564	Director of Open Spaces	564	527	(37)	(7%)
(20,196)	Director of the Built Environment	(20,196)	(22,963)	(2,767)	(14%)
(402)	Executive Director Mansion House and Old Bailey	(402)	(531)	(129)	(32%)
(17,165)	Managing Director, Barbican Centre	(17,389)	(30,647)	(13,259)	(76%)
(15,065)	Town Clerk	(15,065)	(14,995)	70	0%
(72,503)	Total City Fund (excluding Police)	(74,002)	(91,820)	(17,818)	(24%)
	City's Cash				0%
(99)	Chamberlain	(99)	(187)	(88)	(88%)
(16,228)	City Surveyor	(16,103)	(16,810)	(707)	(4%)
(1,052)	Director of Community and Children's Services	(1,052)	(1,012)	40	4%
(1,365)	Director of Markets and Consumer Protection	(1,365)	(1,564)	(199)	(15%)
(11,822)	Director of Open Spaces	(11,852)	(13,279)	(1,427)	(12%)
(3,334)	Executive Director Mansion House and Old Bailey	(3,334)	(3,096)	238	7%
(1,217)	Head, City of London Boy's School	(1,217)	(1,176)	41	3%
118	Headmaster, City of London Freeman's School	118	118	0	0%
(275)	Headmistress, City of London School for Girls	(275)	(250)	25	9%
(6,799)	Principal, Guildhall School of Music and Drama	(7,335)	(9,127)	(1,792)	(24%)
(1,391)	Remembrancer	(1,391)	(1,342)	49	4%
(215)	Town Clerk	(177)	(164)	13	7%
(43,679)	Total City's Cash	(44,082)	(47,888)	(3,806)	(9%)
	Bridge House Estates				0%
(45)	Chamberlain	(45)	(45)	0	0%
(2,703)	City Surveyor	(2,703)	(2,703)	0	0%
(243)	Director of Open Spaces	(243)	(3,708)	(3,465)	(1,426%)
(275)	Director of the Built Environment	(275)	(275)	0	0%
(2,920)	Town Clerk	(3,125)	(2,775)	350	11%
(6,186)	Total Bridge House Estates	(6,391)	(9,505)	(3,114)	(49%)
	Guildhall Administration				0%
(22,165)	Chamberlain	(22,099)	(22,435)	(336)	(2%)
(8,666)	City Surveyor	(8,686)	(8,241)	445	5%
(845)	Comptroller and City Solicitor	(845)	(905)	(60)	(7%)
274	Remembrancer	274	(689)	(963)	(351%)
(6,536)	Town Clerk	(6,559)	(6,481)	78	1%
(37,938)	Total Guildhall Administration	(37,915)	(38,751)	(836)	(2%)
(160,306)	Grand Total (excluding Police)	(162,390)	(187,964)	(25,574)	(16%)
(81,447)	Commissioner of Police (City Fund)	(81,447)	(77,429)	4,018	5%
(241,753)	Grand Total	(243,837)	(265,393)	(21,556)	(9%)

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	(45,105)	(36,001)	9,104	20%	Expenditure savings are due to activity reductions as well as a hold on all non-essential expenditure.
	27,716	5,353	(22,363)	(81%)	The loss of income forecast is due to the centre closure following the effect of Covid-19 in addition to limited activity being forecast for the remainder of the financial year due to social distancing measures.
Chamberlain	(24,914)	(25,023)	(109)	(0%)	Overspends due to consultants fees for software changes, staffing contracts, CHB hardware and IT. Partly offset by underspends on a variety of equipment, stationery, postage costs and savings from vacancies
	916	713	(203)	(22%)	Reduction in court cost income as a result of recovery suspension. Underachievement on income due to reduction in Freedom ceremonies for 9 months. Assume that Freedoms return to normal levels in January 2021. Underachievement of the fundamental review increase, as not able to introduce until Freedom resumes in person and zero merchandising income for 9 months. A portion of Fundamental Review income now will not be achieved due to Covid-19, largely offset by royalty payment.
