

Revenue Budget Monitoring Quarter 1 2020/21 – Appendices

Appendix 1

Chief Officer Cash Limited Budgets by Fund					
Original Budget £'000	Chief Officer	Full Year Forecast as at 31 June 2020			
		Latest Budget £'000	Forecast £'000	Variance Better / (Worse) £'000 %	
	City Fund				
(1,755)	Chamberlain	(1,755)	(1,534)	221	13%
(5,117)	City Surveyor	(5,240)	(5,086)	154	3%
(11,168)	Director of Community and Children's Services	(12,320)	(13,015)	(695)	(6%)
(2,199)	Director of Markets and Consumer Protection	(2,199)	(3,149)	(950)	(43%)
564	Director of Open Spaces	564	527	(37)	(7%)
(20,196)	Director of the Built Environment	(20,196)	(22,714)	(2,518)	(12%)
(402)	Executive Director Mansion House and Old Bailey	(402)	(480)	(78)	(19%)
(17,165)	Managing Director, Barbican Centre	(17,389)	(30,053)	(12,664)	(73%)
(15,065)	Town Clerk	(15,065)	(14,995)	70	0%
(72,503)	Total City Fund (excluding Police)	(74,002)	(90,499)	(16,497)	(22%)
	City's Cash				0%
(99)	Chamberlain	(99)	(187)	(88)	(88%)
(16,228)	City Surveyor	(16,103)	(16,967)	(864)	(5%)
(1,052)	Director of Community and Children's Services	(1,052)	(1,012)	40	4%
(1,365)	Director of Markets and Consumer Protection	(1,365)	(1,502)	(137)	(10%)
(11,822)	Director of Open Spaces	(11,852)	(13,279)	(1,427)	(12%)
(3,334)	Executive Director Mansion House and Old Bailey	(3,334)	(3,386)	(52)	(2%)
(1,217)	Head, City of London Boy's School	(1,217)	(1,176)	41	3%
118	Headmaster, City of London Freeman's School	118	234	116	98%
(275)	Headmistress, City of London School for Girls	(275)	(250)	25	9%
(6,799)	Principal, Guildhall School of Music and Drama	(6,799)	(8,354)	(1,555)	(23%)
(1,391)	Remembrancer	(1,391)	(1,333)	58	4%
(215)	Town Clerk	(215)	(203)	12	6%
(43,679)	Total City's Cash	(43,584)	(47,414)	(3,830)	(9%)
	Bridge House Estates				0%
(45)	Chamberlain	(45)	(45)	0	0%
(2,703)	City Surveyor	(2,703)	(2,690)	13	0%
(243)	Director of Open Spaces	(243)	(3,708)	(3,465)	(1,426%)
(275)	Director of the Built Environment	(275)	(275)	0	0%
(2,920)	Town Clerk	(2,939)	(2,618)	321	11%
(6,186)	Total Bridge House Estates	(6,205)	(9,335)	(3,130)	(50%)
	Guildhall Administration				0%
(22,165)	Chamberlain	(22,217)	(22,507)	(290)	(1%)
(8,666)	City Surveyor	(8,686)	(8,290)	396	5%
(845)	Comptroller and City Solicitor	(845)	(945)	(100)	(12%)
274	Remembrancer	274	(687)	(961)	(351%)
(6,536)	Town Clerk	(6,559)	(6,481)	78	1%
(37,938)	Total Guildhall Administration	(38,033)	(38,910)	(877)	(2%)
(160,306)	Grand Total (excluding Police)	(161,824)	(186,159)	(24,335)	(15%)
(84,884)	Commissioner of Police (City Fund)	(84,884)	(80,881)	4,003	5%
(245,190)	Grand Total	(246,708)	(267,039)	(20,331)	(8%)

