

Committee(s):	Date(s):	Item no.
Open Spaces and City Gardens Committee	9 December 2014	
Subject: REVENUE AND CAPITAL BUDGETS – 2014/15 AND 2015/16		
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 2014/15 and seeks approval for a provisional revenue budget for 2015/16, 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
	2014/15 £000	2015/16 £000	£000
Expenditure	2,317	2,422	105
Income	(363)	(360)	3
Support Services and Capital Charges	(136)	(165)	(29)
Total Net Expenditure	1,818	1,897	79

Overall the provisional Original budget for 2015/16 totals £1.897M, an increase of £79,000 compared with the latest approved budget for 2014/15.

Recommendations

The Committee is requested to:

- Review the provisional 2015/16 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.
- If specific service based review proposals included with this budget report are rejected by the Committee, or other Committees request that further proposals are pursued, that the substitution of other suitable proposals for a corresponding amount is delegated to the Town Clerk in discussion with the Chairman and Deputy Chairman of the relevant Committee. If the substituted saving is not considered to be straight forward in nature, then the Town Clerk shall also consult the Chairman and Deputy Chairman of the Policy and Resources Committee prior to approving an alternative proposal(s).

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 2015/16. 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 2014-2017 which was approved in April 2014. The main priorities for City Gardens include :-

- Identify budget savings as agreed with the Chamberlain as part of the corporate Service Based Review process
- Review management arrangements for City churchyards
- Review City of London Open Space Strategy

Proposed Revenue Budget for 2015/16

6. The proposed Revenue Budget for 2015/16 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 – 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 2015/16 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. Additional resources from [savings made at Burnham Beeches & City Commons](#) were utilised by the Director to fund consultancy to support future savings in fleet management and staff restructures, and to fund posts within the Directorate [to support other savings projects](#). An allowance was given towards any potential pay and price increases of 2% in 2015/16. 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 2013-14 £'000	Latest Approved Budget 2014-15 £'000	Original Budget 2015-16 £'000	Movement 2014-15 to 2015-16 £'000	Paragraph Reference
EXPENDITURE						
Employees	L	1,431	1,543	1,582	39	
Premises Related Expenses	L	211	217	221	4	
Premises Related Expenses (Supplementary Revenue Project)	C	10	0	0	0	
R & M (City Surveyor's Local Risk)	L	197	182	275	93	10
Transport Related Expenses	L	62	61	51	(10)	
Supplies and Services	L	287	293	272	(21)	
Third Party Payments (Private Contractors - Tree Works)	L	25	21	21	0	
Total Expenditure		2,223	2,317	2,422	105	
INCOME						
Other Grants, Reimbursements and Contributions – (Section 106/Rechargeable Works)	L	(70)	(80)	(70)	10	
Other Grants, Reimbursements and Contributions – (Section 106/278)	C	(10)	0	0	0	
Customer, Client Receipts	L	(283)	(283)	(290)	(7)	
Transfer from Reserves (S106 Parking Meter Reserves)	L	(18)	0	0	0	
Total Income		(381)	(363)	(360)	3	
TOTAL EXPENDITURE/ (INCOME) BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		1,842	1,954	2,062	108	
SUPPORT SERVICES						
Central Support and Capital Charges		742	740	748	8	
Recharges within Fund (Directorate Recharges)		(648)	(655)	(686)	(31)	
Recharges Across Funds (Directorate Recharges)		(119)	(120)	(126)	(6)	
Recharges to Finance Committee (Corporate & Democratic Core)		(101)	(101)	(101)	0	
Total Support Services		(126)	(136)	(165)	(29)	
TOTAL NET ENDITURE/(INCOME)		1,716	1,818	1,897	79	

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 an increase of £79,000 in the overall budget between the 2014/15 latest approved budget and the 2015/16 original budget.
10. The 2014/15 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 main reason for the £93,000 increase in the City Surveyor's Local Risk is due to a budget movement of £102,000 for Repairs & Maintenance which relates to the re-phasing and level of new bids within the Additional Works Programme.

The 2015/16 Additional Works Programme is based on the bids detailed in the report to your committee in April 2014. The final sum which was endorsed by the Corporate Asset Sub Committee in June 2014 totalled £171,000. The anticipated balance of remaining Additional Works Programme schemes of £68,000 has also been incorporated.

The basis on which costs are charged under the Building Repairs and Maintenance contract is being reviewed. The present costs, which are based on a square footage basis, are to be replaced by costs relating to the individual assets of each property. The outcome of the review is likely to result in variations to the budgets that have been submitted for 2014/15 and 2015/16. The City Surveyor will report separately on any significant changes.

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.

The City Surveyor's Local Risk Repairs & Maintenance budgets for the 2014/15 Latest Approved and the 2015/16 Original can be found in Table 2.

