

Committee(s)	Dated:
Open Spaces and City Gardens	05/12/2016
Subject: Revenue & Capital Budgets – Open Spaces & City Gardens 2016/17 & 2017/18	Public
Report of: The Chamberlain Director of Open Spaces	For Decision
Report author: Derek Cobbing - Chamberlains	

Summary

This report updates the Committee on its latest approved revenue budget for 2016/17 and seeks your approval for a provisional revenue budget for 2017/18, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated to the Director and the table below summarises.

Summary of Table 1	Latest Approved Budget	Original Budget	Movement
	2016/17 £000	2017/18 £000	£000
Expenditure	2,967	2,878	(89)
Income	(606)	(744)	(138)
Support Services	(107)	(105)	2
Total Net Expenditure	2,254	2,029	(225)

Overall the provisional Original budget for 2017/18 totals £2.029M, a decrease of £225,000 compared with the latest approved budget for 2016/17. The main reasons for this decrease are due to an increase of £138,000 in income, and a decrease of £89,000 in expenditure (mainly due to the fall-out of the carry forward), a breakdown of which can be found in Table 1.

A breakdown is also provided in Appendix 3 of the movement between the 2016/17 Local Risk Original Budget and the 2016/17 Local Risk Latest Approved Budget.

Recommendation

The Committee is requested to:

- Review the provisional 2017/18 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee;
- 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. Any changes over £50,000 would be reported to Committee.
- 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 Chairmen 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, Bunhill Fields, and the Open Spaces Directorate which co-ordinates the management of the Department and works in co-operation with other Departments on cross service projects and corporative initiatives, both of which are funded through City's Cash.
2. This report sets out the proposed revenue budget for 2017/18. 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 2016-2019 which was approved in April 2016. The activities of the Open Spaces Department reflect our charitable objectives of the preservation of open spaces and the provision of recreation and enjoyment for the public. Our agreed departmental objectives are:
- a) Protect and conserve the ecology, biodiversity and heritage of our sites
 - b) Embed financial sustainability across our activities by delivering identified programmes and projects
 - c) Enrich the lives of Londoners by providing high quality and engaging, educational and volunteering opportunities
 - d) Improve the health and wellbeing of the community through access to green space and recreation

These high level objectives are being supported by a range of projects and actions, some of which are being delivered within divisions and some of which cross the department. The priorities for City Gardens are:

- Complete soft landscaping of Aldgate public realm enhancement project
- Complete evaluation of design options for Finsbury Circus reinstatement and tender for implementation of preferred option
- Work in partnership with the Diocese and St Paul's Cathedral to prioritise Churchyard Enhancement works, and begin design work on top priorities

The Directorate will be working to support each of the divisions in their priorities through the Open Spaces Programme Support Unit as well as focusing on departmental projects such as a review of departmental policy.

Proposed Revenue Budget for 2017/18

6. The proposed detailed Revenue Budget for 2017/18 is shown in Table 1 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 2017/18 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. An allowance was given towards any potential pay and price increases of 1% in 2017/18, there is a saving of £50,000 from City Gardens as part of the Service Based Review savings, and reductions of £241,000 which were a one-off transfer of resources from other open spaces areas into the Directorate in 2016/17 in relation to the new Learning Programme. The budget has been prepared within the resources allocated to the Director.

It should also be noted that the corporate Building Repairs and Maintenance contract is currently being re-tendered and the new contract will commence on the 1st July 2017. Original estimates for 2017/18 are based on the latest available asset price from the current contractor. Any changes to these budgets arising from the new contract will be reported to Committee in due course.

TABLE 1

CITY GARDENS, BUNHILL FIELDS AND DIRECTORATE SUMMARY – ALL FUNDS

Analysis of Service Expenditure	Local or Central Risk	Actual 2015-16 £'000	Latest Approved Budget 2016-17 £'000	Original Budget 2017-18 £'000	Movement 2016-17 to 2017-18 £'000	Paragraph Reference
EXPENDITURE						
Employees	L	1,642	1,940	1,956	16	
Premises Related Expenses	L	226	243	204	(39)	
Premises Related Expenses	C	18	0	0	0	
R & M (City Surveyor's Local Risk	L	108	280	420	140	10
Transport Related Expenses	L	27	50	50	0	
Supplies & Services	L	277	426	221	(205)	11
Third Party Payments	L	21	28	27	(1)	
Total Expenditure		2,319	2,967	2,878	(89)	
INCOME						
Other Grants, Reimbursements and Contributions – (Section 106/Rechargeable Works/New Learning Programme – Directorate)	L	(93)	(290)	(425)	(135)	12
Other Grants, Reimbursements and Contributions – (Section 106/278)	C	(18)	0	0	0	
Customer, Client Receipts	L	(292)	(316)	(319)	(3)	
Transfer from Reserves (S106 Parking Meter Reserves)	L	(12)	0	0	0	
Total Income		(415)	(606)	(744)	(138)	
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		1,904	2,361	2,134	(227)	
SUPPORT SERVICES						
Central Support and Capital Charges		471	479	492	13	
Recharges within Fund (Directorate Recharges)		(485)	(391)	(400)	(9)	
Recharges Across Funds (Directorate Recharges)		(93)	(85)	(87)	(2)	
Recharges to Finance Committee (Corporate and Democratic Core)		(96)	(110)	(110)	0	
Total Support Services		(203)	(107)	(105)	2	
TOTAL NET EXPENDITURE		1,701	2,254	2,029	(225)	