City Surveyor	(46,387)	(45,697)	690	1%	Saving on Walbrook Wharf and Magistrates Court running costs due properties unoccupied during the Covid-19 pandemic. Saving offset by reduced income through service charge. City Fund and City's Cash Investment Estates are anticipated at present to be broadly on target for year end. This will depend on any significant tenant failures during the present pandemic. Variance includes the carry-forward from 2019/20 of £320k departmental overspend. The balance is due to an anticipated overspend on departmental salaries as Fundamental Review savings have not been realised as planned due to delay in producing the City's Target Operating Model. Substantial savings made on Guildhall running costs, principally energy and security (overtime and agency) due to the building being empty during the Covid19 pandemic. These savings are part off set by cost anticipated for required works to the building to make it Covid-19 compliant to allow staff to return.
	13,655	12,819	(836)	(6%)	Principally reduced income from Magistrates Court and Walbrook Wharf as a consequence of lower spend as these costs are recoverable through Government grant and service charge respectively. Reduced professional fee income anticipated due to a lower number of property deals in the current Covid-19 pandemic. Reduced income anticipated principally in respect of recovery of security and other staff costs relating to Guildhall from external events. This is due to cancellation of these events in the current pandemic.
Comissioner of Police	(153,577)	(147,706)	5,871	4%	A pay underspend of £7.6m was predicted at the last SWP meeting based on current workforce and recruitment plans. This position has been reviewed and revised based on an escalated recruitment process and a number of new appointments made recently. We have also revised the projected attrition levels due to COVID19, assuming there will be no leavers during the financial year.
	72,130	70,277	(1,853)	(3%)	Police services have remained as business as usual during COVID19, there have been no other variances in income and expenditure to date. It should be noted that there might be some reductions in grants, e.g. the TFL grant, however, it is too early to predict. Challenging saving target of £5.7m are expected to be achieved. COVID pressures exist for CoLP, however, we are able to claim losses from the Home Office as part of the 'ring-fenced £1.2m uplift grant'. Wood Street and New Street costs for 20/21 will have to be managed and accommodated within existing budgets, including the significant delay in closure of Wood Street.

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
Comptroller and City Solicitors	(4,717)	(4,717)	0	0%	No Variance
	3,872	3,812	(60)	(2%)	External income levels through the start of the year are down from 19/20. What will happen to the commercial property sector when lockdown is eased is open to conjecture, some predict increased home working with reduced requirement for office space though others predict continued demand due to personal distancing within offices. As a result there is an expected under recovery of income of expected. Internal Income is due to be on target.
Director of Community and Childrens Services	(32,313)	(32,796)	(483)	(1%)	Barbican Residential: Additional expenditure on security equipment & fan replacements. Staff shielding equipment required, additional PE & cleaning materials are required. Libraries: Assumption is the libraries will reopen in October. Premises and transport costs to be reduced by 75% whilst closed. Supplies & Services to save around £2100 per month. Largest spend is on books, which is currently going into buying e-books. DCCS: Largest pressure is on Rough sleepers and Homelessness budget. C-19 costs (not business as usual) included until December at an estimated cost of £1.3m. If it is agreed to continue with the current level of support, it is anticipated that the 4th QTR cost will be £350k bringing total C-19 costs to approx. £1.7m for the year. The adult and social care budget is anticipating an underspend based on the current level of clients however a small change in client numbers can have a major impact on the budget.
	18,941	19,112	171	1%	Income levels estimated to be around 30% once services reopen. Worst case is 0-10% income, best case is around 50%. For this exercise the medium case has been chosen. Barbican Residential: Micro commercial (Bright Horizons Nursery, St Pancras Medical Centre) income has been adversely impacted due to Covid19, also a major renter Virgin has requested to surrender a property which will adversely affect income. Income for the stores/car park has increased due to increased occupancy.
Director of Markets and Consumer Protection	(25,281)	(25,553)	(272)	(1%)	The forecast overspend is mainly due to costs of additional staff at the Ports for Brexit preparations, partly offset by vacancies and reduced casual staff and overtime use at Heathrow Animal Reception Centre (HARC) and Spitalfields Market. In addition, extra costs have been incurred in relation to COVID-19 for adaptations to HARC facilities to meet social distancing requirements.
