

Revenue Budget Monitoring to December 2019 - Appendices

Appendix 1

Chief Officer Cash Limited Budgets by Fund - Comparison with the Previous Quarter									
Original Budget £'000	Chief Officer	Full Year Forecast as at Q2				Full Year Forecast as at Q3			
		Latest Budget	Forecast	Variance Better / (Worse)		Latest Budget	Forecast	Variance Better / (Worse)	
		£'000	£'000	£'000	%	£'000	£'000	£'000	%
	City Fund								
(1,716)	Chamberlain	(1,830)	(1,761)	69	4%	(1,833)	(1,746)	87	5%
(4,621)	City Surveyor	(6,082)	(6,276)	(194)	(3%)	(6,088)	(5,963)	125	2%
(11,156)	Director of Community and Children's Services	(11,498)	(10,896)	602	26%	(12,235)	(11,804)	431	6%
(2,202)	Director of Markets and Consumer Protection	(2,555)	(1,884)	671	26%	(2,818)	(2,653)	165	6%
613	Director of Open Spaces	567	537	(30)	(5%)	505	535	30	6%
(16,365)	Director of the Built Environment	(20,250)	(20,149)	101	0%	(20,390)	(20,500)	(110)	(1%)
(437)	Executive Director Mansion House and Old Bailey	(402)	(411)	(9)	(2%)	(406)	(411)	(5)	(1%)
(16,271)	Managing Director, Barbican Centre	(16,715)	(17,912)	(1,197)	(7%)	(17,072)	(18,464)	(1,392)	(8%)
(13,178)	Town Clerk	(15,513)	(15,274)	239	2%	(15,620)	(15,314)	306	2%
(65,333)	Total City Fund (excluding Police)	(74,278)	(74,026)	252	(1%)	(75,957)	(76,320)	(363)	(1%)
	City's Cash								
(92)	Chamberlain	(96)	(96)	0	0%	(115)	(125)	(10)	(9%)
(15,529)	City Surveyor	(16,847)	(17,357)	(510)	(3%)	(16,922)	(17,271)	(349)	(2%)
(912)	Director of Community and Children's Services	(1,057)	(1,057)	0	0%	(1,057)	(1,046)	11	1%
(1,441)	Director of Markets and Consumer Protection	(1,504)	(1,389)	115	8%	(1,508)	(1,312)	196	13%
(11,121)	Director of Open Spaces	(11,826)	(11,808)	18	0%	(11,794)	(11,832)	(38)	(0%)
(3,251)	Executive Director Mansion House and Old Bailey	(3,344)	(3,354)	(10)	(0%)	(3,353)	(3,380)	(27)	(1%)
(1,023)	Head, City of London Boy's School	(1,035)	(1,035)	0	0%	(1,035)	(1,139)	(104)	(10%)
2	Headmaster, City of London Freeman's School	(10)	(10)	0	0%	(10)	58	68	678%
(231)	Headmistress, City of London School for Girls	(240)	(240)	0	0%	(240)	(240)	0	0%
(6,207)	Principal, Guildhall School of Music and Drama	(6,410)	(6,410)	0	0%	(6,548)	(6,548)	0	0%
(1,212)	Remembrancer	(1,216)	(1,194)	22	2%	(1,229)	(1,243)	(14)	(1%)
(106)	Town Clerk	(266)	(264)	2	1%	(266)	(320)	(54)	(20%)
(41,123)	Total City's Cash	(43,851)	(44,213)	(362)	(1%)	(44,077)	(44,398)	(321)	(1%)
	Bridge House Estates								
0	Chamberlain	(45)	(45)	0	0%	(45)	(45)	0	0%
(2,200)	City Surveyor	(2,414)	(2,414)	(0)	(0)	(2,656)	(2,650)	6	0%
(218)	Director of Open Spaces	(215)	(166)	49	23%	(124)	(36)	88	71%
(262)	Director of the Built Environment	(270)	(265)	5	2%	(270)	(266)	4	1%
(2,326)	Town Clerk	(2,517)	(2,558)	(41)	(2%)	(2,530)	(2,571)	(41)	(2%)
(5,006)	Total Bridge House Estates	(5,461)	(5,448)	13	0%	(5,625)	(5,568)	57	1%
	Guildhall Administration								
(21,857)	Chamberlain	(23,159)	(23,055)	104	0%	(23,207)	(23,253)	(46)	(0%)
(7,105)	City Surveyor	(8,645)	(8,737)	(92)	(1%)	(8,705)	(8,756)	(51)	(1%)
(3,547)	Comptroller and City Solicitor	(797)	(797)	0	0%	(836)	(836)	0	0%
349	Remembrancer	327	663	336	103%	326	329	3	1%
(6,948)	Town Clerk	(6,625)	(6,557)	68	1%	(6,651)	(6,381)	270	4%
(39,108)	Total Guildhall Administration	(38,899)	(38,482)	417	1%	(39,073)	(38,897)	176	0%
(150,570)	Grand Total (excluding Police)	(162,489)	(162,171)	318	0%	(164,732)	(165,183)	(451)	(0%)
(72,729)	Commissioner of Police (City Fund)	(73,614)	(75,833)	(2,219)	8%	(73,436)	(74,160)	(724)	13%
(223,299)	Grand Total	(236,103)	(238,004)	(1,901)	(1%)	(238,168)	(239,344)	(1,176)	(0%)

