

Committee:	Date:
Gresham (City Side) Committee	9 October 2015
Subject:	Public
Revenue Budget 2015/16 and 2016/17	
Report of:	For Decision
The Chamberlain The Director of Community and Children's Services	

Summary

1. This report is the annual submission of the revenue budgets overseen by your Committee. In particular, it seeks approval to the 2015/16 latest revenue budget and the provisional revenue budget for 2016/17, as shown at Appendices B3 - B5 and summarised in Table 1 below, for subsequent submission to the Finance Committee.

Table 1 - Gresham Committee Summary Revenue Budgets 2015/16 & 2016/17			
Divisions of Service (a service overview is provided at Appendix B1 & B2)	Original Budget 2015/16 £'000	Latest Budget 2015/16 £'000	Original Budget 2016/17 £'000
Chamberlain			
- City Moiety:	(339)	(311)	(320)
50% share of Gresham Estate			
- Discretionary Expenditure:	397	394	403
Support to Gresham College			
Sub Total	58	83	83
Director of Community and Children's Services			
- Mandatory Expenditure:	51	86	54
Maintaining the Almshouses			
Sub Total	51	86	54
Total	109	169	137

2. Overall, the latest budget for 2015/16 totals £169,000 a net increase of £60,000 compared to the original budget. This is primarily due to an increase in repairs and maintenance at the Gresham Almshouses of £28,000, coupled with a reduction in net income on City Moiety of £28,000 as the City's 50% share of the Gresham Estate.

3. Overall, the 2016/17 provisional revenue budget totals £137,000 a net increase of £28,000 compared with the original budget for 2015/16. This is principally due to a reduction in net income on City Moiety of £19,000 as the City's 50% share of the Gresham Estate.

Capital Budgets

4. This Committee does not currently have a capital programme.

Recommendations

5. The Committee is requested to:-
- i) review the latest 2015/16 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee; and
 - ii) review the provisional 2016/17 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee.

Main Report

Latest Revenue Budget for 2015/16

6. Overall there is an increase of £60,000 between the Committee's original and latest budget for 2015/16. Table 2 summarises the movements between the original and latest budgets comprising this increase.

Table 2 - Latest Revenue Budgets 2015/16 by Chief Officer			
Divisions of Service (a service overview is provided at Appendix B1 & B2)	Original Budget 2015/16 £'000	Latest Budget 2015/16 £'000	Movement Increase/ (Decrease) £'000
Chamberlain			
- City Moiety: 50% share of Gresham Estate	(339)	(311)	28
- Discretionary Expenditure: Support to Gresham College	397	394	(3)
Sub Total	58	83	25
Director of Community and Children's Services			
- Mandatory Expenditure: Maintaining the Almshouses	51	86	35
Sub Total	51	86	35
Total	109	169	60

7. The movement between the original and latest budgets shown in Table 2 is primarily attributable to:-

- a) An increase in net expenditure on the Gresham Almshouses of £35,000 principally due to an increase in repairs and maintenance of £28,000 reflecting the latest review of anticipated works including:-
 - i) £14,000 on structural repairs to the Gresham Almshouses boundary wall in the communal garden – this work was deferred from 2012/13 due to the identification of Japanese Knotweed which had to be cleared first. This has now been removed but the delay has resulted in significant further deterioration to the wall leading to increased repair costs;
 - ii) £10,000 to the refit Number 3 Gresham Almshouses planned to take place after an upcoming vacancy; and
 - iii) £8,000 as Gresham Almshouses 16% share of the cost of implementing lighting around the whole of the estate to improve safety.
- b) A reduction in City Moiety rental income (Royal Exchange) due to a one-off receipt in 2014/15 which was also included in the 2015/16 original estimate.

Proposed Revenue Budget for 2016/17

- 8. The 2016/17 draft budget overseen by the Committee has been prepared in accordance with the overall budget policy guidelines as agreed by the Policy and Resources and Finance Committees.
- 9. Overall there is an increase of £28,000 proposed between the 2015/16 original and the 2016/17 original budgets as shown in Table 3.