Appendix 2

Chief Officer Cash Limited Budgets - Income and Expenditure Variances					
	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse)		Cause / Action
			£'000	%	
Barbican Center Managing Director	(45,105)	(35,748)	9,357	21%	Expenditure savings are due to activity reductions as well as a hold on all non-essential expenditure. Improvement in forecast from P2 to P3 is due to the backdated furlough funding agreement.
	27,716	5,695	(22,021)	(79%)	The loss of income forecast is due to the centre closure following the effect of Covid-19 in addition to limited activity being forecast for the remainder of the financial year due to social distancing measures.
Chamberlain	(25,032)	(24,990)	42	0%	Minor overall variance across department
	916	718	(198)	(22%)	Underachievement of income mainly due to reduction in court cost income as a result of recovery suspension and reduction in Freedom ceremonies for 9 months. Assume that Freedoms return to normal levels in January 2021.
City Surveyor	(46,387)	(46,049)	338	1%	Savings largely due to Guildhall running costs (£637k), principally energy and security due to the building being empty during the Covid19 pandemic, with an assumed increased use of the Guildhall from end of October, partially offset by cost anticipated for required works to the building to make it Covid-19 compliant to allow staff to return; City Fund savings (£253k) for Walbrook Wharf and Magistrates Court running costs due properties unoccupied during the Covid-19 pandemic; savings partially offset by overspend on City's Cash (£564k) which comprises inclusion of the carry-forward overspend for CS from 2019/20 of £320k with the balance due to an anticipated overspend on departmental salaries as Fundamental Review savings have not been realised as planned due to delay in producing the City's Target Operating Model.
	13,655	13,016	(639)	(5%)	Shortfall largely due to City's Cash (£300k) reduced professional fee income anticipated due to a lower number of property deals in the current Covid-19 pandemic; Guildhall (£241k) reduced income anticipated principally in respect of recovery of security and other staff costs relating to Guildhall from external events which is due to cancellation of these events in the current pandemic; City Fund (£99k) reduced income from Magistrates Court and Walbrook Wharf as a consequence of lower spend as these costs are recoverable through Government grant and service charge respectively. Note it is anticipated at present that the Investment Estate's will be on target at year end but will depend on any significant tenant failures in the present pandemic.
Commissioner of Police	(161,953)	(156,727)	5,226	3%	As at month 3 the projected full year outturn position is a £4.0m underspend. Current workforce and recruitment plans have been reviewed and will be monitored closely during the year, the current position is based on an escalated recruitment process and a number of recent new appointments. The projected attrition levels have been revised due to COVID19, assuming there will be no leavers during the financial year. Police services have remained as business as usual during COVID19, there have been no other variances in income and expenditure to date, however, it should be noted that there might be some reductions in grants, e.g. the TFL grant, however, it is too early to predict. This will be flagged up in the quarterly monitoring reports to Members. Overtime, non-pay and income are currently forecasted to budget. Challenging savings target of £5.7m expected to be achieved in this financial year. Various pressures do exist, such as COVID 19, however, we are able to claim losses from the Home Office as part of the 'ring-fenced £1.2m uplift grant'. Also there are pressures for Wood street and New Street costs for 20/21 which will have to be managed and accommodated within existing budgets, including the significant delay in closure of Wood Street.
	77,069	75,847	(1,222)	(2%)	
Comptroller and City Solicitors	(4,717)	(4,717)	0	0%	No Variance
	3,872	3,772	(100)	(3%)	Shortfall due to expected under recovery as a result of COVID-19 impact on commercial property sector.

