

Committee(s):	Date(s):	Item no.
Epping Forest and Commons Finance	14 May 2012 29 May 2012	
Subject: Epping Forest – Branching Out project (Heritage Lottery Fund) – Progress Update report – Number 7		Public
Report of: Superintendent of Epping Forest SEF 15/12		For Information

Summary

This report provides an updated budget and progress report on the City's £6.83 million Branching Out project, which began in August 2009 with a grant of £4.76 million from Heritage Lottery Fund.

Overall, the project is progressing well towards completion with some delays to the capital projects. The Coach House redevelopment and new exhibition are nearing completion and due to open to the public in June 2012. Butler's Retreat café opened to the public in February 2012 and is proving popular. Landscaping works at Chingford, Connaught Water and High Beach will be complete in June 2012. Volunteering and community targets are being exceeded.

This sixth progress update reports spend at £3,256,886 for Stage 3 to the end of December 2011, at approximately halfway through the project. The report includes an updated budget, with virements between budget headings that do not affect the total budget amount. These include allocation of £209,195 of the contingency budget, principally to cover the landscape elements, which does not have its own contingency, and time extensions to the capital build projects. Contingency budgets are standard for Heritage Lottery funded projects and the remaining contingency budget is 10% of the outstanding capital works. All changes remain within the total budget allocation for the project. There is no change to the City of London financial contribution.

Recommendations

I RECOMMEND that the budget variances detailed in Table 2 and the appendices be approved; and accordingly that £209,195 of contingency funds be allocated to cover the increase in costs for the Coach House and Butler's Retreat.

Main Report

Background

1. Branching Out is a series of projects in Epping Forest, designed to improve access to and interpretation of the historic landscape. The total budget for the project is £6.83 million over five years, supported by a grant of £4.76 from Heritage Lottery Fund (HLF).
2. The four main strands of the Branching Out project are:
 - 2.1. **Car Parks and Access** - Creation of four visitor hubs and 20 gateways to the Forest. Accessible and way-marked trails and car park resurfacing at High Beach, Connaught Water, Chingford and Jubilee Pond.

- 2.2. **Coach House** - Redevelopment to provide an Interpretation Centre with improved education and learning facilities as well as a shop. This project includes an education programme, Discovering Epping Forest, community liaison, volunteers and cataloguing and conservation of the Epping Forest archives.
 - 2.3. **Butler's Retreat** - Refurbishment to provide an improved restaurant facility
 - 2.4. **Grazing and Trees** –implementing a long term grazing strategy to enhance wood pasture landscapes. Managing ancient trees with the help of apprentices and new equipment.
3. The Epping Forest and Commons Committee received, and approved, the sixth Branching Out project update report at its meeting of 12 September 2011.

Current Position

4. **Coach House construction** works are due to be completed by mid May 2012. The contractor's delay to the project have been caused by the late supply of the glazing and timber colonnade packages and additional works required to windows to the south elevation. The impact has been mitigated by partial possession of staff offices and lavatories, enabling the portacabins to be removed from the forecourt and the landscaping works to progress. The redeveloped coach house buildings and exhibition will be formally launched at Ladies Day on 12 July 2012 by the Duke of Gloucester. .
5. **Interpretation** – The interpretation company, Cod Steaks, are progressing well with design and layout, and are scheduled to install the exhibition in May. Staff workshops were used to identify key themes and stories. Editing of content by City of London staff and Verderers is taking longer than originally programmed, but the work is coming together. Objects in the museum collection have been catalogued using a website called eHive.
6. **Car Parks, Access and Landscape** improvements are largely finished at Chingford, Connaught Water and High Beach, with overall completion due in May 2012. Some delays have been incurred due to the adjusted construction programmes. HLF has agreed use of the contingency budget to install reclaimed granite, as opposed to concrete, kerbs at High Beach and Connaught Water. The following is a general progress report on landscaping works:
- 6.1. Chingford Hub –the Bury Road and Barn Hoppit car parks are complete. Laying of the final resin bonded surface material around the hunting lodge and in front of the coach house is due to be laid in one batch. Turf has been laid in front of Butler's Retreat to enable the outdoor seating to be placed there during May.
 - 6.2. High Beach car park and Manor Road have been reopened. Some snagging is required in the area of the tea hut, including the resolution of picnic furniture design. The process of formally reallocating land between highways and Epping Forest has commenced.
 - 6.3. Connaught Water – the accessible path and car park are largely complete. The installation of benches and the completion of an additional path from the spillway are outstanding. Volunteers have built two disabled fishing platforms.
 - 6.4. Gateways, signage and developing Forest standard for all furniture will be contracted out to the exhibition design company and/or the landscape architects, rather than employing specialist staff as originally planned.

