

Committee(s)	Dated:
Open Spaces and City Gardens	04/12/2017
Subject: Revenue & Capital Budgets – Open Spaces & City Gardens 2017/18 & 2018/19	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 2017/18 and seeks your approval for a provisional revenue budget for 2018/19, 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	Original Budget 2017/18 £000	Latest Approved Budget 2017/18 £000	Original Budget 2018/19 £000	Movement LAB 2017/18 to Original 2018/19 £000
Expenditure	(2,878)	(3,002)	(2,923)	79
Income	744	681	778	97
Support Services	105	260	101	(159)
Total Net Expenditure	(2,029)	(2,061)	(2,044)	17

Overall the provisional Original budget for 2018/19 totals £2.044M, a decrease of £17,000 compared with the latest approved budget for 2017/18. The main reasons for this decrease are due to an increase of £91,000 in other grants, reimbursements and contributions, a decrease of £102,000 in supplies and services, off-set by an increase of £40,000 in the City Surveyor's Repairs & Maintenance costs, and a reduction of £145,000 in income from Learning Recharges (mainly due to the fall-out of the carry forward) which can be found in Table 1.

A breakdown is provided in Appendix 3 of the movement between the 2017/18 Local Risk Original Budget and the 2017/18 Local Risk Latest Approved Budget.

Recommendation

The Committee is requested to:

- Review the provisional 2018/19 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.
- Note the Building Repairs and Maintenance asset verification exercise being undertaken by the City Surveyor and agree that any minor changes to the 2017/18 latest approved budget and the 2018/19 original budget arising from this exercise be delegated to the Chamberlain.
- Review and approve the draft Capital and Supplementary Revenue budget.

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 2018/19. 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 2017-2020 which was approved in May 2017. The activities of the Open Spaces Department reflect the charitable objectives of the preservation of open spaces and the provision of recreation and enjoyment for the public. The agreed departmental objectives are:
- a) Protect and conserve the ecology, biodiversity and heritage of our sites
 - b) Embed responsible business practices and ensure our workforce are supported and developed.
 - c) Enrich lives by providing high quality, welcoming and engaging, visitor, educational and volunteering opportunities
 - d) Improve the health and wellbeing through inclusive access to green space and heritage
 - e) Embed efficiency and financial sustainability across our activities and continuously develop our income generating endeavours

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:

- Assisting cross rail in vacating site and implementing phase one of the reinstatement project,
- Work in partnership with the Diocese, St Paul's Cathedral and CPR to prioritise Churchyard Enhancement works, and to progress to stage one HLF bid,
- Demonstrating financial sustainability by embedding on-going financial reductions, and
- Submit HLF application for the enhancement of Bunhill Fields

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 2018/19

6. The proposed detailed Revenue Budget for 2018/19 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 2018/19 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. There has been no allowance for pay and price increases for 2018/19, however additional resources of £72,000 have been given in relation to the apprenticeship scheme. A saving of £32,000 has been made in 2018/19 to reflect the 2% cuts in Local Risk resources as set out in the Efficiency and Sustainability Plan. The budget has been prepared within the resources allocated to the Director.

It should also be noted that the basis on which repairs and maintenance budgets have been prepared for the latest estimates for 2017/18 include a part year charge from the former repairs and maintenance contractor (MITIE) and 9 months from the new contractor (Skanska), whereas the original 2018/19 budgets are based on the tendered return of the new contractor.

Under the terms of the Building Repairs and Maintenance contract, Skanska are undertaking an asset verification exercise which is expected to be completed in February 2018, the outcome of the review is likely to result in variations to the figures that have been submitted for the 2017/18 latest approved and 2018/19 original budgets.

Committees are requested to acknowledge this potential change and allow the Chamberlain (in consultation with the City Surveyor) to make the necessary budget adjustments within overall approval, following the asset verification.