	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse)		Cause / Action
			£'000	%	
Director of Community and Childrens Services	(32,313)	(33,081)	(768)	(2%)	Overspend largely due to pressure on Rough sleepers and Homelessness budgets. COVID-19 costs (not business as usual) included until March 21 at an estimated cost of £1.4m. Outturn assumes that DCCS will be successful in bidding from the COVID contingency pot and includes £261k income. The majority of these additional costs are being absorbed by a current underspend on adult / older people social care. This has been based on the current level of clients however a small change in client numbers can have a major impact on the budget.
	18,941	19,054	113	1%	Income levels estimated to be at medium case around 30% once services reopen. The forecast variance comprises a reduction on car Parking income due to congestion charge as less people are expected to use the car parks; micro commercial (Bright Horizons Nursery, St Pancras Medical Centre) income has been adversely impacted due to COVID-19; income for the Stores has increased due to increased occupancy for the baggage stores; and Trade Centre forecast income has further reduced because Virgin Active wish to surrender the property before the lease expires.
Director of Markets and Consumer Protection	(25,331)	(25,328)	3	0%	Overall minor variance comprises an overspend due to additional staff costs at the Ports for Brexit preparations, extra costs for COVID -19 adaptations to HARC facilities to meet social distancing requirements, and an increase in grant-funded sampling costs. This overspend is offset by savings on vacancies and reduced casual staff and overtime use at Heathrow Animal Reception Centre (HARC) and Spitalfields Market, reduction in energy costs, and reduced car park contract costs as a result of COVID-19.
	21,767	20,677	(1,090)	(5%)	The forecast overspend mainly reflects the impact of COVID-19 on income generation across services, principally at the Ports and Heathrow Animal Reception Centre which are each currently forecasting a shortfall of £0.5m. In addition, a reduction in service charge income at New Spitalfields Market is anticipated due to reductions in expenditure. These overspends are partly offset by an increase in transfers from reserves (Products of Animal Origin) to meet the cost of additional staff at the Ports for Brexit preparations, and new grant income at the Ports. The forecast overspend is due to loss of car parking income at Smithfield Market Rotunda and Billingsgate Market, and of filming income, as a result of COVID-19, and a reduction in service charge income at Billingsgate Market reflecting reduced expenditure. In addition, the forecast assumes that a loss of income from not charging business rates to Smithfield Market tenants will be met by a combination of carry-forward and central COVID pot funding; if those are not agreed, the overspend will increase by £303k from the figure currently reported. Further losses will be incurred if the proposal to offer rent-free periods to qualifying tenants is approved - these cannot yet be quantified.
Director of Open Spaces	(29,293)	(26,695)	2,598	9%	Underspend largely relates to Tower Bridge Tourism of savings of around £1.6m based on their 4 July opening. There are significant cuts to minor works budgets (content development and visitor improvement projects) originally planned for Q3&4. Savings are partly offset by anticipated equipment spend related to C-19 measures (PPE, perspex etc). Smaller savings expected on the Operational side of around £36K as this budget relates to the organisation's statutory obligation for raising Tower Bridge, associated maintenance and 24/7 Security provision with ref to the Bridge as a Tier 1 NaCTSO site. These critical functions have been maintained throughout the crisis, with a moderate reduction in forecast expenditure due to equipment and improvement works stood-down or delayed in order to focus on critical services.
	17,762	10,234	(7,528)	(42%)	Shortfall largely relates to Tower Bridge Tourism with figures based on current assumption following 4 July reopening. Figures inclusive of Estimated Income for Admissions; Filming; Corporate Events - admissions based on operational capacity to ensure social distancing (14% of normal capacity Sept-Dec and 20% thereafter). Forecast losses for the year are £4.6m, leading to a net loss of income of £3.0m