TABLE 2 - CITY SURVEYOR LOCAL RISK	Latest Approved Budget 2014/15 £'000	Original Budget 2015/16 £'000
Repairs and Maintenance		
Additional Works Programme		
Bunhill Fields	103	141
City Gardens	34	98
	137	239
Planned & Reactive Works (Breakdown & Servicing)		
Bunhill Fields	31	22
City Gardens	13	13
Directorate	1	1
	45	36
Total City Surveyor	182	275

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

Table 3 - Manpower statement	Latest Approved Budget 2014/15		Original Budget 2015/16	
	Manpower Full-time Equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
Directorate	4.90	417	4.90	425
City Gardens/Bunhill Fields	32.00	1,126	32.00	1,157
TOTAL OPEN SPACES & CITY GARDENS COMMITTEE	36.90	1,543	36.90	1,582

Potential Further Budget Developments

12. The provisional nature of the 2015/16 revenue budget 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.
- The basis on which costs are charged under the Building Repairs and Maintenance contract is being reviewed. The present costs, which are based on a square footage basis, are to be replaced by costs relating to the individual assets of each property. The outcome of the review is likely to result in variations to the budgets that have been submitted for 2014/15 and 2015/16. The City Surveyor will report separately on any significant changes.
- If specific service based review proposals included with this budget report are rejected by the Committee, or other Committees request that further proposals are pursued, that the substitution of other suitable proposals for a corresponding amount is delegated to the Town Clerk in discussion with the Chairman and Deputy Chairman of the relevant Committee. If the substituted saving is not considered to be straight forward in nature, then the Town Clerk shall also consult the Chairman and Deputy Chairman of the Policy and Resources Committee prior to approving an alternative proposal(s).

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

Revenue Budget 2014/15

13. The forecast outturn for the current year is in line with the latest approved budget of £1.818M.

Draft Capital and Supplementary Revenue Budgets

14. The latest estimated costs for the Committee's draft capital and supplementary revenue projects are summarised in the Table below.

Capital & Supplementary Revenue projects - latest estimated costs						
Service Managed	Project	Exp. Pre 01/04/14 £'000	2014/15 £'000	2015/16 £'000	Later Years £'000	Total £'000
<u>Pre-implementation</u>						
City Gardens	St Mary at Hill Churchyard S106		10			10
<u>Authority to start work granted</u>						
City Gardens	St Olave's Churchyard	5	61			66
City Gardens	St Botolph Bishopsgate Churchyard S106	71	13			84
TOTAL OPEN SPACES & CITY GARDENS		76	84	0	0	160

15. Pre-implementation costs comprise feasibility and option appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work.
16. The implementation phase of the project at St Mary at Hill Churchyard is due to be carried out in 2015/16. All other projects are due to be completed in the current financial year.
17. A further scheme in the pipeline is work to improve drainage and enhance facilities at St Botolph Ball Court, subject to external funding.
18. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2015.

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APPENDIX 1

Analysis by Service Managed	Actual 2013-14 £'000	Latest Approved Budget 2014-15 £'000	Original Budget 2015-16 £'000	Movement 2014-15 to 2015-16 £'000	Paragraph(s) Reference
<u>CITY CASH</u>					
DIRECTORATE*	0	0	0	0	
BUNHILL FIELDS	330	285	318	33	
TOTAL	330	285	318	33	
<u>CITY FUND</u>					
CITY GARDENS	1,255	1,378	1,420	42	
CITY OPEN SPACES (DIRECTOR OF THE BUILT ENVIRONMENT)	131	155	159	4	
TOTAL	1,386	1,533	1,579	46	
TOTAL (ALL FUNDS)	1,716	1,818	1,897	79	

Reasons for zero budget lines:-

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

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APPENDIX 2

Support Services & Capital Charges from/to Open Spaces & City Gardens Committee.	Actual 2013-14 £'000	Latest Approved Budget 2014-15 £'000	Original Budget 2015-16 £'000	Movement 2014-15 to 2015-16 £'000	Paragraph Reference
<u>Support Services</u>					
Central Recharges-					
City Surveyor's Employee Recharge	55	57	59	2	
Admin Buildings	62	64	70	6	
Insurance	11	10	10	0	
I.S.Recharges - Chamberlain	370	364	361	(3)	
Capital Charges	10	29	31	2	
Support Services-					
Chamberlain (includes CLPS recharges)	163	143	145	2	
Comptroller and City Solicitor	14	14	14	0	
Town Clerk	0	0	0	0	
City Surveyor	45	48	48	0	
Other Services*	12	11	10	(1)	
Total Support Services & Capital Charges	742	740	748	8	
<u>Recharges Within Fund</u>					
Directorate Recharges	(648)	(655)	(686)	(31)	
Corporate and Democratic Core	(101)	(101)	(101)	0	
Total Recharges Within Fund	(749)	(756)	(787)	(31)	
<u>Recharges Across Funds</u>					
Directorate Recharges	(119)	(120)	(126)	(6)	
Total Recharges Across Funds	(119)	(120)	(126)	(6)	
Total Support Services & Capital Charges	(126)	(136)	(165)	(29)	

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