

Committee:	Date:
Hampstead Heath, Highgate Wood and Queens Park Committee	22/01/2020
Subject: Departmental and Service Committee Budget Estimates and high-level summary Business Plan 2020/21 - Open Spaces Department	Public
Report of: The Chamberlain and the Director of Open Spaces	For Decision
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Summary

This report presents for approval the budget estimates for the Hampstead Heath, Highgate Wood and Queens Park Committee for 2020/21, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated to the Director. The report also includes the Open Spaces Department final draft high-level summary Business Plan.

Recommendation

Members are asked to:

- i) review and approve the Hampstead Heath, Highgate Wood and Queens Park Committee's proposed revenue budget for 2020/21 for submission to Finance Committee,
- ii) review and approve the Hampstead Heath, Highgate Wood and Queens Park Committee's capital and supplementary revenue projects budgets for 2020/21 for submission to Finance Committee,
- iii) authorise the Chamberlain in consultation with the Director of Open Spaces to revise these budgets to allow for any further implications arising from the Fundamental Review, Corporate Projects, other reviews and changes to the Cyclical Works Programme;
- iv) agree that minor amendments for 2019/20 and 2020/21 budgets arising during budget setting be delegated to the Chamberlain,
- v) note the final draft high-level summary Department Business Plan for 2020/21.

Main Report

Background

1. As part of the new framework for corporate and business planning, departments were asked to produce standardised high-level, 2-side Business Plans for the first time in 2017 for the 2018/19 year. Members generally welcomed these high-level plans for being brief, concise, focused and consistent statements of the key ambitions and objectives for every department.
2. For 2020/21, the high-level summary Business Plan has been further evolved to make use of the information now available and give a better overview of how the department's work contributes to the Corporate Plan. It provides an overview of departmental activity and resources, mainly but not limited to the forthcoming 12 months, including capital and revenue projects. As a high-level summary, this document does not capture the granularity of departmental work but gives the overall picture of departmental activity, customer feedback, trends where applicable and direction of travel.
3. For the first time in 2020/21, high-level summary Business Plans are being brought forward alongside budget estimates, pending full integration of the processes for 2021/22, to inform medium-term financial planning and the development of spending priorities. This report therefore presents the budget estimates and draft final high-level summary Business Plan together as one report and appendices.

Proposed revenue budget for 2020/21

4. This report presents, in Table 1 at Appendix 1, the budget estimates for 2020/21 for the Hampstead Heath, Highgate Wood and Queens Park Committee 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.
5. The provisional 2020/21 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. For 2020/21 there has been a 2% allowance for pay and price increases and a 2% efficiency saving. Furthermore, there has been a budget reduction of £25,000 in savings as part of the Fundamental Review, all of which are within Local Risk. The budget has been prepared within the resources allocated to the Director.

Income, increases in income and reductions in expenditure are shown as positive balances, whereas brackets will be used to denote expenditure, increases in expenditure, or shortfalls in income. Only significant variances (generally those greater than £50,000) have been commented on and are referenced in the relevant table. Overall there is a decrease of £198,000 between the 2019/20 original budget and the 2020/21 original budget. The movement is explained in the following paragraphs.

6. Analysis of the movement in staff related costs are shown in Table 2 below. There is an increase of £131,000 in employee expenditure between the 2019/20 original budget and the 2020/21 original budget. Factors influencing this overall increase are a provision of 2% for potential pay awards, and incremental progression.

Table 2 - Staffing statement	Original Budget		Latest Approved Budget		Original Budget	
	2019/20		2019/20		2020/21	
	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000
Hampstead Heath	116.68	(5,065)	116.07	(5,097)	113.68	(5,222)
Queen's Park	11.80	(508)	11.80	(455)	11.80	(466)
Highgate Wood	7.55	(364)	7.55	(374)	7.55	(380)
TOTAL	136.03	(5,937)	135.42	(5,926)	133.03	(6,068)

7. The decrease of £135,000 from the 2019/20 original budget to the 2020/21 original budget in the City Surveyor (see Table 3 below) is mainly within the Cyclical Works

Programme. The Cyclical Works Programme is subject to a bid of resources each year with funding not ring-fenced to individual clients, amounts vary considerably for departments as it is all based on an agreed prioritisation which considers health & safety, reputation, income generation and asset performance. Therefore the 2019/20 OR to 2020/21 OR budgets will reflect the change in bids each year and the number of projects which are being delivered over the three years of the programme.