Chief Officer Cash Limited Budgets - Income and Expenditure Variances

	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse)		Cause / Action
			£'000	%	
Director of the Built Environment	(36,771)	(36,058)	713	2%	The forecast underspend is mainly due to a reduction in the contract cost for parking enforcement as a result of COVID-19, staff vacancies across the department, and savings from early removal of Automatic Public Conveniences, partly offset by a carry-forward overspend from 2019/20, unidentified savings yet to be allocated, and the cost of the Tulip planning inquiry.
	16,300	13,070	(3,231)	(20%)	The forecast overspend is due to the significant impact of COVID-19 on income streams across the department, most significantly within off-street parking, traffic management, public conveniences, drains & sewers and building control services, together with a reduction in income from staff recharges to capital projects, also due to COVID-19.
Executive Director Mansion House and Old Bailey	(8,251)	(7,869)	382	5%	The Central Criminal Court is still being used as an operating court. Additional costs are being incurred for PPE for staff and cleaning. A proportion of these costs will be charged back to HMCTS at year end. There is expected to be a significant cost saving against the Lord Mayor's travel budget as no travel has happened so far in this financial year and at present no trips are booked for the remainder of the year, approx. £400k could be saved against this budget. Staffing underspends on overtime are also anticipated as no events have taken place or are currently planned. The forecast assumes that events in some form will be able to take place from January 2020. Savings have also been anticipated on the running costs of Mansion House as this has been closed since the end of March.
	4,515	4,004	(511)	(11%)	Event income at Mansion House is approximately £500k per year. No events have taken place so far this year. The forecast anticipates that events in some form will take place from January onwards.
Head of the Boys School	(22,321)	(20,765)	1,556	7%	Misc potential savings identified to help respond to the ongoing pandemic: £602,000. The transfer to the Capital Reserve Fund in 2020/21 has also been reduced by £914,000 due to the available funding.
	21,104	19,589	(1,515)	(7%)	Variances arising due to the ongoing pandemic: A 10% discount on tuition fees was offered to parents in the Summer term 2020: £597,000; Delay fee increase by a year to September 2021: £539,000; 5% proposed discount on tuition fees in Autumn 2020: £300,000; Bad debts estimated in 2020/21: £80,000.
Headmaster of City of London Freemans School	(19,996)	(18,131)	1,865	9%	The budgeted transfer to the Capital Reserve Fund of £1,565,000 will not now go ahead and misc savings of £352,000 were identified by the school.
	20,114	18,365	(1,749)	(9%)	Reduction in tuition fees of £3,104,000 as a result of the 20% fee discount offered in the Summer term, the proposed deferral of the fee increase to September 2021, an increase in bad debts anticipated this year and a further 10% fee discount that has been proposed for the Autumn term. Reduction in boarding fees of £354,000, mostly as a result of the boarding house being closed in the Summer term and as no international pupils are anticipated in the Autumn term. The above variances are partly offset by a forecast transfer from the General Reserve Fund to revenue of £1,618,000, which would result in that fund becoming overdrawn by circa £1.4m.
Headmistress of City of London School for Girls	(16,988)	(16,296)	692	4%	£244,000 of potential savings identified to help respond to the ongoing pandemic. Expenditure on repairs, maintenance and improvement is forecast to be £214,000 lower than the original budget. The full, planned works may not take place due to supply chain issues and contractors being unable to carry out works in the limited time available. In addition, the transfers to reserves have been reviewed given the available funding and reduced in total by £229,000.
	16,713	16,046	(667)	(4%)	Variances arising due to the ongoing pandemic: TUITION FEES 10% discount in the Summer term 2020: £477,000 Delay fee increase by a year to September 2021: £447,000 5% proposed discount in Autumn 2020: £242,000 Bad debts anticipated in 2020/21: £24,000 Partly offset by an increase in anticipated pupil numbers in September 2020 from 735 to 755: -£257,000 Reduced contribution from RM&I fund £214,000 (see above) Partly offset by a transfer from reserves to revenue -£479,000.

Chief Officer Cash Limited Budgets - Income and Expenditure Variances

	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse)		Cause / Action
			£'000	%	
Principal Guildhall School of Music and Drama	(34,537)	(35,142)	(605)	(2%)	The forecast for staffing includes a number of currently vacant posts that are likely to be removed pending further review in the coming months, along with additional costs incurred as a result of Covid-19.
	27,738	26,788	(950)	(3%)	Forecast changes to date reflect latest estimates for lost income as a result of cancelled programmes and activities due to Covid-19
Remembrancer	(2,901)	(2,438)	463	16%	Due to the impact of not being able to host any events at the Guildhall from the beginning of the financial year until assuming late Autumn, there will be significant cost savings associated with not hosting these events including staff time, equipment hire, printing and advertising.
	1,784	418	(1,366)	(77%)	No private event hire at Guildhall has taken place since the start of the financial year and is unlikely to take place until at least late autumn. An additional impact is that 3 of the 4 most lucrative months in the year - May, June, September and November will achieve nil or very nearly nil income.
Town Clerk	(28,311)	(28,015)	296	1%	Town Clerks currently has an expected £955k of forecasted overspends against budget that relate to COVID costs, £942k of these relate to SCG costs which are expected to be claimed from MHCLG with the remaining costs relating to operational costs. Due to the SCG costs being expected to be reclaimed from MHCLG, we are forecasting an over recovery of income of £942k which nets of the expenditure. There is an expected underspend of £78k relating to Graduate staffing spend due to vacancies. Town Clerks are also expecting an under recovery of income of £60k against budget due to COVID affecting the filming income. Innovation and Growth are expecting to have an underspend of £200k relating to savings on Travel and event space due to cancellations due to COVID.
	3,533	3,718	185	5%	
Total	(540,207)	(518,048)	22,159	4%	
	293,499	251,009	(42,490)	(14%)	
Grand Total	(246,708)	(267,039)	(20,331)	(8%)	

