

Committee:	Date:
West Ham Park Committee	3 February 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 West Ham 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 West Ham Park Committee's proposed revenue budget for 2020/21 for submission to Finance Committee,
- ii) review and approve the West Ham Park Committee's proposed 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 West Ham 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 his/her control or are budgets of a corporate nature (e.g. interest on cash 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 reduction of 2% for efficiency savings, and a decrease of £48,000 to reflect the reduction of two

apprentices, these reductions have been partially off-set by a 2% allowance for pay and price increases, and a £13,000 uplift in respect of energy inflation, all of which are within Local Risk. The budget has been prepared within the resources allocated to the Director.

6. 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 £85,000 between the 2019/20 original budget and the 2020/21 original budget. The movement is explained in the following paragraphs.
7. Analysis of the movement in staff related costs are shown in Table 2 below. There is a decrease of £37,000 in employee expenditure between the 2019/20 original budget and the 2020/21 original budget which is mainly due to a fall in the number of apprentices at West Ham Park following unsuccessful recruitment. This reduction is partially off-set by a provision of 2% for potential pay awards and incremental progression.

Table 2 - Staffing statement	Original Budget 2019/20		Latest Approved Budget 2019/20		Original Budget 2020/21	
	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000
	West Ham Park	19.50	(732)	16.83	(671)	17.50
TOTAL	19.50	(732)	16.83	(671)	17.50	(695)

8. The decrease of £115,000 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
Repairs and Maintenance (including cleaning)	£'000	£'000	£'000
Cyclical Works Programme			
West Ham Park	(332)	(316)	(192)
	(332)	(316)	(192)
Planned & Reactive Works (Breakdown & Servicing – City Surveyor Local Risk)			
West Ham Park	(59)	(83)	(88)
	(59)	(83)	(88)
Cleaning (City Surveyor Local Risk)			
West Ham Park	(8)	(8)	(4)
	(8)	(8)	(4)
Total Cyclical Works Programme & City Surveyor	(399)	(407)	(284)

Potential Further Budget Developments

9. 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 Work Programme by the Resource Allocation Sub Committee.
 - Further budget adjustments in relation to the Fundamental Review.

Revenue Budget 2019/20

10. The 2019/20 latest approved budget includes a resource reduction of £48,000 to reflect the reduction in apprentices, this reduction has partially been off-set by an increase of £1,000 in lieu of contribution pay, and an uplift of £13,000 to address energy inflation costs. The forecast outturn for the current year is in line with the latest approved budget of £1.397M. Movement of the Local Risk Budgets from the Original 2019/20 Budgets to the 2019/20 Latest Approved Budgets can be found in Appendix 4.

Draft Capital and Supplementary Revenue Project budgets for 2020/21

11. 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 projects which were submitted to Resource Allocation Sub-Committee for consideration on the 12th December can be found in Appendix 3 along with the decision.
12. The latest estimated costs of the Committee's current Capital & 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
	<u>Pre-implementation</u>						
West Ham Park	Nursery, alternative uses	(77)	(119)				(196)
	Playground refurbishment	(26)	(16)	(20)			(62)
TOTAL WEST HAM PARK		(103)	(135)	(20)	0	0	(258)

- 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. It should be noted that the above figures exclude the implementation costs which are subject to further approval.
- ii. A proposal comprising residential development with additional parkland is currently being progressed as the preferred alternative use for the Nursery site - to be delivered by an external developer.
- iii. The playground refurbishment scheme was placed on hold under the Fundamental Review. However, the Resource Allocation Sub Committee has recently agreed funding as part of the annual capital bid process which means that the scheme can be progressed in 2020/21, subject to approval of the relevant gateway reports.
- iv. 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

13. 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.
14. 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.

15. 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.
16. 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.
17. 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.
18. 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 (subject to RASC capital funding approval), progressing West Ham Park nursery site and biodiversity improvements around Burnham Beeches.
19. 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.
20. Across the Department we have identified 2% ongoing efficiency savings. For example, City Gardens will review the impact of the use of 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.
21. 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.

