

Committee(s):	Date(s):	Item no.
Planning & Transportation	30 th July 2014	
Subject: Revenue Outturn 2013/14		Public
Report of : The Chamberlain Director of the Built Environment Director of Culture, Heritage and Libraries The City Surveyor		For Information

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2013/14 with the final agreed budget for the year. Overall total net expenditure during the year was £15.506m, whereas the total agreed budget was £15.793m, representing an underspending of (£0.287m) as set out below:

Summary Comparison of 2013/14 All Risk Revenue Outturn with Final Agreed Budget			
	Final Approved Budget £000	Revenue Outturn £000	Variations Increase/ (Reduction) £000
Direct Net Expenditure			
Director of the Built Environment	3,585	3,681	96
Director of Culture, Heritage and Libraries	1,574	1,522	(52)
The City Surveyor	913	546	(367)
	-----	-----	-----
Total Direct Net Expenditure	6,072	5,749	-----
	-----	-----	(323)
Capital and Support Services	9,721	9,757	-----
	-----	-----	36
Overall Totals	15,793	15,506	(287)

Chief Officers have submitted requests to carry forward underspendings, and these requests will be considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee.

Recommendation

It is recommended that this revenue outturn report for 2013/14 and the proposed carry forward of underspendings to 2014/15 are noted.

MAIN REPORT

Revenue Outturn for 2013/14

- Actual net expenditure for your Committee's services during 2013/14 totalled £15.506m, an underspend of (£0.287m) compared to the final approved budget of £15.793m. A summary comparison with the final agreed budget for the year is tabulated below. In this and subsequent tables, figures in brackets indicate income or in hand balances, increases in income or decreases in expenditure.

Table 1 - Summary Comparison of 2013/14 Revenue Outturn with Final Agreed Budget

	Final Approved Budget £000	Revenue Outturn £000	Variations Increase/ (Reduction) £000	Variation Increase/ (Reduction) %
Local Risk				
Director of the Built Environment	9,603	9,319	(284)	(3.0)
Director of Culture, Heritage and Libraries	1,574	1,522	(52)	(3.3)
The City Surveyor	860	534	(326)	(37.9)
Total Local Risk	----- 12,037 -----	----- 11,375 -----	----- (662) -----	----- (5.5) -----
Central Risk				
Director of the Built Environment	(6,018)	(5,638)	380	6.3
The City Surveyor	53	12	(41)	(77.4)
Total Central Risk	----- (5,965) -----	----- (5,626) -----	----- 339 -----	----- 5.7 -----
Capital and Support Services	9,721	9,757	36	0.4
Overall Totals	15,793	15,506	(287)	(1.8)

- The main local risk variation comprises of:

- Director of Built Environment** - underspend is mainly due to Off-Street Parking Services additional income from car park fees (£170,000) and underspends across various running budgets relating to energy costs, professional fees and contract costs (£56,000); On-Street Parking Service enforcement contract savings (£109,000), reduced repair and maintenance costs for parking meters (£24,000) and salary

saving due to vacancies in the Parking Ticket Office (£26,000). These savings were partly offset by shortfalls in hoardings and scaffolding licence income of £104,000, which was due to an increased income target to reflect the expected high level of development activity, that was not fully achieved.

- **Director of Culture, Heritage and Libraries** - underspend is mainly due to staff vacancies (£31,000), reduced cleaning spend (£11,000) and reduction in spend on equipment (£10,000).
 - **City Surveyor** - underspend is mainly due to the rephasing of the Additional Works Programme as reported to the Corporate Asset Sub Committee.
3. The central risk variation is mainly due to an increase in transfers to the On Street Parking Reserve from On-Street and Off-Street Parking Services of £480,000 due to underspends on local risk budgets (as detailed in paragraph 2), and additional central risk parking meter income, which facilitated the surplus funds to be transferred to the reserve. This was partly offset by increased planning application income (£128,000).
4. Annex A provides a more detailed comparison of the local risk outturn against the final agreed budget, including explanation of significant variations

Local Risk Carry Forward to 2014/15

5. The Director of the Built Environment had a local risk underspending of (£284,000) on the activities overseen by your Committee, of which £258,000 is eligible to carry forward to 2014/15. The Director also had local risk underspending totalling (£182,000) on activities overseen by other Committees. The Director is proposing that a total of £399,000 is carried forward, of which £232,000 relates directly to activities overseen by your Committee for the following purposes:
- £55,000 is required for staffing resources for the Crossrail project for delivery of improvements around station entrances and work sites.
 - £41,000 funding for slippage in the inspection of the Highways Structures.
 - £25,000 for Parking Enforcement contract variation added value proposals. This will fund significant upgrades to the kit Parking Attendants have available, like body-mounted cameras.
 - £25,000 for updating the City Streets manual as the manual is nearly 10 years old.
 - £20,000 for the Holborn Circus opening event by the Lord Mayor, added to the project at a late stage.
 - £20,000 for public consultation relating to the Riverside Walk Area Strategy.
 - £20,000 for purchase of ESRI virtual City model (a digital mapping tool) and related CityEngine software for the Planning Division.