TABLE 3 – CYCLICAL WORKS PROGRAMME & CITY SURVEYOR LOCAL RISK	Original Budget 2019/20	Latest Approved Budget 2019/20	Original Budget 2020/21
	£'000	£'000	£'000
Repairs and Maintenance (including cleaning)			
Cyclical Works Programme			
Hampstead Heath	(1,426)	(2,114)	(1,217)
Queen's Park	(89)	(57)	(37)
Highgate Wood	(118)	(153)	(218)
	(1,633)	(2,324)	(1,472)
Planned & Reactive Works (Breakdown & Servicing – City Surveyor Local Risk)			
Hampstead Heath	(324)	(390)	(332)
Queen's Park	(37)	(35)	(47)
Highgate Wood	(33)	(40)	(41)
	(394)	(465)	(420)
Cleaning (City Surveyor Local Risk)			
Hampstead Heath	(23)	(23)	(23)
	(23)	(23)	(23)
Total Cyclical Works Programme & City Surveyor	(2,050)	(2,812)	(1,915)

Potential Further Budget Developments

8. The provisional nature of the 2020/21 revenue budget recognises that further revisions may be required, including in relation to:
- Decisions on funding of the Cyclical Works Programme by the Resource Allocation Sub-Committee.
 - Further budget adjustments in relation to the Fundamental Review.

Revenue Budget 2019/20

9. The 2019/20 latest approved budget includes £16,000 in lieu of contribution pay, £64,000 to address energy inflation costs, and a reduction of £1,000 for a resource transfer to the City of London Cemetery. The forecast outturn for the current year

is in line with the latest approved budget of £8.766M. Movement of the 2019/20 Original Budget to the 2019/20 Latest Approved Budget can be found in Appendix 4.

Draft Capital and Supplementary Revenue Project budgets for 2020/21

10. An annual funding cycle to prioritise capital projects is being introduced for the first time this year, these bids will align with the Departmental Business Plan and Medium-Term Financial Planning process. Details of these proposed capital projects which were submitted to Resource Allocation Sub-Committee on the 12th December can be found in Appendix 3 along with the decision.

11. The latest estimated costs of the Committee's current capital and supplementary revenue projects are summarised in the Table below.

Service Managed	Project	Exp. Pre 01/04/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Later Years £'000	Total £'000
Pre-implementation							
Hampstead Heath	East Heath car park resurfacing	(18)	(3)				(21)
Queens Park	Sandpit and Toilet Block		(14)				(14)
Authority to start work granted							
Hampstead Heath	Play areas redevelopment	(16)	(84)				(100)
TOTAL HAMPSTEAD HEATH		(34)	(101)	0	0	0	(135)

- i. 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.
- ii. The East Heath Car Park and Queens Park Sandpit and Toilet Block projects are currently on hold under the Fundamental Review and therefore the above figures do not include the costs of implementation. Progression to 'authority to start work' stage will be subject to the approval of annual capital bids for central funding.
- iii. The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2020.

Final draft high-level summary Open Spaces Department Business Plan for 2020/21

12. This report presents, at Appendix 6, the draft final high-level summary Business Plan for 2020/21 for the Open Spaces Department. Appendix 7 shows the detail behind the activity statements contained within the high-level plan.
13. This year's Business Plan continues to be based on delivering the vision for the Department: *We enrich people's lives by enhancing and providing access to ecologically diverse open spaces and outstanding heritage assets across London and beyond.* The Department's activities will deliver the three Departmental objectives and twelve outcomes.
14. The vision, objectives and outcomes were agreed by the Open Spaces and City Gardens Committee on 16 April 2019. They were developed during 2017 and 2018 by a cross divisional Board of officers who consulted widely with colleagues across all divisions. The activities that will achieve these outcomes (shown in appendix 6 and in detail in appendix 7) were developed in consultation with the Departments Senior Leadership team, business managers and divisional management teams and collates information outlined in divisional annual work programmes and management plans.
15. In 2018 the Department reviewed its activity against the Corporate Plan's twelve outcomes. It identified that the Department was delivering against ten of the twelve Corporate Plan outcomes. The largest area of delivery was within the Corporate Plan Aim 'Shape outstanding environments'. A pie chart showing our activity against the twelve outcomes is shown in the high-level business plan – Appendix 6.
16. Our green flag and green heritage performance measures benchmark the Department against other parks and open spaces across the Country. Our performance within London in Bloom provides a regional benchmark.
17. The Business Plan's key activities are those which will have the greatest impact to residents, workers and visitors within the square mile e.g. progressing Finsbury Circus reinstatement and providing a Visitor Centre at The Monument (both subject to RASC capital funding approval). They will also benefit the local communities around our outer London sites e.g. West Ham Park playground replacement, progressing West Ham Park nursery site and biodiversity improvements around Burnham Beeches.
18. The Open Spaces Act 2018 enables the introduction of new management capabilities. We will use this opportunity to develop and extend our licencing arrangements, offer longer leases for commercial use of our buildings and implement agreed approaches for commercial wayleaves.