	21,717	20,219	(1,498)	(7%)	The forecast overspend mainly reflects the impact of COVID-19 on income generation across services, principally at Heathrow Animal Reception Centre which is currently forecasting a shortfall of £1.5m, partly offset by an increase in transfers from reserves (Products of Animal Origin) to meet the cost of additional staff at the Ports for Brexit preparations. The overspend also includes loss of car parking income at Smithfield Market Rotunda as a result of COVID-19. In addition, the forecast assumes that a loss of income from not charging business rates to Smithfield Market tenants will be met by a combination of carry-forward and central COVID pot funding; if those are not agreed, the overspend will increase by £303k from the figure currently reported. Further losses will be incurred if the proposal to offer rent-free periods to qualifying tenants is approved - these cannot yet be quantified.

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 Open Spaces	(29,293)	(26,695)	2,598	9%	<p>Cemetery forecast overspend as the Superintendent expects that the last few months will have an affect on fuel costs (gas oil and diesel). The service has hired a dumper to assist with grave digging, extra staff on the gate to cover staff being moved elsew here and the cost of temp staff covering vacant posts as well as summer work will all increase expenditure.</p> <p>OSD City Gardens forecast underspend due to unfilled vacant posts.</p> <p>Keats House - could realise savings. The house may open in July. Casuals may be required to assist with supporting visits.</p> <p>Keats 200 programme will be taking place, but there may be more digital content. Monument - current savings largely due to a full reduction in rates based on continued closure. Potential for staffing costs to be reallocated to Tower Bridge being investigated by the Management Team with support from the Charities Team.</p> <p>OSD The forecast underspend is mainly due to staff vacancies across the department, reduction in premises and transport expenses, buying less stock for retail, and expenditure on repairs , maintenance and improvement is forecast to be lower than the original budget.</p> <p>Tower Bridge Tourism is forecasting savings of around £1.9m based on a September opening, although it is hoped the attraction may reopen in July. There are significant cuts to minor works budgets (content development and visitor improvement projects) originally planned for Q3&4. Savings are partly offset by anticipated equipment spend related to C-19 measures (PPE, perspex etc). Smaller savings expected on the Operational side as this budget relates to the organisation's statutory obligation for raising Tower Bridge, associated maintenance and 24/7 Security provision with ref to the Bridge as a Tier 1 NaCTSO site. These critical functions have been maintained throughout the crisis, with a moderate reduction in forecast expenditure due to equipment and improvement works stood-down or delayed in order to focus on critical services.</p>
	17,762	10,234	(7,528)	(42%)	<p>Cemetery forecast is above target. There has been a huge peak for the first 3 months of the year and the busy spell is likely to continue until the end of June. However, the peak has been in burial and cremation income but is slightly clouded by little or no income from other income streams (Book of Remembrance, Garden Memorials and so on). The Coronavirus and lockdown is likely to have a lasting negative affect on these income areas and it is also likely that funeral numbers will drop away significantly. This will be compounded by the replacement of cremators.</p> <p>OSD City Gardens forecast a total loss of income from events and filming , reduction in Section 106 and reduction in project income. There is an overall reduction in projects that are being delivered in the City due to Covid-19.</p> <p>Keats House - income shortfall expected. Reasons being rental losses as 1st quarter deferred, 2nd free and deferred quarter 3 and 4. Other income reductions based on lower capacity for visitor numbers with fewer events and hire charges. Assumes a July reopening.</p> <p>Monument - No income expected in 2020/21 resulting in a loss of around £643K</p> <p>Open Spaces - £2M variance arising due to the ongoing pandemic. OSD anticipating loss of income from donations, filming, car parking charges, cancelled sports event and weddings, closed swimming facilities at Hampstead Heath, tuition fees (Learning Team), from retail at View and Caddie House. Reduction in Government Grant at Epping Forest as per advise to match amount spent. Shortfall on rental income also anticipated - 1st quarter deferred, 2nd free, assumption of reduced payments 3rd and 4th quarters.</p> <p>Tower Bridge Tourism - assumptions based on a September reopening. Figures inclusive of Estimated Income for Admissions; Filming; Corporate Events - admissions based on operational capacity to ensure social distancing (14% of normal capacity Sept-Dec and 20% thereafter)</p>