	TABLE 1 CITY GARDENS, BUNHILL FIELDS AND DIRECTORATE SUMMARY – ALL FUNDS						
Analysis of Service Expenditure	Local or Central Risk	Actual 2016-17 £'000	Original Budget 2017-18 £'000	Latest Approved Budget 2017-18 £'000	Original Budget 2018-19 £'000	Movement 2017-18 to 2018-19 £'000	Paragraph Reference
EXPENDITURE							
Employees	L	(1,934)	(1,956)	(2,136)	(2,115)	21	10
Premises Related Expenses	L	(266)	(204)	(208)	(212)	(4)	
R & M (City Surveyor's Local Risk	L	(237)	(420)	(291)	(331)	(40)	11
Transport Related Expenses	L	(40)	(50)	(44)	(44)	0	
Supplies & Services	L	(426)	(221)	(296)	(194)	102	12
Third Party Payments	L	(35)	(27)	(27)	(27)	0	
Transfer to Reserves (Goodwill payment)	L	(30)	0	0	0	0	
Total Expenditure		(2,968)	(2,878)	(3,002)	(2,923)	79	
INCOME							
Other Grants, Reimbursements and Contributions – (Section 106/Rechargeable Works/New Learning Programme – Directorate)	L	378	425	357	448	91	13
Customer, Client Receipts	L	314	319	324	330	6	
Transfer from Reserves (S106 & Biodiversity and Environment Enhancement Project)	L	25	0	0	0	0	
Total Income		717	744	681	778	97	
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		(2,251)	(2,134)	(2,321)	(2,145)	176	
SUPPORT SERVICES							
Central Support and Capital Charges		(489)	(492)	(501)	(509)	(8)	
Recharges within Fund (Directorate Recharges)		373	400	301	296	(5)	14
Recharges within Fund (Learning Recharges)		109	0	164	19	(145)	14
Recharges Across Funds (Directorate Recharges)		77	87	186	185	(1)	
Recharges to Finance Committee (Corporate and Democratic Core)		112	110	110	110	0	
Total Support Services		182	105	260	101	(159)	
TOTAL NET EXPENDITURE		(2,069)	(2,029)	(2,061)	(2,044)	17	

8. Income, increases in income, and reductions in expenditure are now shown as positive balances, whereas brackets are used to denote expenditure, increases in expenditure, or shortfalls in income. 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 £17,000 between the 2017/18 latest approved budget and the 2018/19 original budget. This movement is explained in the following paragraphs.
10. Analysis of the movement in staff related costs are shown in Table 2 below. There is a decrease of £21,000 in employee expenditure between the 2017/18 Latest Approved Budget and the 2018/19 Original Budget which is mainly due to two Assistant Gardeners' and a Project Manager's fixed-term contract coming to an end in 2017/18. This reduction is partially off-set by funding for three apprentices at City Gardens, a provision of 1.5% for potential pay awards, and incremental progression.

Table 2 - Staffing statement	Original Budget 2017/18		Latest Approved Budget 2017/18		Original Budget 2018/19	
	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000
Directorate/Learning Programme	13.00	(770)	13.00	(810)	13.00	(793)
City Gardens/Bunhill Fields	31.60	(1,186)	34.52	(1,326)	34.70	(1,322)
TOTAL EMPLOYEE COSTS	44.60	(1,956)	47.52	(2,136)	47.70	(2,115)

11. The increase of £40,000 from the 2017/18 Latest Approved Budget to the 2018/19 Original Budget in the City Surveyor (see Table 3 below) is mainly within the Additional Works Programme and Cyclical Works Programme. The full year of the 2018/19 Cyclical Works Programme has been included in 2018/19 as it has not yet been profiled.