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	(45,471)	(46,593)	(1,122)	(2%)	Overspend due to increases to City contracts where inflation (more than 2% budget) and management fees have been added, release of the start of year target and carry forward, and a delay in the buildings restructure. It also includes an increase in programming activity (box office more than covers).
	28,399	28,129	(270)	(1%)	Additional programming means box office is set to do well in Music and Theatre, though Into the Night which opened in early October has started slow and may pose a risk of £300k. To add to this, the dates that Into the Night will be touring have changed, therefore the projected net income of £130k is now going to materialise in 20/21.
Chamberlain	(25,739)	(25,689)	50	0%	Savings largely due to staff vacancies and some IT improvements.
	539	520	(19)	(4%)	Minor Variance
City Surveyor	(48,901)	(49,126)	(225)	(0%)	Higher than anticipated expenditure on reactive repairs on operational properties, rates and professional fees on BHE investment estate and security costs. Offset in part by lower than expected expenditure on City's Estate.
	14,530	14,486	(44)	(0%)	Higher than anticipated service charge income on CF estate and anticipated increase in dilapidations income on BHE investment estate.
Comissioner of Police	(150,545)	(152,507)	(1,962)	(1%)	Projections indicate an overspend of £0.7m by the end of the year which is consistent with the position reported in period 8. This includes full use of the POCA reserve. The position before use of reserve is an overspend of £2.2m primarily due to an unfunded increase in Police Officer pension contributions in the region of £2.5m based on full establishment. Current workforce levels indicate pressure of £2.3m this year. Budget pressures on overtime continue with recent public order activity, however, funding options are being explored. Savings of £6.3m are built into the budget, with £4.7m in pay and £1.6m in non-pay. Maintaining acceptable service levels whilst holding the required level of vacant posts as part of agreed pay mitigation continues to be challenge. Ongoing management of the vacancy factor, maximising income opportunities and managing non-essential spend continue in order to bring the position back within budget by the end of the year.
	77,109	78,346	1,237	2%	
Comptroller and City Solicitors	(4,603)	(4,603)	0	0%	No Variances
	3,767	3,767	0	0%	
Director of Community and Childrens Services	(33,627)	(33,217)	410	1%	DCCS City Fund underspend due to staff vacancies which can not be filled due to freeze on recruitment plus less than budgeted expenditure on social care clients - a number of clients have passed away during the year or had changes to care packages resulting in overall an underspend.
	20,335	20,367	32	0%	
Director of Markets and Consumer Protection	(25,521)	(25,443)	78	0%	Savings at Spitalfields Market due to staffing vacancies which are partly offset by additional waste collection contract payments and the purchase of computer software for a new HR staff management system. Additional savings due to increased efficiency in heating and cooling equipment and reduced energy costs, and utilities credits received for over-charges. Partially offset by overspends due to the City Environmental Health Idling Engine Action Project, which is match funded by grant income from the Mayor; HARC additional staffing, IT and new vehicle costs to meet the increase in throughput trade, and office move costs at Thames Gateway port.
	21,195	21,478	283	1%	Projected additional income due to increased income for Passports for Pets at HARC that has increased substantially largely due to the introduction of a new charge for failure to comply with pre-check requirements; City Environmental Health additional grant income for the Mayor's Air Quality Fund to meet the costs of the Idling Engine Action Project and a new income stream for Construction/Deconstruction Levy. There is also reduced income at Spitalfields Market for the entry barrier project due to delayed installation which will be partly offset by additional charges to tenants year end service charge bills.