Director of the Built Environment	(36,771)	(36,389)	382	1%	<p>The forecast underspend is mainly due to a reduction in the contract cost for parking enforcement as a result of COVID-19, staff vacancies across the department, and savings from early removal of Automatic Public Conveniences, partly offset by an carry-forward overspend from 2019/20, unidentified savings yet to be allocated, and the cost of the Tulip planning inquiry.</p>
	16,300	13,151	(3,149)	(19%)	<p>The forecast overspend is due to the significant impact of COVID-19 on income streams across the department, most significantly within off-street parking, traffic management, public conveniences and building control services, together with a reduction in income from staff recharges to capital projects, also due to COVID-19.</p>

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	(8,251)	(7,635)	616	7%	There is expected to be a significant cost saving against the Lord Mayor's travel budget as no travel has happened so far in this financial year and at present no trips are booked for the remainder of the year, approx. £400k could be saved against this budget. Staffing underspends on overtime are also anticipated as no events have taken place or are currently planned. The forecast assumes that events in some form will be able to take place from January 2020. Savings have also been anticipated on the running costs of Mansion House as this has been closed since the end of March. The Central Criminal Court is still being used as an operating court. Additional costs are being incurred for PPE for staff and cleaning. A proportion of these costs will be charged back to HMCTS at year end.
	4,515	4,008	(507)	(11%)	Event income at Mansion House is approximately £500k per year. No events have taken place so far this year. The forecast anticipates that events in some form will take place from January onwards.
Head of the Boys School	(22,321)	(20,765)	1,556	7%	Msc potential savings identified to help respond to the ongoing pandemic: £602k. The transfer to the Capital Reserve Fund in 2020/21 has also been reduced by £914k due to the available funding.
	21,104	19,589	(1,515)	(7%)	Variances arising due to the ongoing pandemic: A 10% discount on tuition fees was offered to parents in the Summer term 2020: £597k; Delay fee increase by a year to September 2021: £539k; 5% proposed discount on tuition fees in Autumn 2020: £300k; Bad debts estimated in 2020/21: £80k.
Headmaster of City of London Freemans School	(19,996)	(19,558)	438	2%	Non-recurrent savings anticipated in the Summer term totalling £330k. In addition, the recruitment freeze is anticipated to save £189k.
	20,114	19,676	(438)	(2%)	Variances arising due to the ongoing pandemic: TUITION FEES 1. Summer fee discount of 20% on tuition fees £1,043k. 2. Annual Fee increase deferral to September 2021 £772k. 3. Bad debts of £762k have been estimated for this financial year consisting of 10% bad debts in the Summer term only and £350k in the remaining two terms. 4. £505k due to the proposed 10% discount on tuition fees in Autumn. 5. Reduction in anticipated pupil numbers from September 2020 from 910 to 885 reducing anticipated income by £269k. BOARDING FEES 1. £221k loss of income in the Summer term due to the closure of the boarding house 2. £64k as no international pupils are anticipated in the Autumn term 3. £51k due to the proposal to delay the fee increase until September 2021. 4. £19k due to the proposed 10% discount on boarding fees in the Autumn term. The transfer from the General Reserve Fund to revenue has increased by £3,194k to partly offset the above variances (which will result in this reserve becoming overdrawn). Please note that there are variances on both the expenditure and income rows relating to repairs and maintenance.
Headmistress of City of London School for Girls	(16,988)	(16,296)	692	4%	£244k of potential savings identified to help respond to the ongoing pandemic. Expenditure on repairs, maintenance and improvement is forecast to be £214k lower than the original budget. The full, planned works may not take place due to supply chain issues and contractors being unable to carry out works in the limited time available. In addition, the transfers to reserves have been reviewed given the available funding and reduced in total by £229k.
	16,713	16,046	(667)	(4%)	Variances arising due to the ongoing pandemic: TUITION FEES - 10% discount in the Summer term 2020, £477k Delay fee increase by a year to September 2021, £447k 5% proposed discount in Autumn 2020, £242k Bad debts anticipated in 2020/21, £24k Partly offset by an increase in anticipated pupil numbers in September 2020 from 735 to 755, -£257k Reduced contribution from RM&I fund £214k (see above) Partly offset by a transfer from reserves to revenue -£479k.

