

Committee(s):	Date(s):	Item no.
Open Spaces and City Gardens Committee	25 November 2013	
Subject: REVENUE AND CAPITAL BUDGETS – 2013/14 AND 2014/15		
Report of: Chamberlain Director of Open Spaces		Public For Decision

Summary

This report updates the Committee on its latest approved revenue budget for 2013/14 and seeks approval for a provisional revenue budget for 2014/15, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated to the Director and the table below summarises the position.

Summary of Table 1	Latest Approved Budget	Original Budget	Movement
	2013/14 £000	2014/15 £000	£000
Expenditure	2,202	2,192	(10)
Income	(340)	(340)	0
Support Services and Capital Charges	(98)	(101)	(3)
Total Net Expenditure	1,764	1,751	(13)

Overall the provisional Original budget for 2014/15 totals £1.751M, a decrease of £13,000 compared with the latest approved budget for 2013/14.

Recommendations

The Committee is requested to:

- Review the provisional 2014/15 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee;
- Review and approve the draft Capital Budget;
- Authorise the Chamberlain, in consultation with the Director of Open Spaces, to revise these budgets to allow for any further implications arising from Corporate Projects, departmental reorganisations and other reviews, and changes to the Additional Works Programme.

Main Report

Introduction

1. The City of London Corporation owns and manages almost 11,000 acres of historic and natural Open Spaces for public recreation and enjoyment. This includes City Gardens which is funded from the City Fund as part of the City Corporation's local authority functions, and the Open Spaces Directorate which is funded from City's Cash and co-ordinates the management of the Department, and works in co-operation with other Departments on cross service projects and corporate initiatives.
2. This report sets out the proposed revenue budget and capital budgets for 2014/15. The Revenue Budget management arrangements are to:
 - Provide a clear distinction between local risk, central risk, and recharge budgets.
 - Place responsibility for budgetary control on departmental Chief Officers.
 - Apply a cash limit policy to Chief Officers' budgets.
3. The budget has been analysed by the service expenditure and compared with the latest approved budget for the current year.
4. The report also compares the current year's budget with the forecast outturn.

Business Planning Priorities

5. The key Projects for each Open Space for the next three years were included in the Open Spaces Department Business Plan for 2013-2016 which was approved in April 2013. The main priorities for City Gardens include :-
 - Seek improvements to City Gardens through Section 106 funding and the Community Infrastructure Levy and, where possible, address deficiencies highlighted in the City of London Open Space Strategy.
 - Deliver approved actions set down in the Biodiversity Action Plan in order to protect and enhance Sites of Local Importance for Nature Conservation.
 - Provide site related input at Project board meetings and report to members on an annual basis with regard to the Crossrail project.

Proposed Revenue Budget for 2014/15

6. The proposed Revenue Budget for 2014/15 is shown in Table 1 below analysed between:
 - Local Risk Budgets – these are budgets deemed to be largely within the Chief Officer’s control.
 - Central Risk Budgets – these are budgets comprising specific items where a Chief Officer manages the underlying service, but where the eventual financial outturn can be strongly influenced by external factors outside of his/her control or are budgets of a corporate nature (e.g. interest on balances and rent incomes from investment properties).
 - Support Services and Capital Charges – these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk. Further analysis can be found in Appendix 2.
7. The provisional 2014/15 budgets, under the control of the Director of Open Spaces being presented to your Committee, have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees. These include continuing the implementation of the required budget reductions across both local and central risks, as well as the proper control of transfers of non-staffing budgets to staffing budgets. The 2% efficiency savings to be achieved by 2014/15 comprise 1% saving in 2013/14 (already achieved) and a further 1% in 2014/15. An allowance was also given towards any potential pay and price increases of 1% for 2013/14 (already applied) and a further 2% in 2014/15. The budget has been prepared within the resources allocated to the Director.

TABLE 1
OPEN SPACES & CITY GARDENS COMMITTEE SUMMARY – ALL FUNDS

Analysis of Service Expenditure	Local or Central Risk	Actual 2012-13 £'000	Latest Approved Budget 2013-14 £'000	Original Budget 2014-15 £'000	Movement 2013-14 to 2014-15 £'000	Paragraph Reference
EXPENDITURE						
Employees	L	1,508	1,436	1,463	27	
Employees	C	34	0	0	0	
Premises Related Expenses	L	233	196	214	18	
R & M (City Surveyor's Local Risk)	L	118	235	223	(12)	
Transport Related Expenses	L	60	56	51	(5)	
Transport Related Expenses	C	2	0	0	0	
Supplies & Services	L	347	233	220	(13)	
Supplies & Services	C	5	0	0	0	
Third Party Payments (Private Contractors - Tree Works)	L	77	46	21	(25)	
Total Expenditure		2,384	2,202	2,192	(10)	
INCOME						
Other Grants, Reimbursements and Contributions – (Section 106/Rechargeable Works)	L	(91)	(50)	(50)	0	
Customer, Client Receipts	L	(333)	(290)	(290)	0	
Transfer from Reserves (S106 Parking Meter Reserves)	L	(23)	0	0	0	
Total Income		(447)	(340)	(340)	0	
TOTAL EXPENDITURE/ (INCOME) BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		1,937	1,862	1,852	(10)	
SUPPORT SERVICES AND CAPITAL CHARGES						
Central Support and Capital Charges		610	601	599	(2)	
Recharges within Fund (Directorate Recharges)		(558)	(508)	(509)	(1)	
Recharges Across Funds (Directorate Recharges)		(102)	(90)	(90)	0	
Recharges to Finance Committee (Corporate & Democratic Core)		(101)	(101)	(101)	0	
Total Support Services and Capital Charges		(151)	(98)	(101)	(3)	
TOTAL NET ENDITURE/(INCOME)		1,786	1,764	1,751	(13)	

8. Income and favourable variances are presented in brackets. An analysis of this Revenue Expenditure by Service Managed is provided in Appendix 1. Only significant variances (generally those greater than £50,000) have been commented on.
9. Overall there is a decrease of £13,000 in the overall budget between the 2013/14 latest approved budget and the 2014/15 original budget.
10. The 2013/14 Latest Approved Budget reflects the re-allocation of the full programme to reflect the expenditure that is anticipated will be incurred in the year.