7. **Butler's Retreat** was opened as a café/restaurant by new tenant, the Larder, in February 2012 and is proving popular. Relocation and conservation of the nearby Durning Lawrence Fountain is complete but the Thames Water connection is outstanding and the utility company has not provided a timescale. The current drought orders may impact on the operation of the fountain.
8. **Community engagement** introduces new audiences to Epping Forest, principally by inviting under represented groups such as youth to introductory events and by improved online and hard copy communications. Outreach targets for the year were met, partly via partnerships with The London Wildlife Trust, Earn Your Travel Back, Play in the Forest, (Essex County Council) and Orange Rock Corps. Staff from across the Epping Forest division have assisted the Community Liaison Officer with these activities and found them rewarding. The John Muir award programme is being continued with local schools and has been adopted by Epping Forest Centenary Trust. These events have resulted in young people volunteering with us on a more regular basis and gaining work experience.
9. **Learning** – The third and final year of Discovering Epping Forest (DEF) with 25 schools finishes in summer 2012. Feedback to date from pupils and teachers has been extremely positive and there is a noticeable improvement in the confidence of group members following repeated visits to the Forest. DEF has been shortlisted under the 'Educational Initiative' category for this year's Museums and Heritage Awards. We are working together with the learning partners.
10. **Trees** – We met our target of conservation works to 53% of the 1,200 keystone trees at the end of the winter season. Overall, work has been completed on 639 keystone trees – these are all oaks, as the beeches are already under stress from the dry period earlier in the summer. Eight periods of work have been completed out of the 15 planned for the duration of the project.
11. **Apprenticeships** – The third year of the five-year apprentice arborist scheme is going well. This year's trio of apprentices are particularly keen and have requested additional training. Capel Manor College, where the apprentices study, has strengthened the Level 2 Work Based Diploma in Trees and Timber course this year, and the students are much more positive. The apprentices have had an energising effect on the whole team, who have enjoyed their role as mentors.
12. **Grazing** – Wildlife and Countryside Services has been appointed as the City's new grazing contractor for six years. The City of London now own the cattle and the aim is to become a more sustainable business with a productive herd of over 50, in line with the Grazing Strategy. Further expansion of the herd is dependent on the outcome of the invisible fencing trials and ownership.
13. **Forest Transport Strategy** – The Secretary of State has approved the installation of four new cattle grids in Epping Forest, following a public inquiry. Speed delimit signs have been installed to significantly reduce speeds, including a reduction from 60 to 40 miles per hour along the A104. The prohibition of motor vehicles from Queen's Green and Lodge Road has been formalised. The solution for Fairmead Road is still under discussion with Essex councillors.

14. **Invisible fencing** – the first year of the ongoing trial of virtual cattle fencing and grids has been evaluated. The buried wire (invisible fence) is performing well and has been tested beneath a road as a virtual grid. Some of the cattle collars have been replaced and more purchased. Version two of the collar is being developed and officers are meeting with the manufacturers, Lacme in May.
15. **Volunteers** – 214 people are now volunteering in 234 roles for Epping Forest. A further 145 people have participated in the mass volunteering days. We are exceeding targets for volunteer hours. (Please see full report also being considered at the Epping Forest and Commons committee meeting in May.)
16. **Archives.** Volunteers at the London Metropolitan Archives (LMA) completed their work on the Superintendent's correspondence 1920 – 1938 at the end of 2011. The partnership between LMA and Epping Forest to promote the Epping Forest Archive at LMA is in its third and final year 2012.
17. **Evaluation** – the Visitor Survey for 2011 has been completed and will be reported to your next committee meeting. The results have been compared with those from 2010, giving a more accurate picture of visits to the Forest. Epping Forest staff and volunteers are putting more work into the survey, while the input from the consultant, Alison Millward Associates is tapered to the end of 2014.
18. The Epping Forest and Commons Committee received, and approved, the sixth Branching Out project update report at its meeting of 12 September 2011.

