

| | | |
|--|------------------|-------------------------------|
| 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: The Chamberlain The 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.

Contact Officer: Mark Jarvis (1221) or Alison Elam (1081)

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.