19. Across the Department we have identified 2% ongoing efficiency savings. For example, City Gardens will review the impact of the use technology to improve efficiency and provide intelligent management information and share their learning. We will introduce more 'on line' forms and on-line payment methods, continue to tender contracts and leases. At Hampstead Heath we will be implementing a new waste strategy which will encourage recycling and reduce waste disposal costs.
20. We will be assessing, developing and implementing several new income generating initiatives such as new licencing opportunities e.g. commercial dogwalkers and fitness instructors; charging for car parking on new sites and addressing payment non-compliance. Both existing and new income generating opportunities will be more efficient and customer friendly but will necessitate the provision of reliable, appropriate, cost effective, cash free payment systems.
21. The Department is a committed partner in the Climate Action Technical Group. In conjunction with the Department for Built Environment and Town Clerk's Innovation and Growth division we will be working to evaluate the current level of carbon sequestration in our Open Spaces. We will also look to identify new land management opportunities which could increase future carbon sequestration potential.

Corporate & Strategic Implications

22. The Department's activity delivers ten of the twelve Corporate Plan outcomes, across all three of the Corporate Plan aims, as shown by the pie chart within the draft final high-level business plan.

Contribute to a flourishing society

1. People are safe and feel safe.
2. People enjoy good health and wellbeing.
3. People have equal opportunities to enrich their lives and reach their full potential.
4. Communities are cohesive and have the facilities they need.

Support a thriving economy

5. Businesses are trusted and socially and environmentally responsible.
6. We have access to the skills and talent we need.

Shape outstanding environments

7. We are digitally and physically well-connected and responsive.
8. We inspire enterprise, excellence, creativity and collaboration.
9. We have clean air, land and water and a thriving and sustainable natural environment.
10. Our spaces are secure, resilient and well-maintained.

Security Implications

23. None

Public sector equality duty

24. Should the capital projects be approved for funding it will significantly improve the service and experience provided to our local communities. Where capital funded projects are approved for progress or new policies and strategies developed, we will undertake 'tests of relevance' and where appropriate, Equality Analysis. Our fees and charges are annually benchmarked with neighbouring facilities, but we will continue to informally assess any negative impact on protected characteristic groups.

Conclusion

25. This report presents the budget estimates and final high-level summary Business Plan for 2020/21 for the Hampstead Heath, Highgate Wood and Queens Park Committee for Members to consider and approve.

Appendices

- Appendix 1 – Budget estimates 2020/21 Table 1
- Appendix 2 – Support Services and Capital Charges
- Appendix 3 – Capital Project Bids for 2020/21
- Appendix 4 – Original Local Risk 2019/20 budget to Latest Approved 2019/20 Local Risk Budget
- Appendix 5 – Original 2019/20 Local Risk Budget to Original Local Risk 2020/21 budget
- Appendix 6 – Final draft high-level summary Business Plan 2020/21
- Appendix 7 – Detail behind the high-level business plan

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Appendix 1

TABLE 1 HAMPSTEAD HEATH, HIGHGATE WOOD & QUEEN'S PARK SUMMARY – ALL FUNDS							
Analysis of Service Expenditure	Local or Central Risk	Actual 2018-19 £'000	Original Budget 2019-20 £'000	Latest Approved Budget 2019-20 £'000	Original Budget 2020-21 £'000	Movement 19-20OR to 20-21OR £'000	Paragraph Reference
EXPENDITURE							
Employees	L	(5,593)	(5,937)	(5,926)	(6,068)	(131)	6
Premises Related Expenses	L	(442)	(366)	(452)	(390)	(24)	
City Surveyor's Local Risk inc cleaning	L	(508)	(417)	(488)	(443)	(26)	
Cyclical Works Programme	L	(1,156)	(1,633)	(2,324)	(1,472)	161	7
Transport Related Expenses	L	(152)	(101)	(100)	(115)	(14)	
Supplies & Services	L	(994)	(502)	(522)	(500)	2	
Supplies & Services	C	(15)	-				
Capital Charges - Depreciation	C	(231)	(234)	(239)	(235)	(1)	
Total Expenditure		(9,091)	(9,190)	(10,051)	(9,223)	(33)	
INCOME							
Other Grants, Reimbursements and Contributions	L	5	-	-	-	-	
Customer, Client Receipts	L	1,910	1,659	1,674	1,818	159	a)
Investment Income	C	1,164	1,163	1,378	1,378	215	b)
Transfer from Reserves	L	8	-				
Total Income		3,087	2,822	3,052	3,196	374	
TOTAL (EXPENDITURE) BEFORE SUPPORT SERVICES		(6,004)	(6,368)	(6,999)	(6,027)	341	
SUPPORT SERVICES							
Central Support		(1,374)	(1,341)	(1,330)	(1,244)	97	d)
Recharges within Fund		(87)	(188)	(420)	(433)	(245)	c)
Recharges across Fund		(15)	(22)	(17)	(17)	5	
Total Support Services		(1,476)	(1,551)	(1,767)	(1,694)	(143)	
TOTAL NET (EXPENDITURE)		(7,480)	(7,919)	(8,766)	(7,721)	198	