Plans for 2012/13

19. Complete Coach House construction works, install new exhibition and shop, open to the public and have a formal launch on Ladies day in July.
20. Complete Car Parks, Access and Landscaping at Chingford, Connaught Water and High Beach. Construction of boardwalk and planting at Connaught Water by volunteers. The Epping Forest division are liaising with City Surveyors over the relining of Jubilee Pond, which needs to take place in late 2012, prior to landscaping in early 2013.
21. Continue community engagement with expansion of bush craft and John Muir Award. Increase number of volunteers, focussing on visitor services at the new visitor centre.
22. Epping Forest together with the three learning partners, Epping Forest Field Centre, Epping Forest Centenary Trust, Suntrap Field Centre are working on a legacy for the DEF project. This involves a full evaluation report at the end of 2012 and a website for March 2013. We will also engage a consultant to advise on the learning legacy, agree the legacy with learning partners and commence delivery. This will include a strategy for the Epping Forest Archive at LMA.
23. Promotion for the September intake of three new apprenticeships began with the Capel Manor Festival of Trees in April.
24. Continue conservation works to keystone trees. Evaluate impact to date to inform future strategy.

25. Forest Transport Strategy – Essex County Council are planning to install cattle grids in autumn 2012, which will be accompanied by some timber fencing. Any remaining budget, due to savings from reducing number of grids, will be used for other aspects of the Forest Transport Strategy such as a signage review.
26. Continue to test invisible fencing. Agree policy for herd expansion. Advertise cattle monitoring volunteer roles.
27. Complete the third year of the visitor survey. Visitor Survey during 2012 and 2014 will mean that all areas selected within the Forest will have been targeted, so that we can start assessing the impact of Branching Out projects from 2015.
28. Agree a standard design for gateway structures and signage, with a Forest standard to inform design of furniture. Install the remaining three waymarked trails.

Financial and Risk Implications

29. **Funding** from HLF is **74.37%** of total spend at Stage 3 (excluding the Stage 1 sunk costs of £123,280). The remaining 25.63% of the total Stage 3 budget of £6,395,314 will be met by grants from our partners and the Local Risk budget. This includes a grant of £270,658 from the Tubney Trust and £300,000 towards the Forest Transport Strategy from Essex County Council.
30. The £311,000 development cost was spent at Stage 2. See **Table a** below.
31. **Table 1: Funding Sources**

Funding Sources Table	£	Claims to Dec 2011	Status
Heritage Lottery Fund Stage 3	4,756,000	2,330,368	Claimed quarterly in arrears
Heritage Lottery Fund Development Grant	231,500	231,500	Claimed
Essex County Council (cattle grids & FTS)	300,000	121,190	Evidence to be provided quarterly
City Contribution All Stages*	1,251,436	830,564	See breakdown below
London Borough of Waltham Forest	20,000	20,000	Expended on highways works
Tubney Trust	270,658	270,658	Fully paid in 2012
Total	6,829,594	3,795,280	
*analysis of City Contribution	£	Claims to Dec 2011	Status
Stg 1 bid prep (sunk cost)	123,280	123,280	Expended
City Contribution Development Stage 2	79,500	79,500	Expended
Local Risk	771,436	467,262	Allocated annually
Sub-Total Local Risk	983,216	670,042	
Payments in-kind (volunteers, etc)	283,220	160,522	Claimed with evidence
Total	1,251,436	830,564	

32. Project spend is approximately 50% at just over half way through the project. Spend at this stage is slightly lower than estimated due to building works delays. It is anticipated that 80% of the capital budget will be spent by end May 2012; once the construction and majority of the landscaping targets have been delivered.
33. **Table 2: Cumulative Spend** Stage 3 included in HLF claims to end December 2011.

Project	Capital claim (£)	Revenue claim (£)	Total (£)
1. Coach House	1,089,470	369,583	1,459,053
2. Butler's Retreat	519,978	0	519,978
3. Car Parks and Access	587,833	86,866	674,699
4. Grazing and Trees	189,874	320,713	510,587
Volunteer Hours (£ equivalent as match)	0	92,569	92,569
Total Spend Stage 3	2,387,155	869,731	3,256,886

34. Claims totalling £3,256,886 for Stage 3 (or £3,567,886 including Stage 2 development costs of £311,000) have been submitted to HLF up to the end of December 2011 (**Table 2** above), representing an HLF grant value of £2,330,368 (74.37%). It is anticipated that the full project budget of £6,518,592 for Stage 3 of the project will be spent. Development costs of £311,000 were spent and claimed at Stage 2.
35. **Table 3: Variances** between capital and revenue budgets arising from comparing the budget approved by your committee in September 2011 with budget revisions in April 2012 (Appendix 1), where negative figures represent a reduction in the budget. The revised budget reflects contingency items approved by HLF.