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 in the following paragraphs.
9. Overall there is a decrease of £225,000 between the 2016/17 latest approved budget and the 2017/18 original budget. This movement is explained in the following paragraphs.
10. The increase of £140,000 from the 2016/17 Latest Approved Budget to the 2017/18 Original Budget in the City Surveyor is within the additional works programme. The increase is due to the deferral of schemes that require significant lead-in time to later years in the programmes within the Additional Works Programme and projects introduced as part of the Cyclical Works Programme. The original 2017/18 budgets reflect the balances phased from continuing approved live programmes (2015/16 & 2016/17) and the new 2017/18 bids (£12.1m across the Corporate Estate) endorsed by the Corporate Asset Sub Committee in October 2016.

TABLE 2 - CITY SURVEYOR LOCAL RISK		
Repairs and Maintenance	Latest Approved Budget 2016/17 £'000	Original Budget 2017/18 £'000
Additional Works Programme		
Bunhill Fields	149	174
City Gardens	73	179
Directorate	0	9
	222	362
Planned & Reactive Works (Breakdown & Servicing)		
Bunhill Fields	13	13
City Gardens	44	44
Directorate	1	1
	58	58
Total City Surveyor	280	420

11. The decrease of £205,000 in Supplies & Services is mainly due to the fall-out of the agreed £91,000 carry-forward (Carter Lane Refurbishment & Safety repairs to play equipment at Tower Hill Garden), there are also reductions in materials, bulbs, plants and trees at City Gardens, and a further reduction in equipment and Consultants Fees within the new Learning Programme.
12. The £135,000 rise in other grant reimbursements and contributions is due to an increase in income in relation to the Learning Programme.
13. Analysis of the movement in manpower and related staff costs are shown in Table 3 below. The increase in full time equivalents relate to posts in the

Learning Programme starting part way through 2016/17. The estimated costs which show an increase of £16,000 between the 2016/17 Latest Approved Budget and the 2017/18 Original Budget factor-in an allowance of 1% towards any increase in pay, and any incremental rises within pay scales.

Table 3 - Manpower statement	Latest Approved Budget 2016/17		Original Budget 2017/18	
	Manpower Full-time equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
Directorate/Learning Programme	11.67	769	13.00	770
City Gardens/Bunhill Fields	31.35	1,171	31.60	1,186
TOTAL OPEN SPACES & CITY GARDENS COMMITTEE	43.02	1,940	44.60	1,956

Potential Further Budget Developments

14. The provisional nature of the 2017/18 revenue budget recognises that further revisions may be required, including in relation to:

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

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 Chairmen of the Policy and Resources Committee prior to approving an alternative proposal(s).

Revenue Budget 2016/17

15. The 2016/17 latest approved budget includes funding for contribution pay (£6,000) and agreed carry forwards of £91,000 to fund Carter Lane/Postman's Park (£71,000), and Tower Hill Garden (£20,000), it should be noted that a further £10,000 was agreed as a carry forward to fund the 'Alternate ways of Working Programme' but these resources have been allocated to appropriate budgets outside of this Committee. There was a one-off transfer of resources (£45,000) to West Ham Park. Movement of the Local Risk Budgets from the Original 2016/17 budget to the 2016/17 Latest Approved Budget can be found in Appendix 3.

Draft Capital and Supplementary Revenue Budgets

16. 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 01/04/16 £'000	2016/17 £'000	2017/18 £'000	Later Years £'000	Total £'000
<u>Pre-implementation</u>						
City Gardens	St Botolph's Ball Court	11	19			30
City Gardens	Churchyard enhancement programme		85			85
<u>Authority to start work granted</u>						
City Gardens	St Olave's Churchyard	57	5			62
City Gardens	St Mary at Hill Churchyard S106	26	299	145		470
TOTAL OPEN SPACES & CITY GARDENS		94	408	145	0	647

17. 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.
18. Improvement of drainage and the enhanced facilities at St Botolph's Ball Court has been delayed due to complex negotiations with the Church.
19. The project at St Olave's Churchyard is substantially complete, with the exception of some outstanding minor lighting works.
20. Work is due to commence at St Mary at Hill Churchyard towards the end of 2016/17 and finish in summer 2017.
21. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2017.

Appendices

- Appendix 1 – Analysis by Services Managed
- Appendix 2 – Analysis of Support Services
- Appendix 3 – Movement in Local Risk Budgets 2016/17 OR to 2016/17 LAB
- Appendix 4 – Service Based Review Update

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