22. 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

23. 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

24. None

Public sector equality duty

25. 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

26. This report presents the budget estimates and final high-level summary Business Plan for 2020/21 for the West Ham 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

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	(638)	(732)	(671)	(695)	37	8
Premises Related Expenses	L	(53)	(45)	(74)	(59)	(14)	
Premises Related Expenses	C	(44)	-	-	-	-	
City Surveyor's Local Risk inc cleaning	L	(82)	(67)	(91)	(92)	(25)	
Cyclical Works Programme	L	(222)	(332)	(316)	(192)	140	
Transport Related Expenses	L	(23)	(20)	(19)	(19)	1	
Supplies & Services	L	(185)	(139)	(151)	(145)	(6)	
Supplies & Services	C	90	(5)	(5)	(5)	-	
Third Party Payments	L	(12)	(13)	(13)	(13)	-	
Transfer Payments	L	(1)	-	-	-	-	
Transfer to Reserve - Nursery	C	(46)	-	-	-	-	
Capital Charges	C	(10)	(10)	(10)	(10)	-	
Total Expenditure		(1,226)	(1,363)	(1,350)	(1,230)	133	
INCOME							
Other Grants, Reimbursements and Contributions	L	18	-	1	-	-	
Customer, Client Receipts	L	214	204	216	221	17	
Customer, Client Receipts	C	41	40	40	40	-	
Investment Income	C	1	1	1	1	-	
Total Income		274	245	258	262	17	
		(952)	(1,118)	(1,092)	(968)	150	
SUPPORT SERVICES							
Central Support		(217)	(182)	(196)	(184)	(2)	
Recharges within Fund							
Directorate Recharges		(18)	(30)	(39)	(40)	(10)	
Learning Recharges		(58)	(18)	(77)	(71)	(53)	a)
Corporate and Democratic Core		7	7	7	7	-	
Total Support Services		(286)	(223)	(305)	(288)	(65)	
TOTAL NET (EXPENDITURE)		(1,238)	(1,341)	(1,397)	(1,256)	85	

a) The increase in Learning Recharges relate to additional resources to support the Learning Programme agreed by RASC.

Appendix 2

Support Services from/to West Ham Park 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	(48)	(42)	(42)	(42)	-	
Insurance	(17)	(16)	(19)	(19)	(3)	
I.S.Recharges - Chamberlain	(42)	(38)	(40)	(36)	2	
Support Services-						
Chamberlain (inc CLPS recharges)	(46)	(40)	(53)	(45)	(5)	
Comptroller and City Solicitor	(19)	(4)	(1)	(1)	3	
Town Clerk	(24)	(26)	(25)	(24)	2	
City Surveyor	(21)	(16)	(16)	(17)	(1)	
Total Support Services	(217)	(182)	(196)	(184)	(2)	
<u>Recharges Within Fund</u>						
Directorate Recharges	(18)	(30)	(39)	(40)	(10)	
Learning Recharges	(58)	(18)	(77)	(71)	(53)	a)
Corporate and Democratic Core	7	7	7	7	-	
Total Recharges Within Fund	(69)	(41)	(109)	(104)	(63)	
Total Support Services	(286)	(223)	(305)	(288)	(65)	

- a) The increase in Learning Recharges relate to additional resources to support the Learning Programme agreed by RASC.

Appendix 3

Capital Project Bids for 2020/21 (Subject to approval by Finance Committee and Court of Common Council)

Project – West Ham Park Playground Refurbishment
Status – Agreed by RASC

Appendix 4

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

West Ham Park	£000
Original Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(812)
Director of Open Spaces	
Apprentices centrally funded– decrease of £48,000 to reflect the reductions of two apprentices due to unsuccessful recruitment	48
Contribution Pay	(1)
Increase to energy budgets following additional resources agreed at RASC	(13)
City Surveyor	
Planned & Reactive Works including Cleaning	(24)
Latest Approved Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(802)

Appendix 5

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

West Ham Park	£000
Original Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(812)
Director of Open Spaces	
Inflation 2%	(15)
Efficiency Savings 2%	15
Apprentices centrally funded – decrease of £48,000 to reflect the reductions of two apprentices due to unsuccessful recruitment	48
Increase to energy budgets following additional resources agreed at RASC	(13)
City Surveyor	
Planned & Reactive Works including Cleaning	(25)
Original Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(802)