Project	Capital costs (£ variance)	Revenue costs (£ variance)	Total (variance £)
1. Coach House	53,071 ^A	11,234 ^B	64,305
2. Butler's Retreat	51,031 ^C	0	51,031
3. Car Parks and Access	250,327 ^D	-166,652	83,675
4. Grazing and Trees	-5,718	6,802	1,084
Volunteer Costs	0	9,100	9,100
Contingency		-209,194 ^E	-209,195
Development Cost	0	0	0
Total	348,711	-348,711	0

36. Summary explanations for variances A-E in Table 3 above are given below, with a more detailed breakdown in Appendix 2:

A. The works and fees budgets for the Coach House have been increased by £53,071 due to an extension of time for four weeks due to additional works to windows, an additional insurance premium, minor design changes and the need for additional materials.

B. The volunteer equipment and expenses budget has been increased by £14,143 with monies vired from salaries savings across the project due to the City of London pay freeze and some from contingency.

C. The works and fees budget for Butler's Retreat has been increased by £51,031 due mechanical and electrical issues, with significant time delays due to gas utilities connection.

D. Development of the Forest Standards has led to additional costs from the substitution of granite kerbs for concrete and Coxwell gravel for hoggin. A greater depth of sub base was required at High Beach than anticipated. These total £104,351. It is also proposed to transfer £145,976 from revenue to capital to cover the design and build of gateways as a contract rather than employing staff.

E. Contingency of £209,195 has been allocated to cover the above revisions to the budget previously reported in September 2011. The projected overall total cost remains the same.

37. There is £113,298 remaining in the contingency budget, which is considered adequate given that the capital projects are approaching 80% completion. This would leave contingency of over 10% on the final 20% (approximately one million pounds) in the capital budget. Please note that contingency budgets are standard for Heritage Lottery funded projects.

Corporate Property Implications

38. Epping Forest is a major land holding, whose conservation is charged in perpetuity to the City together with its infrastructure and buildings, requiring a high level of financial and resource commitment.
39. Redevelopment of the coach house interpretation centre is nearing completion. **Butler's Retreat** was opened as a café/restaurant by new tenant, the Larder, in February. These deliver the planned improvements to two of Epping Forest's significant heritage property assets and complement asset management aspirations.
40. Relining of Jubilee Pond will go through the Project Gateway process via the City Surveyor. Completion of this project is required prior to landscaping works as part of the Branching Out project.

Strategic Implications

41. Volunteering and community involvement are included in the **Open Spaces Business Plan 2011-2014**, one of the strategic aims of which is to "Celebrate a sense of place by involving local communities in the care and management of our sites". Objectives include encouraging use of the Open Spaces by under represented groups and developing volunteering opportunities at all sites.
42. The City of London Corporation as Conservators of Epping Forest hold the land in trust for the recreation and enjoyment of the public. The proposals **address "The City Together Strategy: The Heart of a World Class City" 2008-2014**.

Conclusion

43. The Branching Out project is making good progress and all the conditions attached to the HLF grant have been met.
44. Development works at the Chingford Hub and the first phase of landscaping are due to be completed in May. The Discovering Epping Forest schools programme is going well and receiving excellent feedback. Targets for community liaison and volunteering have been exceeded. Conservation work to the keystone trees is on track.
45. The report includes an updated budget, which draws on £209,195 of the contingency, principally to cover landscaping works, for which there was no project-specific contingency, and time extensions to the capital build projects. The projected overall total cost remains the same. Contingency budgets are standard for Heritage Lottery funded projects.
46. Approval of the budget revisions and the updated budget in Table 3 and the appendices is required to enable the capital works to progress, having gained approval from Heritage Lottery for allocation of the contingency budget.

Appendix 1 Capital and Expenditure Budgets

Appendix 2 Budget variations agreed by HLF since last progress report

Background Papers:

Epping Forest - Branching Out Project (Heritage Lottery Fund) – Progress Update Report – Number 6, 12 September 2012

Update on Volunteering in Epping Forest 2011 – 14 May 2012

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Appendix 1 Capital and Expenditure Budgets

Table a) Capital/Expenditure approved September 2011

Project	Capital costs Phases F-L (£)	Revenue costs (£)	Other costs (£)	Total All Years (£)
1. Coach House	1,701,216	582,453		2,283,669
2. Butler's Retreat	593,561	0		593,561
3. Car Parks and Access	1,828,537	337,245		2,165,782
4. Grazing and Trees	311,027	698,011		1,009,038
Volunteer Hours	0	0	144,050	144,050
Contingency			322,492	322,492
TOTAL	4,434,341	1,617,709	466,542	6,518,592
Development Cost	0	0	311,000	311,000
Total including Development Cost	4,434,341	1,617,709	777,542	6,829,592

Table b) Capital/Expenditure updated April 2012.