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
Principal Guildhall School of Music and Drama	(35,363)	(36,364)	(1,001)	(3%)	The forecast for staffing includes a number of currently vacant posts that are likely to be removed pending further review in the coming months, along with additional costs incurred as a result of Covid-19.
	28,028	27,238	(790)	(3%)	Forecast changes to date reflect latest estimates for lost income as a result of cancelled programmes and activities due to Covid-19
Remembrancer	(2,901)	(2,443)	458	16%	Due to the impact of not being able to host any events at the Guildhall from the beginning of the financial year until assuming late Autumn, there will be significant cost savings associated with not hosting these events including staff time, equipment hire, printing and advertising.
	1,784	413	(1,371)	(77%)	No private event hire at Guildhall has taken place since the start of the financial year and is unlikely to take place until at least late autumn. An additional impact is that 3 of the 4 most lucrative months in the year - May, June, September and November will achieve nil or very nearly nil income.
Town Clerk	(28,459)	(28,127)	332	1%	Community, Safety & resilience - Currently there are costs which are overinflating the expenditure to be claimed back from government grants. Communications - Cityview costs of £34k currently have no budget this will be met through underspends. Innovation & Growth - Fundamental review items will be delivered. 70% of budget is staff costs; recruitment is completed to new roles. No under/over spends relating to recruitment unless staff leave. Currently underspends are not expected due to Fundamental review items reducing the budget, other than potential £200k savings relating to travel and potential savings occurring in the events space. Culture Mile - Saving post-Covid are relatively limited as we have piloted the model and continued our work with an emphasis toward local communities. A 'windfall saving' of £11,250 due to delayed recruitment of a Marketing Campaigns Manager at the Museum (now likely to be a Communities Marketing Officer). Culture: Guildhall Art Gallery - £103k savings from acquisitions, conservation, marketing and professional fees. However, also incorporates £55.5k of Covid-19 related costs, (additional cleaning and infrastructure costs). Visitor Services - Commercial Business Manager at £84k was not appointed (part of FR - so income target lost too) due to no likelihood of the post raising money in the current climate. City Information Centre - assumed to remain closed for whole of 20/21. Forecast includes £19 cost for security (while closed) charge of £1017 per month, whilst other areas such as Cash collection, visitor research, books, catering and uniforms remain at zero. In addition £14K of savings on casuals after 12 weeks of payments. Fundamental Review items - CTSP team: once the reserve figure is taken into account (93k) there is only £42k of savings left to make, which are achievable. Other FR savings are achievable this year as vacant post is not being recruited to. Salaries vacancies will go towards the unidentified savings so no current savings expected. Graduate underspends anticipated of £78K as we are currently under employed.
	3,533	3,712	179	5%	Communications - Income will be down by £60k if trends continue until period 6. Culture: Guildhall & City Business Libraries - expected loss of income around £75K, mostly from room hire. Even once the libraries reopen it is felt companies may move to more online based training or "away days" and so not need to book rooms. LMA - has remained open and income losses have been smaller at around £38K. Guildhall Art Gallery - £27K loss of income predicted which includes some exhibition ticket sales with 5 weekend openings of The Enchanted Interior in August. Includes retail profit with reliance on online 'pay it forward' purchases June to August, and reflects reduced visitor capacity and limited opening hours when GAG re-opens. It is anticipated no school groups will book workshops. Income from loans sees a slight increase due to two international loans. Visitor Services £70K shortfall mainly due to the £60K income target for the Commercial Business Manager not realised as this post was not recruited, noting impossible to realise targets in current climate. CIC - assumes centre will remain closed throughout 20/21 resulting in a shortfall of £194K. Also includes non-CBT BHE charities finance staff cost and a variation cost in contract with Wembley National Stadium Trust
Total	(532,637)	(511,765)	20,872	4%	
	288,800	246,372	(42,428)	(15%)	
Grand Total	(243,837)	(265,393)	(21,556)	(9%)	