

Committee(s)	Dated:
West Ham Park	04/12/2023
Subject: Revenue and Capital Budgets 2024/25	Public
Which Outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of funding?	N/A
Has the funding source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain Interim Executive Director Environment	For Decision
Report Author: Clem Harcourt, Chamberlain's Department	

Summary

This report presents for approval the proposed revenue and capital budgets for the West Ham Park Committee for 2024/25, for subsequent submission to the Finance Committee.

Overall, the proposed revenue budget for 2024/25 totals (£1.182m) net expenditure, an increase in net expenditure of (£72k) compared to the 2023/24 original budget of (£1.110m) net expenditure agreed by your Committee on 05 December 2022.

The proposed budget for 2024/25 has been prepared within the resource envelope allocated to each Director by Resource Allocation Sub-Committee, including an inflation increase of 3% and the full year impact of pay increases to staff arising from the pay deal effective from July 2023. The proposed budget for your Committee has also been adjusted to reflect the impact of the recently introduced Target Operating Model (TOM 2) staffing restructure within the Natural Environment Division.

The resource envelope must be adhered to, as failure to do so will impact Finance Committee's ability to set a balanced budget for the year ahead.

Recommendation

Members are asked to:

- i) note the latest revenue budget for 2023/24;
- ii) review and approve your Committee's proposed revenue budget for 2024/25 for submission to Finance Committee;
- iii) review and approve your Committee's capital and supplementary revenue projects budgets for 2024/25 for submission to Finance Committee; and
- iv) agree that amendments for 2023/24 and 2024/25 budgets arising from changes to recharges or for any further implications arising from energy

price increases, changes to the Cyclical Works Programme (CWP) and capital charges during budget setting be delegated to the Chamberlain in consultation with the Interim Executive Director Environment.

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 West Ham Park which is a registered charity and is funded from City's Cash and run at no cost to the community that it serves.
2. This report sets out the proposed budgets for 2024/25 for these areas. 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; and
 - apply a cash limit policy to Chief Officers' budgets.
3. The proposed 2024/25 budget for your Committee which includes the Interim Executive Director Environment's local risk, central risk, and recharges & support services budgets, plus the City Surveyor's CWP and Building, Repairs & Maintenance budget is (£1.182m) net expenditure, this is an increase of (£72k) when compared with the 2023/24 original budget of (£1.110m) net expenditure as agreed by your Committee on 05 December 2022.
4. The latest budget for 2023/24 and provisional original budget 2024/25, is summarised in Table 1 below and further analysed by risk and Chief Officer in Appendix 1.
5. 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 £30k) have been commented on and are referenced in the relevant table in Appendix 1.

Table 1 – West Ham Park	Original Budget (OR) 2023/24 £000	Latest Budget 2023/24 £000	Original Budget (OR) 2024/25 £000	Movement 2023/24 OR to 2024/25 OR £000
Net Local Risk	(639)	(598)	(636)	3
Net City Surveyor	(65)	(109)	(116)	(51)
Net Central Risk	(9)	(25)	(9)	0
Recharges and Support Services	(397)	(424)	(421)	(24)
Total Net Expenditure	(1,110)	(1,156)	(1,182)	(72)

Latest Revenue Budget for 2023/24

6. Overall, the 2023/24 latest budget is net expenditure of (£1.156m) as reported at September 2023, an increase in net expenditure of (£46k) compared to the 2023/24 original budget agreed by your Committee on 05 December 2022. The main reasons for this net increase are:

- (£44k) additional budgets for building, repairs and maintenance costs managed by the City Surveyor with (£36k) of this amount relating to repairs and maintenance and (£8k) for cleaning and pest control;
- (£27k) increase in recharges and support services costs largely attributable to an increase in the cost of corporate departments;
- (£25k) funding provided from the Natural Environment Directorate to support requirements for casual staffing;
- (£16k) additional costs relating to capital charges and depreciation;
- (£12k) increase in salary budgets following £1k payments made to staff in July 2023; and
- £78k adjustment to your Committee's local risk resource base following implementation of the Natural Environment TOM2 staffing restructure.