- £15,000 for a fixed term admin post to undertake scanning and archiving of Land Charges documents and historic Development Plan documents, plus help with Local Plan Inquiry and survey updates.
 - £6,000 for purchase of IDOX Public Access updated software to allow planning application documents to be viewed on tablets/smartphones.
 - £5,000 for a specialist firm to help with the formatting and presentation documentation of the new Corporate Transport Policy rollout.
6. These requests will be considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee.
 7. The Director of Culture, Heritage & Libraries had a local risk underspend of (£52,000) on the activities overseen by your Committee. The Director also had a local risk underspend totalling (£1,049,000) on activities overseen by other Committees and is proposing that £422,000 of his underspend be carried forward to 2014/15.
 8. The City Surveyor's local risk underspend of (£326,000) is mainly relating to the Additional Works Programme, which will be rolled over to 2014/15. The Additional Works Programme is a three year rolling programme reported to the Corporate Asset Sub Committee (CASC) quarterly, where the City Surveyor will report on financial performance and also phasing of the projects. Under the governance of the programme, unspent budgets are automatically rolled over for the life of the programme to allow for the completion of projects which span multiple financial years.

Thames Bridges' Repairs, Maintenance and Major Works Fund

9. The Bridges Repairs, Maintenance and Major Works Fund is operated to provide sufficient resources to meet the maintenance costs of the five bridges over a period of 50 years. The fifty year programme of works undertaken by the City Surveyor and the Director of the Built Environment to be met by the fund, was agreed by your Committee on 26th November 2013. The breakdown is shown below in Table 2.
10. The actual expenditure for 2013/14 was £1.544m against a budget of £2.027m, an underspend of (£0.483m).

Table 2: Thames Bridges' Repairs, Maintenance and Major Works Fund				
Analysis of Outturn for 2013/14				
	Final Agreed Budget £'000	Outturn £'000	Variance increase/ (decrease) £'000	Variation Increase/ (Reduction) %
Blackfriars Bridge	140	39	(101)	(72.1)
Southwark Bridge	58	63	5	8.6
London Bridge	475	400	(75)	(15.8)
Millennium Bridge	95	53	(42)	(44.2)
Tower Bridge	1,259	989	(270)	(21.4)
Total	2,027	1,544	(483)	(23.8)

11. The principal reasons for the (£0.483m) underspendings are set out below:

- **Tower Bridge** - the underspend of (£270,000) was mainly due to delays in obtaining the necessary licenses and permissions from TfL for the external decorations project. This work is now scheduled to be carried out in 2014/15.
- **Blackfriars Bridge** - underspend of (£101,000) was as a result of Blackfriars inspection being downgraded from a principal inspection to a general inspection due to the ongoing works on the adjacent Blackfriars Railway Bridge, therefore, the project has slipped to 2014/15.
- **London Bridge** - the underspend of (£75,000) was mainly due to delays in cradle and track works on the bridge due to operational difficulties. These works are due to be completed in 2014/15.
- **Millennium Bridge** - the underspend of (£42,000) was mainly due to work not required for the inclinators (£22,000) and floodlighting works which were not undertaken due to prioritisation of works on other projects (£20,000).

12. The balance on the fund at 31st March 2014 was £127.953m (£119.883m 31st March 2013), an increase of £8.07m from a year earlier, as set out in Table 3 below.

Table 3: Thames Bridges' Repairs, Maintenance and Major Works Fund Movement in Fund 2013/14	
	£'000
Balance brought forward 1st April 2013	(119,883)
<u>Expenditure:</u>	1,544
<u>Income:</u>	
Planned contributions to fund on 1 st April	(1,020)
Interest accruing	(318)
Rental income	(909)
<u>Capital Movements</u>	
Gains on disposal	(867)
Gain on the revaluation	(6,500)
Balance carried forward at 31st March 2014	(127,953)

13. The gain on revaluation relates to increases on investments held within the Fund (£5.6m) and increases on the revaluation of properties held (£0.9m) most notably Millennium Bridge House. The balance on the fund at the 31st March 2014 of £127.953m will be carried forward to meet the cost of works in 2014/15 and later years.
14. An updated 50 year programme will be presented later on in the year to your committee for approval, as part of the annual estimate cycle.