Project	Capital costs Phases F-L (£)	Revenue costs (£)	Other costs (£)	Total All Years (£)
1. Coach House	1,754,287	593,687	0	2,347,974
2. Butler's Retreat	644,592	0	0	644,592
3. Car Parks and Access	2,078,864	170,593	0	2,249,457
4. Grazing and Trees	305,309	704,812	0	1,010,121
Volunteer Hours	0	0	153,150	153,150
Contingency	0	0	113,298	113,298
TOTAL	4,783,052	1,469,092	266,448	6,518,592
Development Cost	0	0	311,000	311,000
Total including Development Costs	4,783,052	1,469,092	577,448	6,829,592

Appendix 2 Budget variations since last progress report

Item	Variance (£)	Reason for significant variation	Budget line transferred from/to
Coach House Main Contract Construction	39,563	Extension of time due to design changes for render and windows to façade. Additional oak flooring as cutting list allowed no waste. Add insurance premium (£2,480) previously under CoL global	From contingency – pending HLF approval
Museum collection display	6,200	Additional time spent on images and content	From contingency – pending HLF approval
Professional fees	7,308	4 week extension to works has led to add fee claims. There are also CDM services for interpretation	From B's R prof fees & contingency – partially approved by HLF
Capital Costs	53,071		
Staff - Community Liaison Officer	-2,944	savings from pay freeze	To volunteer equipment and expenses
Archive conservation	35	to reflect anticipated invoice	From contingency
Volunteer equipment and expenses	14,143	Budget for Year 3 from salary savings	From salaries & contingency approved by HLF
Revenue Costs	11,234		
Coach House	64,305		
Butler's Retreat Refurbishment	51,770	increased spend due to M&E, gas utilities and time delay	From contingency approved by HLF
Professional fees	-739	add time to manage extension and utilities less than anticipated	To coach house prof fees
Capital Costs	51,830		
Butler's Retreat	51,0131		
Car Parks and Access	0		
Connaught Water Easy Access Trail	2,712	Coxwell surface as part of Forest standard instead of hoggin	From contingency approved by HLF
Connaught Water Car Park	14,547	reclaimed granite kerbs from contingency	From contingency approved by HLF
Pillow Mounds car park	65,164	reclaimed granite kerbs from contingency (28,567) and add sub base (36,597)	From Contingency & Trees vehicles (below) pending HLF approval
Bury Road car park	6,520	Coxwell surface as above	From contingency approved by HLF
Forest Transport strategy	16,500	Shuttle bus Yr 2 & 3 from contingency, part of FTS	From contingency approved by HLF
Gateways staff	145,976	To be covered by exhibition and/or landscaping contract	From revenue – pending HLF approval
Capital Costs	250,327		

Item	Variance (£)	Reason for significant variation	
Gateways staff	-145,976	Contract rather than staffing	To capital
PM equipment & expenses	-11,576	Husqvarna PPE reallocated to match funding rather than existing budget heading	-£15k to match (Husq PPE) + £3424 from contingency pending HLF approval
Supply and planting of trees	-9,100	match from volunteer hours instead due to lack of suitable trees	To volunteer hours
Revenue Costs	-166,652		
Car Parks and Access	83,675		
Grazing and Trees Vehicles	-5,718	reduced to help cover additional costs at High Beach	Transfer to car parks capital
Capital Costs	-5,718		
Arborist team leader	-2,905	savings from pay freeze	To volunteer equipment and expenses
Apprenticeship placements	-5,293	savings from pay freeze	To volunteer equipment and expenses
Equipment for apprentices	15,000	Better location for PPE Husqvarna match funding	From PM equipment car parks
Revenue Costs	6,802		
Grazing and Trees	-1,084		
Volunteer hours	9,100	increased due to no suitable trees from forest as match	From supply and planting of trees
Contingency	-209,195	For reasons above – HLF agreed and pending approval	To headings above as indicated
Non project specific	-200,095		
ALL PROJECTS	0		