COVID spend as at 10th July 2020

The table below shows the approved spend against the COVID Contingency budget of £1.5m

Date	Bid Name	Description	Department	COVID Category	Fund	Allocation 2020/21
						£
		TOTAL BUDGET				1,500,000
03/04/2020	SMTA Rates Bill	For the COL to meet the cost of the Smithfield Market tenants rate bill as they are not covered by the government scheme; the City pays then recharges the tenants. The other Market tenants are covered under the scheme.	Markets & Consumer Protection	2. Support unforeseen expenditure required to support service	CF	79,000
07/04/2020	Provision of laptops	Urgent IT equipment being requested to be able to continue working at a business as usual capacity.	Chamberlains	2. Support unforeseen expenditure required to support service	CF	45,000
21/04/2020	COLPAI - CCTV	Installing CCTV at COLPAI site - Battery: CCTV installation at £35k for equipment + £6k for the fuel replacements for the second year	Communities and Children Services	2. Support unforeseen expenditure required to support service	CF	41,000
17/04/2020	Support the Mortality Management Group	Staffing resource during the COVID-19 crisis	Town Clerks	1. To enact contingency planning arrangements.	CF	27,000
24/04/2020	Direct Access Server Replacement + Additional Server	We have an urgent need to replace 1 Direct Access Server and add an additional server to improve resilience of our critical remote working infrastructure will take approximately 5-6 working days to complete from point of agreement	Chamberlains	2. Support unforeseen expenditure required to support service		37,000

11/05/2020	CoLP IT Resilience	CoLP had early and critical issues with the remote working infrastructure for the City of London Police. The solution agreed accelerates the CoLP IT Modernisation Programme to deliver new laptops between May and June to all the remote working staff. The 'Accelerated' implementation plan re-profiles the deployment of Windows laptop devices to officers and staff, focussing on core Productivity and Collaboration tools, delivering essential functionality sooner.	CoL Police	2. Support unforeseen expenditure required to support service continuity which cannot be met from a Chief Officers local risk budget.	CF	263,000
28/05/2020	Health and safety changes relating to public reception areas and visitor attractions	To reduce workspace risk and provide a safe workspace and safe public reception areas for a range of infrastructure changes required across all the Open Spaces including: Perspex barrier screens, tensator barriers, internal and external floor markers, additional signage, hand sanitiser stands to enable attractions to re-open to the public and generate income.	Open Spaces	2. Support unforeseen expenditure required to support service continuity which cannot be met from a Chief Officers local risk budget.	CC	65,000
09/06/2020	Using Public Transport and Social Distancing - Face Coverings	To note the report on face coverings for staff and endorse the proposal to purchase free reusable face coverings for all returning staff as a one off.	HR	3. To support and implement guidance issued by Government where there is no other compensating source of funding.	GHA	22,000
24/06/2020	CoL IT - Remote Working upgrades and expenses	Work required to ensure that systems are more stable to manage the large influx of additional people working at home including; Field Support for build and deploy of laptops at the start of COVID to prepare staff for Remote Working and fast track Intune/Azure Work.	Chamberlain's	2. Support unforeseen expenditure required to support service continuity which cannot be met from a Chief Officers local risk budget.	CC	81,000
		TOTAL ALLOCATIONS				664,000
		BALANCE AVAILABLE				836,000