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Appendices

Annex A – Planning & Transportation Committee – Comparison of 2013/14 Revenue Outturn with Final agreed Budget

Planning & Transportation Committee – Comparison of 2013/14 Revenue Outturn with Final Agreed Budget

	Final Agreed Budget £000	Revenue Outturn £000	Variation Increase/ (Decrease)	Variation Increase/ (Reduction) %	Reasons
LOCAL RISK					
Director of the Built Environment					
City Fund					
Town Planning	2,328	2,342	14	0.6	
Planning Obligations	15	16	1	6.6	
Transportation Planning	226	265	39	17.3	
Road Safety	291	274	(17)	(5.8)	
Building Control	118	108	(10)	(8.5)	
Highways	3,569	3,593	24	0.7	
Traffic Management	(962)	(858)	104	10.8	1
Off-Street Parking	(66)	(292)	(226)	(342.4)	2
On-Street Parking	3,561	3,383	(178)	(5.0)	3
Drains & Sewers	284	255	(29)	(10.2)	
Total City Fund	9,364	9,086	(278)	(3.0)	
Bridge House Estates					
Thames Bridges	239	233	(6)	(2.5)	
Total Direct of the Built Environment	9,603	9,319	(284)	(3.0)	
Director of Culture, Heritage & Libraries					
Tower Bridge	1,574	1,522	(52)	(3.3)	4
The City Surveyor					
Thames Bridges	(69)	(69)	0	-	
Town Planning	132	65	(67)	(50.8)	
Highways	444	252	(192)	(43.2)	
Off-Street Parking	353	286	(67)	(19.0)	
Total City Surveyor	860	534	(326)	(37.9)	5
TOTAL LOCAL RISK	12,037	11,375	(662)	(5.5)	

Reasons for Significant Local Risk Variations

1. **Traffic Management** - overspend is principally due to a shortfall in income from hoardings and scaffolding licences £193,000, as a result of an increased income target to reflect the expected high level of development activity, that was not fully achieved. This was partly offset by reductions in temporary staff costs for inspection works (£67,000) and reduced costs for advertising road closure notices (£33,000).
2. **Off Street Parking** - underspend is mainly due to increases in car park fees (£170,000), reduced energy costs (£20,000), reduced maintenance of barrier equipment contract costs (£17,000) and savings across various expenditure budgets (£19,000).
3. **On Street Parking** - underspend is mainly due to parking enforcement contract savings (£109,000), salary savings in the Parking Ticket Office due to vacancies (£26,000) and reduced repair and maintenance costs for parking meters (£24,000).
4. **Tower Bridge** - underspend is due to staff vacancies held until the planned re-organisation in 2014/15 (£31,000), reduced cleaning spend on event space due to building improvement works being undertaken (£11,000) and scaling back of furniture and equipment purchases in light of the impending move to alternative accommodation (£10,000).
5. **City Surveyor** - underspend is due to slippage and rephasing of works relating to the City Surveyor's Additional Works Programme over its three year cycle. It is anticipated that this will be spent over the life of the programme.

Planning & Transportation Committee – Comparison of 2013/14 Revenue Outturn with Final Agreed Budget

	Final Agreed Budget £000	Revenue Outturn £000	Variation Increase/ (Decrease) £000	Variation Increase/ (Reduction) %	Reasons
CENTRAL RISK					
Director of the Built Environment					
City Fund					
Town Planning	(686)	(814)	(128)	(18.7)	6
Highways	(1,872)	(1,878)	(6)	(0.3)	
Off-Street	(538)	(227)	311		7
Parking				57.8	
On-Street Parking	(3,966)	(3,797)	169	4.3	8
	(7,062)	(6,716)	346	4.9	
Bridge House Estates					
Thames Bridges	1,044	1,078	34	3.2	
Total Director of the Built Environment	(6,018)	(5,638)	380	6.3	
The City Surveyor					
Bridge House Estates					
Thames Bridges	53	12	(41)	(77.4)	9
TOTAL CENTRAL RISK	(5,965)	(5,626)	339	5.7	

Reasons for Significant Central Risk Variations

6. **Town Planning** - favourable variance is due to an increase in planning application fee income which was not anticipated.
7. **Off-Street Parking** - overall net operating cost of the City's Off-Street car parks was in surplus due to local risk underspends as a result of increases in car park income, reduced spend by the City Surveyor on the Additional Work Programme and increases in rental income for new leases for Minorities car park. Therefore, no funding transfer from the On-Street Parking Reserve was required and the surplus funds were transferred back to the On-Street Parking Reserve.
8. **On-Street Parking** - as a result of a surplus position on the overall net operating costs which was mainly attributable to increases in parking meter income, parking enforcement contract savings, reduced repair costs for meter repairs and salary savings in the Parking Ticket Office due to vacancies, which were partly offset by a reduction in Penalty Charge Notice income, the surplus position allowed an increase in the funds transferred to the On-Street Parking Reserve.
9. **Thames Bridges** - underspend relates to reduced spend on consultants fees for bridges inspections.