

Committee(s)	Dated:
Hampstead Heath, Highgate Wood & Queen's Park Committee	17072017
Subject: Revenue Outturn 2016/17 – Hampstead Heath, Highgate Wood and Queen's Park	Public
Report of: The Chamberlain & the Director of Open Spaces	For Information
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Summary

This report compares the revenue outturn for the services overseen by your Committee in 2016/17 with the final agreed budget for the year. In total, there was a better than budget position of £506,000 for the services overseen by your Committee compared with the final agreed budget for the year as set out below.

	Final Agreed Budget	Outturn	Increase/ (Decrease)
	£000	£000	£000
Local Risk			
Director of Open Spaces	5,579	5,192	(387)
City Surveyor	1,039	1,028	(11)
Central Risk	(1,081)	(1,080)	1
Recharges	1,364	1,255	(109)
Total	6,901	6,395	(506)

The Director's favourable budget variance of £387,000 (Local Risk) is mainly due to a £306,000 better than budget position at Hampstead Heath and relates to a planned underspend which it had been intended to allocate to projects, further detail can be found in paragraph 4a). This better than budget position has been aggregated with budget variations on services overseen by other Committees, which produces a City Cash overall better than budget position of £167,000 (Local Risk) across all Open Spaces. A request to carry forward all of this £167,000 will be considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee, a breakdown of which can be found in paragraph 7.

There was also a reduction of £109,000 in recharges, a further breakdown of the contributing factors can be found in paragraph 4b).

Recommendation(s)

It is recommended that this revenue outturn report for 2016/17 and the consequential implications for the 2017/18 budget are noted.

Main Report

Budget Position for 2016/17

1. The 2016/17 latest approved budget for Hampstead Heath, Highgate Wood & Queen's Park services overseen by your Committee received in November 2016 was £6.756M. This budget was endorsed by the Court of Common Council in March 2017 and subsequently updated for approved adjustments. Movement of the original Local Risk budget to the final agreed budget is provided in Appendix A.

Revenue Outturn 2016/17

2. Actual net expenditure for your Committee's services during 2016/17 totalled £6.395M, a favourable budget variance of £506,000 compared with the final agreed budget. This was a result of a better than budget position of City Surveyors expenditure and additional income generated at Hampstead Heath.
3. A summary comparison with the final agreed budget for the year is tabulated below. In the tables, figures in brackets indicate income or in hand balances, increases in income or decreases in expenditure.

Hampstead Heath, Highgate Wood, and Queen's Park
Comparison of 2016/17 Revenue Outturn with Final Agreed Budget

	<i>Original Budget</i>	Final Agreed Budget	Revenue Outturn	Variation Increase/ (Decrease)	
	<i>£000</i>	£000	£000	£000	
LOCAL RISK					
Director of Open Spaces					
Hampstead Heath	4,434	4,593	4,287	(306)	Reason* a)
Hampstead STEM	38	55	43	(12)	
Queen's Park	517	529	502	(27)	
Highgate Wood	376	402	360	(42)	
Total Director of Open Spaces Local Risk	5,365	5,579	5,192	(387)	
City Surveyor					
City Surveyors Local Risk	430	391	385	(6)	
Additional Works Programme	1,562	648	643	(5)	
Total City Surveyor Local Risk	1,992	1,039	1,028	(11)	
TOTAL LOCAL RISK	7,357	6,618	6,220	(398)	
CENTRAL RISK					
Hampstead Heath	(1,188)	(1,092)	(1,090)	2	
Queen's Park	16	16	16	-	
Highgate Wood	(5)	(5)	(6)	(1)	
TOTAL CENTRAL RISK	(1,177)	(1,081)	(1,080)	1	
RECHARGES					
Insurance	130	98	95	(3)	
Support Services	646	569	529	(40)	
Surveyor's Employee Recharge	225	225	225	-	
I. S. Recharge	262	288	288	-	
Recharges Within Fund (Directorate Democratic Core, and Learning)	217	177	112	(65)	
Recharges Across Fund (Structural Maintenance – Inspections)	7	7	6	(1)	
TOTAL RECHARGES	1,487	1,364	1,255	(109)	b)
OVERALL TOTAL	7,667	6,901	6,395	(506)	

*See paragraph 4

Reasons for Significant Variations

4. a) The Director of Open Spaces £306,000 better than budget position is mainly due to a planned underspend which had been intended to be allocated to a number of small capital projects. This spend was not capitalised due to the necessity of allocating Departmental underspend to support the Learning Programme. It had been anticipated when the Learning Programme was approved that £200,00 of project income would contribute to the funding. As this income was not forthcoming in year, Policy & Resources agreed that this shortfall would be met in the first instance by carry forwards of underspends or failing that, an allocation from City's Cash. There was also some higher than budget income at Hampstead Heath. The major contributor was the Lido, with other increases from weddings, filming, rental income, track & tennis court hire, and car parking.
- b) The £109,000 decrease in total recharges is mainly due to a £65,000 reduction in Recharges within Fund, the majority of which is due to a decrease in rechargeable expenditure associated with the Learning Programme, and a reduction in support costs due to a decreased requirement in support time from CLPS and central support.

Local Risk Carry Forward to 2017/18

5. Chief Officers can generally request underspends of up to 10% or £500,000 (whichever is the lesser) of the final agreed local risk budget to be carried forward, so long as the underspending is not fortuitous and the resources are required for a planned purpose. Such requests are subject to the approval of the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resources Allocation Sub Committee.
6. Overspends are carried forward in full and are met from the agreed 2017/18 budgets.
7. The Director's better than budget position of £387,000 (Local Risk) has been aggregated with budget variations on services overseen by other Committees which for City's Cash produce an overall better than budget position of £167,000 (Local Risk) where the following have been submitted for a carry forward.

£18,000 Playground equipment (Hampstead Heath) to be capitalised.

£149,000 To fund the Learning Programme (as agreed by Policy & Resources).

Efficiency & Sustainability

8. City of London overall Financial Position and context for the Efficiency and Sustainability Plan

The Court of Common Council approved the published Efficiency and Sustainability Plan on the 13th October 2016. This plan focuses on the existing Service Based Review programme which is now nearing completion, other agreed transformation initiatives and developing a framework for continuous efficiency improvement for 2017/18 and later years. This plan needs to be viewed in the context of the overall Medium Term Financial Strategy to have a five year plan with sufficient cashable savings to present a balanced budget for all four funds and adopting an investment approach utilising the headroom to invest in one-off projects such as the Museum of London relocation project and 'bow wave' list of outstanding repairs.

To assist with this context and messaging, a set of core messages on the City of London Corporation's Finances have been developed and are set out in Appendix B for members information.

Appendices

- Appendix A – Movement between Original 2016/17 and the final agreed Budget
- Appendix B – Efficiency & Sustainability Plan

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