

Committee(s)	Dated:
Culture, Heritage and Libraries	11/07/16
Subject: Revenue Outturn – 2015/16	Public
Report of: The Chamberlain and Director of Culture, Heritage and Libraries Report author: Mark Jarvis	For Information

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2015/16 with the final agreed budget for the year. Overall total net expenditure during the year was £18.942m, whereas the total agreed budget was £20.355m, representing a decrease in net expenditure of £1.413m. The underspend on the Director's local risk was £0.898m of which £0.813m related to Tower Bridge Tourism.

Summary Comparison of 2015/16 Revenue Outturn with Final Agreed Budget			
	Final Approved Budget £000	Revenue Outturn £000	Variation Increase/ (Reduction) £000
Local Risk			
Director of Culture, Heritage and Libraries	7,300	6,402	(898)
City Surveyor	661	619	(42)
Total Local Risk	7,961	7,021	(940)
Central Risk			
Director of Culture, Heritage and Libraries	6,433	6,120	(313)
Total Central Risk	6,433	6,120	(313)
Capital & Support Services	5,961	5,801	(160)
Overall Totals	20,355	18,942	(1,413)

The Chief Officer has submitted requests to carry forward £119,000 from the local risk underspend, and these requests will be considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee.

Recommendations

- It is recommended that this revenue outturn report for 2015/16 and the proposed carry forward of underspends to 2016/17 are noted.

Main Report

- Actual net expenditure for your Committee's services during 2015/16 totalled £18.942m, an underspend of £1.413m compared to the final approved budget of £20.355m. A summary comparison with the final agreed budget for the year is tabulated below. In this and subsequent tables, figures in brackets indicate income or in hand balances, increases in income or decreases in expenditure. A reconciliation of original local risk budget to the final agreed local risk budget is provided in Appendix A.

Culture, Heritage and Libraries Committee – Comparison of 2015/16 Revenue Outturn with Final Agreed Budget

	<i>Original Budget</i>	Final Agreed Budget	Revenue Outturn	Variation Increase/ (Decrease)	Paragraph Reference
	£000	£000	£000	£000	
LOCAL RISK					
Director of Culture, Heritage & Libraries					
City Fund					
Guildhall Library, Information Services & City Business Library	1,537	1,583	1,598	15	
Barbican & Community Libraries	1,840	1,908	1,862	(46)	2
Central Management	676	673	647	(26)	
Guildhall Art Gallery	363	364	376	12	
London Metropolitan Archives	2,011	2,063	2,062	(1)	
City Records Service	1,052	1,059	1,073	14	
Visitor Services & City Information Centre	604	624	619	(5)	
Lower Thames Street*	8	8	10	2	
Total City Fund	8,091	8,282	8,247	(35)	
City's Cash					
Monument	(235)	(194)	(236)	(42)	3
Keats House	190	189	189	-	
Heritage Gallery	-	9	9	-	
Artichoke Great Fire	-	300	300	-	
Mayoralty & Shrievalty*	90	90	82	(8)	
Total City's Cash	45	394	344	(50)	
Bridge House Estates					
Tower Bridge Tourism	(525)	(1,376)	(2,189)	(813)	4
Total Bridge House Estates	(525)	(1,376)	(2,189)	(813)	
Total City Surveyor	722	661	619	(42)	5

TOTAL LOCAL RISK	8,333	7,961	7,021	(940)	
CENTRAL RISK					
Museum of London Grant	5,292	5,292	5,292	-	
City of London Festival	385	385	382	(3)	
Other costs including rent, rates, service charges & capital	697	756	446	(310)	6
TOTAL CENTRAL RISK	6,374	6,433	6,120	(313)	
CAPITAL & SUPPORT SERVICES	5,253	5,961	5,801	(160)	7
OVERALL TOTAL	19,960	20,355	18,942	(1,413)	

*These budgets are held by the Director of Culture, Heritage and Libraries but relate to building maintenance work and as such any underspends relates to the City Surveyor and cannot be carried forward by the Director.