The budget movement of £12,000 for Repairs & Maintenance relates to the re-phasing and level of new bids within the Additional Works Programme.

The 2014/15 Additional Works Programme is based on the bids detailed in the report to your Committee on 15 April 2013 which totalled £117,000, which was endorsed by the Corporate Asset Sub Committee in July 2013. The anticipated balance of remaining Additional Works Programme schemes of £76,189 has also been incorporated.

A decision on the funding of the programme will be made by the Resource Allocation Sub Committee. It may therefore be necessary to adjust the budgets to reflect the Resource Allocation Sub Committee's decision.

Following the implementation of the MITIE contract in July 2012, budgets have been re-aligned to reflect the tendered cost of the new contracts. See Table 2 below.

TABLE 2 - CITY SURVEYOR LOCAL RISK		
	Latest Approved Budget 2013/14 £'000	Original Budget 2014/15 £'000
Repairs and Maintenance		
Additional Works Programme		
Bunhill Fields	167	157
City Gardens	38	36
	205	193
Planned & Reactive Works (Breakdown & Servicing)		
Bunhill Fields	16	16
City Gardens	13	13
Open Spaces Directorate	1	1
	30	30
Total City Surveyor	235	223

11. Analysis of the movement in manpower and related staff costs are shown in Table 3 below.

Table 3 - Manpower statement	Latest Approved Budget 2013/14		Original Budget 2014/15	
	Manpower Full-time Equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
Directorate	5	336	5	338
City Gardens/Bunhill Fields	32	1100	32	1125
TOTAL OPEN SPACES & CITY GARDENS COMMITTEE	37	£1,436	37	£1,463

Potential Further Budget Developments

12. The provisional nature of the 2013/14 and 2014/15 revenue budgets recognises that further revisions may be required, including in relation to:

- budget reductions to capture savings arising from the on-going PP2P reviews;
- decisions on funding of the Additional Work Programme by the Resource Allocation Sub Committee.

Any further revisions will be agreed in consultation with the Director of Open Spaces.

Revenue Budget 2013/14

13. The forecast outturn for the current year is in line with the latest approved budget of £1.764M.

Draft Capital and Supplementary Revenue Budgets

14. The Committee's draft capital and supplementary revenue project latest estimated costs are summarised in tables below. These items are approved and contractually committed, with the exception of Seething Lane Garden.

Table 4 - City Fund Draft Capital Budget								
	Exp. Pre 01/04/13	2013/14	2014/15	2015/16	2016/17	2017/18	Later Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
St Botolph churchyard improvements	65	22						87
Playbuilder, Peter's Hill	41	8						49
Seething Lane Garden S.106			140					140
Total	106	30	140	0	0	0	0	276

15. The latest Capital and Supplementary Revenue project budgets will be presented to the Court of Common Council for formal approval in March 2014.

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APPENDIX 1

Analysis by Service Managed	Actual 2012-13 £'000	Latest Approved Budget 2013-14 £'000	Original Budget 2014-15 £'000	Movement 2013-14 to 2014-15 £'000	Paragraph(s) Reference
<u>CITY CASH</u>					
DIRECTORATE*	0	0	0	0	
BUNHILL FIELDS	210	332	325	(7)	
TOTAL	210	332	325	(7)	
<u>CITY FUND</u>					
CITY GARDENS	1414	1292	1272	(20)	
CITY OPEN SPACES (ENV SERVICES)	162	140	154	14	
TOTAL	1576	1432	1426	(6)	
TOTAL (ALL FUNDS)	1786	1764	1751	(13)	

Reasons for zero budget lines:-

* The Directorate expenditure is recharged to all the Open Spaces and nets to zero.

APPENDIX 2

Support Services & Capital Charges from/to Open Spaces & City Gardens Committee.	Actual 2012-13 £'000	Latest Approved Budget 2013-14 £'000	Original Budget 2014-15 £'000	Movement 2013-14 to 2014-15 £'000	Paragraph Reference
Support Services & Capital Charges					
Central Recharges-					
City Surveyor's Employee Recharge	57	53	55	2	
Admin Buildings	56	60	60	0	
Insurance	13	11	10	(1)	
I.S.Recharges - Chamberlain	362	367	365	(2)	
Capital Charges	33	10	9	(1)	
Support Services-					
Chamberlain (includes CLPS recharges)	55	65	65	0	
Comptroller and City Solicitor	0	0	0	0	
Town Clerk	0	0	0	0	
City Surveyor	31	32	32	0	
Other Services*	3	3	3	0	
Total Support Services & Capital Charges	610	601	599	(2)	
Recharges Within Fund					
Directorate Recharges	(558)	(508)	(509)	(1)	
Corporate and Democratic Core	(101)	(101)	(101)	0	
Total Recharges Within Fund	(659)	(609)	(610)	(1)	
Recharges Across Funds					
Recharges Across Funds	(102)	(90)	(90)	0	
Total Recharges Across Funds	(102)	(90)	(90)	0	
Total Support Services & Capital Charges	(151)	(98)	(101)	(3)	

* Various services including central heating, corporate printing, occupational health, union costs, environmental and sustainability section.