Table 3 - Provisional 2016/17 Revenue Budgets by Chief Officer			
Divisions of Service (a service overview is provided at Appendix B1 & B2)	Original Budget 2015/16 £'000	Original Budget 2016/17 £'000	Movement Increase/ (Decrease) £'000
Chamberlain			
- City Moiety: 50% share of Gresham Estate	(339)	(320)	19
- Discretionary Expenditure: Support to Gresham College	397	403	6
Sub Total	58	83	25
Director of Community and Children's Services			
- Mandatory Expenditure: Maintaining the Almshouses	51	54	3
Sub Total	51	54	3
Total	109	137	28

10. The movement between the 2015/16 original and 2016/17 proposed budget shown in Table 3 is principally due to:-

- a) a reduction in in the City's 50% share of the net income on City Moiety of £19,000 as a result of an anticipated reduction in the net income from the Royal Exchange, 89/91 Gresham Street and the Gresham House Annuity; and
- b) a reduction in City Moiety rental income (Royal Exchange) due to a one-off receipt in 2014/15 which was also included in the 2015/16 original estimate.

Gresham College

11. The proposed budgets for 2015/16 and 2016/17 provide for the City's grant to the College and potential uplifts based on the RPI as set out in the 'Funding Arrangement' agreed between the City, The Mercer's Company and the College covering the five year period to 31 July 2019.

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Annex A

Annexes in Support of the Revenue Budgets

Annex No.	Contents
	Detailed Budgets and Service Overview
B1-2	Brief Overview of the Service
B3	Committee Summary
B4	Chamberlain - Divisions of Service
B5	Community & Children's Services – Division of Service
	Other Annexes
C1	Support Services

GRESHAM COMMITTEE
SERVICE OVERVIEW

Sir Thomas Gresham (1518-1579) built his London Mansion House, Gresham House in Bishopsgate, in collegiate form. In his Will, Gresham House and the Royal Exchange were left to the City Corporation and the Worshipful Company of Mercers. From the income of the Royal Exchange the two parties were to select professors in Divinity, Astronomy, Music, Geometry, Law, Physic and Rhetoric and pay each of the seven professors the annual sum stated in the Will. The first four subjects were the responsibility of the City Corporation whilst the last three were the responsibility of the Mercers' Company. (In recent years the Mercers' Company has voluntarily added a fourth subject to their responsibility - Commerce.) The City Corporation was also obliged to maintain Sir Thomas' eight almshouses and pay each almsfolk a yearly allowance.

The professors took up residence in Gresham House (renamed Gresham College) in 1596 and lectures "for gratuitous instruction of all who chose to come and attend" began in 1598. The College had a valuable library and became "a favourite resort of learned men".

The demise of Gresham College began with the Great Fire of 1666. The College was undamaged, but the Royal Exchange was destroyed. As a result, the Lord Mayor, the Mercers' Company, the City Courts and officers and the merchants from the Exchange all moved into Gresham College, and its scholarly activities were disrupted. The buildings became ruinous and in 1767 an Act of Parliament was passed which permitted the City Corporation and the Mercers' Company to sell the ground to the Crown for an annuity in perpetuity. The Act also provided for the lecturers fees to be increased. The almshouses were subsequently relocated and are now at a site in Brixton.

In 1909, the Grand Gresham Committee established Gresham College as a base for the Gresham Lectures at the newly constructed 89/91 Gresham Street. That property was substantially refurbished in 1984 for banking purposes. At that time the College moved to Frobisher Crescent in the Barbican. In 1991 the Mercers' made available their premises at Barnard's Inn and the College moved there and this is currently the base for the Gresham Lectures. In September 2004 the long lease of 150 years on 89/91 Gresham Street was granted to Friends Provident Life Assurance Ltd. The property is currently occupied.

Annex B2

The Budgets are divided into three divisions of service. The first two shown are the responsibility of the Chamberlain and the third is the responsibility of the Director of Community and Children's Services:

1. City Moiety - This division shows the City Corporation's 50% share of the income from the Royal Exchange, 89/91 Gresham Street and the Gresham House annuity. The division also shows the City Corporation's share of the expenses of running the Estate.
2. Discretionary Expenditure- This division includes all other expenditure that does not form part of the City Moiety (item 1 above) or Mandatory expenses (item 3 below). It consists principally of the Grant to Gresham College, the non-mandatory element of the lecturers' fees and administrative costs.
3. Mandatory Expenses- This division shows the mandatory element of the City Corporation's four lecturers' fees (£400) and the cost of maintaining the almshouses and paying the almsfolk allowance