Reasons for Significant Variations

2. The movement to a new Libraries Management System and associated technical problems meant that the Libraries were unable to order new and replacement stock for a longer than anticipated and planned period.
3. The £42,000 surplus at the Monument was achieved through a combination of a modest amount of income above target but mainly in significant planned underspend on marketing and minor works.
4. The £813,000 surplus at Tower Bridge reflects the exceptionally high numbers of visits to the exhibition based on continued public interest in the glass floor feature, installed in November 2014. The number of visitors to the Exhibition for the year was above target by 11% and above 2014/15 performance by 18%. This is the first year the Bridge has exceeded the milestone of 800,000 visitors and the income generated as a result was achieved in addition to the resource base being increased by £350K at the time of revised estimates. 2016/17 however presents uncertainty in terms of the Engine Rooms being closed for 6 weeks during refurbishment and the entire bridge likely to close for 3 months between October and December for essential resurfacing works, naturally making the prospect of similar levels of over-achievement unlikely/difficult to predict for this financial year.
5. The City Surveyor underspend of £42,000 is due to changes in the phasing over the 3 year cycle of each of the Additional Works Programmes, projects have been prioritised and re-phased over those 3 years
6. The Central Risk other costs and charges underspend of £310,000 is mainly due to two large rates refunds at the Barbican Centre, which has reduced the Barbican Libraries rates bill by £254,000.

7. The table below shows a breakdown of the Capital and Support Services budgets and expenditure.

	<i>Original Budget</i>	Final Agreed Budget	Revenue Outturn	Variation Increase/ (Decrease)
	<i>£000</i>	£000	£000	£000
CAPITAL & SUPPORT SERVICES				
Capital Charges	1,961	2,044	1,730	(314)
Support Services, including Chamberlains, Comptrollers & Town Clerks	678	878	938	60
Surveyors Employee & IT Recharges	881	980	1,108	128
Guildhall Admin Buildings	2,318	2,214	2,130	(84)
Insurances, including premises & Liability	266	207	199	(8)
Other recharges	(851)	(362)	(304)	58
TOTAL CAPITAL & SUPPORT SERVICES	5,253	5,961	5,801	(160)

The capital charges relating to Guildhall Improvement Works were lower than budgeted due to a change in the basis of apportionment between services. However, the impact on the City Fund overall was neutral. In addition, there were lower than budgeted costs on the Guildhall Complex. These were offset in part by increases to support services and Surveyors & IS Recharges due to revised methods of apportionment and usage of services. Recharges have a corresponding contra entry in their own accounts. Consequently these charges have no overall impact on net expenditure.

Local Risk Carry Forward to 2016/17

8. The Director of Culture, Heritage and Libraries has a local risk underspend of £898,000 on activities overseen by your Committee, of which £85,000 relates to City Fund and City's Cash and the balance of £813,000 relates to Bridge House Estates. The Director is proposing to request that £47,000 of City Fund and City's Cash underspend be carried forward with £72,000 of the Bridge House Estates underspend being requested, all of which relates to activities overseen by your Committee. The following purposes are proposed: -

- essential works following completion of the 3 year DCCS/Berkeley Homes Bridge master's development including window decals, snagging works for Engine Room entrance, equipment – originally earmarked for 2015/16: **£52,000**
- contribution towards costs of Martin Parr exhibition, (from Guildhall Art Gallery), being mounted and reinterpreted in the Tower Bridge Engine rooms: **£20,000**
- part of the purchase price of a unique early photograph of the Monument, which has been assessed by appropriate expert staff as both important and as fitting the profile of CoL collections: **£25,000**

- enhancements to technology systems in the libraries to streamline services and improve efficiency, including: licences for data services to facilitate electronic ordering of stock; wireless desk chargers for library users; digital enhancements to the new libraries management system: **£12,000**
- installation of self-service lockers for visitor use in Guildhall Art Gallery cloakroom: **£10,000**

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Appendix 1

	£000
Original Local Risk Budget	8,333
City Fund and City's Cash carry forwards	162
All funds contribution pay, budget uplift	36
City's Cash Artichoke Great Fire and Heritage Gallery budget transfers from Finance Committee	309
Transfer from Community and Children's Services for Barbican Library's work with children	37
Bridge House Estates local risk - one-off transfer from local risk to revenue to fund the engine rooms entrance and gift shop/reception upgrade capital projects	(505)
Bridge House Estates – Income targets increased at Tower Bridge due to excellent performance during the first six months of the year	(350)
City Surveyor local risk changes in the phasing over the 3 year cycle of each of the Additional Works Programmes	(61)
Final Agreed Local Risk Budget	7,961