	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse)		Cause / Action
			£'000	%	
Director of Open Spaces	(28,118)	(28,103)	15	0%	Although the Monument saw a positive start to 2019/20, income figures were still under target across the first half of the year compared to previous years, meaning specific expenditure budgets have been reduced to redress the balance. Performance was therefore more positive against a revised income target of £623k. The recent incident at London Bridge however has resulted in a significant decline in visitor figures to the Monument across December 2019, which is likely to result in a net £22K deficit at year end. £46K of this relates to below target income with an underspend of £22K on expenditure.
	16,705	16,771	66	0%	Tower Bridge's 125th year has seen positive progress to date with regard to income generation. The revised year end forecast for total income has therefore been increased accordingly to £6,637,000. With this figure having been raised by £420K, the retail element of the business alone is expected to perform well, meaning a significant proportion of this must be added to retail stock expenditure budgets. Raising retail cost expenditure and further improvement activities (accessible toilets, development of storage facilities) results in a forecast end of year net surplus of approximately £88K (£117K on income with a £29K overspend on expenditure).
Director of the Built Environment	(37,622)	(36,740)	882	2%	Projected expenditure underspends are mainly due to a host of salary savings across the Department due to posts held vacant as part of the Fundamental Review and the new Development Management structure changes within Town Planning. Additionally we have a reduction in electricity costs due to new more efficient LED Highways street lighting and underspends on the repair & maintenance of vehicles within the Transport Organisation as a result of a newer and smaller fleet of vehicles. This is offset in part by additional waste disposal costs due to increased throughput.
	16,962	15,974	(988)	(6%)	Projected income shortfalls are mainly due to reduced staff recharges to capital projects due largely to staffing vacancies. Further shortfalls are comprised of declining building regulation fee and hoarding and scaffolding licence income due to reduced market activity and reduced toilet barrier income continuing from the previous year. A planned transfer from the LATS Reserve is also not going ahead as a result of overall Departmental forecast position. These shortfalls are partly offset by additional off-street car parking income.
Executive Director Mansion House and Old Bailey	(8,154)	(8,431)	(277)	(3%)	Projected overspend due to additional security contractors required until December, temporary staff covering vacant posts, and use of agency staff for events. Additional costs were also incurred as a result of the kitchen fire at Mansion House.
	4,395	4,640	245	6%	Additional income received from the insurance claim for the kitchen fire at Mansion House. A large proportion of the anticipated overspend will be charged back to HMCTS.
Head of the Boys School	(21,220)	(21,151)	69	0%	There is an overall reduction in expenditure due to a reduced headcount and reduced repairs and maintenance spend. This is partly offset by increases to transfers to reserves, particularly the transfer to the School's Capital Reserve Fund.
	20,185	20,012	(173)	(1%)	What appears to be an unfavourable variance actually reflects a reduced transfer from the repairs and maintenance reserve to fund in-year R&M expenditure. Overall income is forecast to exceed the budget by £27k mainly due to a larger number of pupils at the school than anticipated less reduced income from school meals and examination fees.

	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse)		Cause / Action
			£'000	%	
Headmaster of City of London Freemans School	(19,415)	(19,567)	(152)	(1%)	Largely due to increased premises costs, transport costs and staff subsidy less savings made by the school against supplies & services.
	19,405	19,625	220	1%	Largely reflective of transfers from the school's reserves forecast to be higher than anticipated when the budget was set, partially offset by reduced tuition fee income, a reduced contribution to the R&M fund, reduced boarding fee income and reduced other income. The latest budget for the current year 2019/20 shows total net expenditure after transfers of £498k, which represents an unfavourable movement of £532k compared to the original budget which showed net income £34k. This movement is mainly due to fewer pupils than anticipated, leading to lower tuition fee income, reduced boarding fee income and higher premises costs, partly offset by a reduced contribution to the Repairs, Maintenance and Improvements Fund. The net expenditure of £498k will be funded from the School's General Reserve Fund, reducing it to £248k (£532k below the recommended balance of £780k).
Headmistress of City of London School for Girls	(15,957)	(16,217)	(260)	(2%)	The additional income of £260k will result in an anticipated transfer to the Capital Reserve Fund of £206k and will meet additional costs of £54k compared to the budget.
	15,717	15,977	260	2%	CLSG is anticipating additional income of £260k compared to the budget - £206k in tuition fees and £90k in facilities hire. This is partly offset by a reduction of £36k in registration and exam fees.
Principal Guildhall School of Music and Drama	(31,489)	(31,544)	(55)	(0%)	Principally relates to the increased costs in course delivery at the CYM Satellite sites and the additional employers pension contributions' as part of a triennial exercise to bring everyone back into the scheme that are eligible, coupled with income for the Guildhall Young Artists (GYA) Islington programme.
	24,941	24,996	55	0%	Principally due to additional tuition fee income from the Centre for Young Musician (CYM) satellite sites, largely offset by increased costs in course delivery, and masterclasses run across the School, coupled with expenditure on the GYA Islington programme.
Remembrancer	(2,672)	(2,689)	(17)	(1%)	Minor Variances
	1,769	1,775	6	0%	
Town Clerk	(28,133)	(27,745)	388	1%	Projected underspends are largely due to staff vacancies and late starts. Graduate staffing is currently also expected to be under budget due to only 2 of the 4 posts being filled and due to a graduate leaving in September. Additional underspends due in part to the post recruitment freeze and general spend on supplies and services. This is partially offset by expected overspends on the occupational health budget, London Metropolitan Archives and additional expenditure required for hiring freelance grant assessors for processing the backlog of grant applications.
	3,066	3,159	93	3%	Above target income largely due to the success of the latest exhibition at the Guildhall Art Gallery and from increased levels of sales at the City Information Centre (14% increase from 2018/19 to the end of December 2019).
Total	(527,187)	(529,365)	(2,178)	(0%)	
	289,019	290,021	1,002	0%	
Grand Total	(238,168)	(239,344)	(1,176)	(0%)	

Appendix 3

Chief Officer Cash Limited Budgets - Budget Changes		
	£'000	£'000
Original Local Risk Budget		(223,299)
Virements		
Additional Funding agreed RASC January 2019 transferred from Central Risk contingencies	(13,986)	
Changes to service charges and recharges as a result of additional funding above	134	
Approved Local Risk Carry Forwards and Overspends	(964)	
Approved Adjustments - Transitional Rate Relief Uplift	(53)	
		(14,869)
Latest Local Risk Budget		(238,168)