TABLE 3 - CITY SURVEYOR LOCAL RISK			
Repairs and Maintenance	Original Budget 2017/18 £'000	Latest Approved Budget 2017/18 £'000	Original Budget 2018/19 £'000
Additional Works Programme			
Bunhill Fields	(174)	(182)	(208)
City Gardens	(179)	(67)	(84)
Directorate	(9)	0	(9)
	(362)	(249)	(301)
Planned & Reactive Works (Breakdown & Servicing)			
Bunhill Fields	(13)	(8)	(8)
City Gardens	(44)	(33)	(21)
Directorate	(1)	(1)	(1)
	(58)	(42)	(30)
Total City Surveyor	(420)	(291)	(331)

12. The £102,000 decrease in Supplies & Services is mainly due to the fall-out of the agreed £75,000 carry forward (£20,000 Tower Hill Garden improvement works, £35,000 Cleary Garden improvements and £20,000 West Smithfield Rotunda Garden works), there are also reductions in equipments, furniture and materials within the Learning Programme.
13. The £91,000 rise in income from other grants, reimbursements and contributions is due to the agreed carry forward of £149,000 in relation to the Learning Programme dropping out in 2018/19, off-set by a decrease in Section 106 contributions at City Gardens.
14. The reduction of £150,000 in Recharges within Fund is mainly due to the reduction of recharges emanating from the Learning Programme due to the agreed carry forward to 2017/18 dropping out in 2018/19 (see Appendix 2).

Potential Further Budget Developments

15. The provisional nature of the 2018/19 revenue budget recognises that further revisions may be required, including in relation to:
 - decisions on funding of the Additional Work Programme by the Resource Allocation Sub Committee.

Revenue Budget 2017/18

16. The 2017/18 latest approved budget includes funding for contribution pay (£3,000) and agreed carry forwards of £20,000 to fund Tower Hill Garden improvement works, £35,000 to fund Cleary Garden Access improvements, £20,000 to fund West Smithfield Rotunda Garden, and £149,000 funding towards the Open Spaces Learning Programme. An additional resource of £36,000 has been given to support the apprentice programme. The forecast outturn for the current year is in line with the latest approved budget of £2.061M. Movement of the Local Risk Budgets from the Original 2017/18 budget to the 2017/18 Latest Approved Budget can be found in Appendix 3.

Draft Capital and Supplementary Revenue Budgets

17. 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 01/04/17 £'000	2017/18 £'000	2018/19 £'000	Later Years £'000	Total £'000
CITY FUND						
	<u>Pre-implementation</u>					
City Gardens	St Botolph's Ball Court	(11)	(19)			(30)
City Gardens	Churchyard enhancement programme	(23)	(62)			(85)
City Gardens	Finsbury Circus public garden		(191)			(191)
	<u>Authority to start work granted</u>					
City Gardens	Seething Lane Garden		(138)			(138)
City Gardens	St Mary at Hill Churchyard S106	(94)	(171)	(206)		(471)
CITY'S CASH						
	<u>Pre-implementation</u>					
City Gardens	Bunhill Fields Heritage Lottery Fund		(68)			(68)
TOTAL OPEN SPACES & CITY GARDENS		(128)	(649)	(206)	0	(983)

18. 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.
19. Improvement of drainage and the enhanced facilities at St Botolph's Ball Court has been delayed due to complex negotiations with the Church.
20. The development of a programme to enhance the churchyards in the City is due to be completed later this year and work at St Mary at Hill Churchyard will start on site in spring 2018, finishing in the summer.
21. Crossrail took possession of Finsbury Circus public garden for use as a work site and will return it to the City once the site works are complete. The reinstatement of the landscape will then proceed, largely funded by compensation monies from Crossrail.

22. The redevelopment of Seething Lane Garden was completed in the summer and the garden is now open to the public.
23. Work at St Mary at Hill Churchyard will start on site in spring 2018, finishing in the summer.
24. The consultant team for the Bunhill Fields project is to be appointed during the winter of 2017/18.
21. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2018.

Appendices

- Appendix 1 – Analysis by Services Managed
- Appendix 2 – Analysis of Support Services
- Appendix 3 – Movement in Local Risk Budgets 2017/18 OR to 2017/18 LAB

Derek Cobbing

Chamberlains Department

T: 020 7332 3519

E: derek.cobbing@cityoflondon.gov.uk