Proposed Revenue Budget for 2024/25

7. This report presents at Appendix 1, the proposed revenue budget estimates for 2024/25 for your Committee analysed between:

- **Local Risk Budgets** – these are budgets deemed to be largely within the Chief Officer's control;
- **Central Risk Budgets (including capital charges)** – 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); and

- **Recharges & 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.

8. The proposed 2024/25 budget shows net expenditure of (£1.182m), an increase of (£72k) in net expenditure compared to the 2023/24 original budget agreed by your Committee on 05 December 2022. Further detail can be found in Appendix 1. The main variations relate to:

- (£51k) additional budgets managed by the City Surveyor with (£42k) increased costs for repairs and maintenance along with (£9k) in extra budgets for cleaning and pest control;
- (£45k) increase in recharges from the Natural Environment Directorate and Learning Team following changes arising from the TOM2 staffing restructure within the Natural Environment Division;
- (£35k) net increase in staffing costs owing to the full year impact of the pay award effective from July 2023 partly offset by savings achieved following implementation of the TOM2 staffing restructure;
- £34k savings in supplies and services costs largely related to reductions in coaching fees budgets no longer required; and
- £21k net increase in income from customer and client receipts. This is attributable to additional income from rents of £78k partly offset by a (£57k) reduction in fees and charges income primarily relating to the use of tennis facilities.

9. In light of recommendations from Resource Allocation Sub-Committee, the provisional 2024/25 budget includes a 3% uplift for inflation and the full year impact of pay increases to staff arising from the pay deal effective from July 2023. Members should also note that the proposed budget for 2024/25 includes a reduction of £78k to your Committee’s local risk resource base following implementation of the Natural Environment Division’s TOM 2 staffing restructure. A detailed breakdown of budget movements of the 2023/24 local risk original budget to the 2024/25 local risk original budget can be found in Appendix 2.

10. Analysis of the movement in staff related costs are shown in Table 2 below.

Table 2 - Staffing statement	Original Budget 2023/24		Latest Budget 2023/24		Original Budget 2024/25	
	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000
West Ham Park	16.21	(706)	13.17	(680)	12.84	(741)

11. Table 3 below details the budgets held for the City Surveyor’s Building Repairs & Maintenance:

Table 3 –City Surveyor Local Risk West Ham Park	Original Budget 2023/24 £'000s	Latest Budget 2023/24 £000's	Original Budget 2024/25 £'000
Planned & Reactive Work – Breakdown & Servicing (City Surveyor Local Risk)	(61)	(97)	(103)
Cleaning (City Surveyor Local Risk)	(4)	(12)	(13)
Total City Surveyor	(65)	(109)	(116)

Draft Capital and Supplementary Revenue Budgets

12. The latest estimated costs of the Committee’s current approved capital and supplementary revenue projects are summarised in the table below.

Service	Project	Exp. Pre 01/04/23	2023/24	2024/25	2025/26	Later Years	Total
		£'000	£'000	£'000	£'000	£'000	£'000
West Ham Park	West Ham Park Nursery	227	110				337
West Ham Park	West Ham Park Playground	915	93		-		1,008
TOTAL West Ham Park		1,142	203	0	0	0	1,345

13. The latest Capital and Supplementary Revenue Project forecast expenditure on new capital bids and currently approved schemes will be presented to the Court of Common Council for formal approval in March 2024.

Conclusion

14. This report presents the proposed Revenue and Capital budget estimates for 2024/25 for your Committee for Members to consider and approve.

Appendices

- Appendix 1 – Committee Summary Budget – by Risk and Chief Officer
- Appendix 2 – Movement Between 2023/24 Original Local Risk Budget to 2024/25 Original Local Risk Budget

Clem Harcourt

Chamberlain’s Department

E: Clem.Harcourt@cityoflondon.gov.uk