a) The Customer and Client Receipts budget has been amended and realigned to reflect the additional income generation that has been achieved, along with that planned as part of the Fees and Charges review. The areas that have

been adjusted include car parking, bench sponsorship and licensing – including Forest Schools.

- b) Increase in the contribution to the running costs of Hampstead Heath from the Hampstead Heath Trust.
- c) The increase of £245,000 in Recharges within Fund is mainly due to an increase in the Directorate/Learning Programme where costs are fully recoverable from other Open Spaces.
- d) The decrease in Central Support is mainly due to the Comptroller and City Solicitor's Recharges transferring to Local Risk within each Chief Officer under the new Trading Account arrangement.

Appendix 2

Support Services to/from Hampstead Heath, Queen's Park & Highgate Woods Committee	Actual 2018-19 £'000	Original Budget 2019-20 £'000	Latest Approved Budget 2019-20 £'000	Original Budget 2020-21 £'000	Movement 2019-20OR to 2020-21OR £'000	Paragraph Reference
<u>Support Services</u>						
Central Recharges-						
City Surveyor's Employee Recharge	(311)	(307)	(307)	(307)	-	
Insurance	(97)	(97)	(104)	(107)	(10)	
I.S.Recharges - Chamberlain	(338)	(305)	(322)	(284)	21	
Support Services-						
Chamberlain (inc CLPS recharges)	(179)	(167)	(204)	(178)	(11)	
Comptroller and City Solicitor	(99)	(98)	(30)	(23)	75	a)
Town Clerk	(234)	(274)	(266)	(247)	27	
City Surveyor	(116)	(93)	(97)	(98)	(5)	
Total Support Services	(1,374)	(1,341)	(1,330)	(1,244)	97	
<u>Recharges Within Fund</u>						
Directorate Recharges	(137)	(224)	(285)	(291)	(67)	b)
Learning Recharges	(45)	(59)	(230)	(237)	(178)	c)
Corporate and Democratic Core	95	95	95	95	-	
Total Recharges Within Fund	(87)	(188)	(420)	(433)	(245)	
Total Recharges Across Fund – Reservoir Inspections	(15)	(22)	(17)	(17)	5	
Total Support Services	(1,476)	(1,551)	(1,767)	(1,694)	(143)	

- a) Reduction due to the Comptroller and City Solicitor budget transferring to Chief Officer's Local Risk under the new Trading Account arrangement.
- b) Increase in Recharges are due to the increase in the Directorate budget which is fully rechargeable.
- c) The increase in Learning Recharges relate to additional resources to support the Learning programme agreed by RASC which are rechargeable.

Appendix 3

Capital Project Bids for 2020/21

Project - East Heath Car Park Resurfacing

Status - Agreed

Project – Queens Park Public Toilet Rebuild

Status – To be resubmitted (January's Resource Allocation Sub-Committee)

Project - Parliament Hill Athletics Track Resurfacing

Status - To be resubmitted (January's Resource Allocation Sub-Committee)

Appendix 4

Movement from the 2019/20 Original Budget to the 2019/20 Latest Approved Budget

Hampstead Heath, Highgate Wood and Queens Park	£000
Original Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(5,664)
Director of Open Spaces	
Increase to energy budgets following additional resources agreed at RASC	(64)
Contribution towards purchase of a vehicle at the Cemetery and Crematorium	1
Contribution Pay	(16)
City Surveyor	
Changes in the phasing over the 3-year cycle of the Cyclical Works Programmes	(71)
Latest Approved Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(5,814)

Appendix 5

Movement from the 2019/20 Original Budget to the 2020/21 Original Budget

Hampstead Heath, Highgate Wood and Queens Park	£000
Original Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(5,664)
Director of Open Spaces	
Apprentices	46
Fundamental Review – savings	10
Inflation 2%	(107)
Efficiency savings 2%	107
Increase to energy budgets following additional resources agreed at RASC	(64)
City Surveyor	
Planned & Reactive Works including Cleaning	(26)
Original Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(5,698)

