

Committee(s)	Dated:
Gresham (City Side) Committee	1 November 2019
Subject: Revenue Budget 2019/20 and 2020/21	Public
Report of: The Chamberlain The Director of Community and Children's Services	For Decision
Report author: Steven Reynolds, Chamberlain's Department	

Summary

This report presents the annual submission of the revenue budgets overseen by your Committee. It seeks approval for the 2019/20 latest revenue budget and the proposed revenue budget for 2020/21, as shown at Appendices A3 - A5 and summarised in Table 1 below, for subsequent submission to the Finance Committee.

Table 1 – Gresham Committee Summary Revenue Budgets 2019/20 & 2020/21			
Divisions of Service (a service overview is provided at Appendix A1 & A2)	Original Budget 2019/20 £'000	Latest Budget 2019/20 £'000	Original Budget 2020/21 £'000
Chamberlain			
- City Moiety:	324	323	324
50% share of Gresham Estate			
- Discretionary Expenditure: Support to Gresham College	(465)	(486)	(653)
Sub Total	(141)	(163)	(329)
Director of Community and Children's Services			
- Mandatory Expenditure:	(62)	(62)	(62)
Maintaining the Almshouses			
Sub Total	(62)	(62)	(62)
Total	(203)	(225)	(391)

Note: figures in brackets represent expenditure, increases in expenditure, or reductions in income.

The latest budget for 2019/20 totals £225,000 a net increase of £22,000 compared to the original budget, largely due to additional one-off costs of £15,000 to Gresham College as agreed by Resource Allocation Sub Committee on 17 January 19, and a carry forward of £6,000 for the purchase of Gresham biography books.

The 2020/21 provisional revenue budget totals £391,000 a net increase of £188,000 compared with the original budget for 2019/20. This is due to a proposed increase in the City Grant to Gresham College which is based on the revised 5-year 'Funding Agreement', presented to the Joint Grand Gresham Committee on 24 September 2019 and approved for subsequent submission and approval by the Finance and Policy and Resources Committees on 12th and 21st November 2019 respectively.

Recommendations

The Committee is requested to:-

- i) review the latest 2019/20 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 proposed 2020/21 revenue budget to ensure that it reflects the Committee's objectives and, subject to the approval of the revised 5-year 'Funding Agreement' being submitted to the Finance and Policy and Resources Committees on 12th and 21st November 2019 respectively, approve the budget for submission to the Finance Committee.

Main Report

Latest Revenue Budget for 2019/20

1. Overall, there is an increase of £22,000 between the Committee's original and latest budget for 2019/20. Table 2 summarises the movements comprising this increase.

Table 2 – Latest Revenue Budgets 2019/20 by Chief Officer			
Divisions of Service (a service overview is provided at Appendix A1 & A2)	Original Budget 2019/20 £'000	Latest Budget 2019/20 £'000	Movement Better/ (Worse) £'000
Chamberlain			
- City Moiety:	324	323	(1)
50% share of Gresham Estate	(465)	(486)	(21)
- Discretionary Expenditure: Support to Gresham College			
Sub Total	(141)	(163)	(22)
Director of Community and Children's Services			
- Mandatory Expenditure: Maintaining the Almshouses	(62)	(62)	-
Sub Total	(62)	(62)	-
Total	(203)	(225)	(22)

Note: figures in brackets represent expenditure, increases in expenditure, or reductions in income.

2. The overall movement of £22,000 between the original and latest budgets shown in Table 2 is principally due to:
 - Additional one-off costs of £15,000 awarded to Gresham College for: essential health and safety works and office renovations (£7,000), website development (£5,000), staff development (£1,500) and UCEA Membership (£1,500); and
 - A carry forward from 2018/19 of £6,000 for the purchase of Gresham biography books.
3. A further carry forward of £104,000 was also agreed to be carried forward from 2018/19, which will be used towards the cost of the Almshouses refurbishment.

Proposed Revenue Budget for 2020/21

4. The 2020/21 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.
5. Overall there is an increase of £188,000 between the 2019/20 original budget and the provisional 2020/21 original budget as shown in Table 3.

Table 3 – Provisional Revenue Budget 2020/21 by Chief Officer			
Divisions of Service (a service overview is provided at Appendix A1 & A2)	Original Budget 2019/20 £'000	Original Budget 2020/21 £'000	Movement Better/ (Worse) £'000
Chamberlain			
- City Moiety: 50% share of Gresham Estate	324	324	-
- Discretionary Expenditure: Support to Gresham College	(465)	(653)	(188)
Sub Total	(141)	(329)	(188)
Director of Community and Children's Services			
- Mandatory Expenditure: Maintaining the Almshouses	(62)	(62)	-
Sub Total	(62)	(62)	-
Total	(203)	(391)	(188)

Note: figures in brackets represent expenditure, increases in expenditure, or reductions in income.

6. The unfavourable movement of £188,000 between the 2019/20 original and the 2020/21 proposed budget shown in Table 3 is due to a proposed increase in the City Grant to Gresham College based on a new 5-year 'Funding Arrangement' which was presented to the Joint Grand Gresham Committee on 24th September 2019 and approved for submission to the Finance and Policy and Resources Committees on 12th and 21st November 2019 respectively.

Gresham College

7. The proposed budgets for 2019/20 and 2020/21 provide for the City's grant to the College. The 2019/20 budget is based on a continuation of the 'Funding Arrangements' agreed between the City, The Mercer's Company and the College for the 5-year period to 31 July 2019. The 2019/20 budget also provides for an RPI uplift up to 3%, along with additional funding of £45,000 as set out in table 4 below.

Table 4 – Gresham College Funding 2019/20			
Discretionary Expenditure: Support to Gresham College	Original Budget 2019/20 £'000	Latest Budget 2019/20 £'000	Notes
- 2019/20 Budget based on a one-year continuation of the 5-year funding arrangement due to expire on 31 July 2019	(421)	(421)	
- Additional funding agreed by Finance Committee on 8 May 2018	(30)	(30)	i)
- Additional funding agreed by Resource Allocation Sub Committee on 17 January 2019	-	(15)	ii)
Total	(451)	(466)	

i) The additional £30,000 was for half of the funding of: 1.5 FTE Office Junior posts (£17,000) and one Communications Assistant (£13,000).

ii) The additional £15,000 was for: essential health and safety works and office renovations (£7,000), website development (£5,000), staff development (£1,500) and UCEA Membership (£1,500).

8. The proposed budget for 2020/21 is based on a proposed new 5-year 'Funding Arrangement' which was presented to the Joint Grand Gresham Committee on 24 September 2019 and approved for submission to the Finance and Policy and Resources Committee's on 12th and 21st November 2019 respectively.
9. The new proposed 'Funding Arrangement' has been prepared by the College with assistance from an external consultant who carried out a review of the College and worked with the College to help develop a robust business plan to ensure a sustainable future for the College.

Appendices

- A1-2: Brief Overview of the Service
- A3: Committee Summary
- A4: Chamberlain - Divisions of Service
- A5: Community & Children's Services - Division of Service
- B1: Support Service

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GRESHAM COMMITTEE **SERVICE OVERVIEW**

Sir Thomas Gresham (1519-1579) 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 – Business (formerly 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 1597 and lectures "for gratuitous instruction of all who chose to come and attend" began in 1597. 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 1768 an Act of Parliament was passed which required 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 1842, the Joint 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.

Appendix A2

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 allowances.