

<b>Committee(s):</b>	<b>Date(s):</b>
Epping Forest and Commons Committee	13 November 2013
<b>Subject:</b> REVENUE & CAPITAL BUDGETS - BURNHAM BEECHES, STOKE COMMON, & CITY COMMONS 2013/14 & 2014/15	
<b>Report of:</b> The Chamberlain The Director of Open Spaces	<b>Public</b> For Decision

### Summary

This report updates the Committee on its latest approved revenue budget for 2013/14 and seeks approval for a provisional revenue budget for 2014/15, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated to the Director and the table below summarises the position.

Summary of Table 1	Latest Approved Budget	Original Budget	Movement
	2013/14 £000	2014/15 £000	£000
Expenditure	2,136	2,404	268
Income	(356)	(354)	2
Support Services and Capital Charges	403	396	(7)
<b>Total Net Expenditure</b>	2,183	2,446	263

Overall the provisional Original budget for 2014/15 totals £2,446M, an increase of £263,000 compared with the latest approved budget for 2013/14. The main reason for this increase is:-

An overall increase of £268,000 in Expenditure, the main contributing factor being an increase in the City Surveyor's Additional Works Programme of £253,000 (see Tables 1 & 2).

#### Recommendations

The Committee is requested to:

- Review the provisional 2014/15 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.

## **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 Ashted Common & West Wickham (City Commons), and Burnham Beeches & Stoke Common which are registered charities and are funded from City's Cash. They are run at no cost to the communities that they serve, as they are funded principally by the City, together with donations, sponsorship, and grants.
2. This report sets out the proposed revenue budget for 2014/15. 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 2013-2016 which was approved in April 2013. These include :-
  - Deliver phase two of the grazing expansion plan (2013) leading to grazing to approx. 95% of the site in 2014 (Burnham Beeches).
  - Deliver projects detailed in the Stoke Common Heathland regeneration plan for year's five to eight. (Stoke Common).
  - Deliver Business Plan priorities to achieve key performance indicators (City Commons).
  - Continue working in partnership with English Heritage, Kenley Airfield Friends Group, to fund conservation and interpretation re Kenley Revival Project. (City Commons).

## **Proposed Revenue Budget for 2014/15**

6. The proposed Revenue Budget for 2014/15 is shown in Table 1 below 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 2014/15 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. The 2% efficiency savings to be achieved by 2014/15 comprise 1% saving in 2013/14 (already achieved) and a further 1% in 2014/15. An allowance was also given towards any potential pay and price increases of 1% in 2013/14 (already applied) and a further 2% in 2014/15. The budget has been prepared within the resources allocated to the Director.

TABLE 1 BURNHAM BEECHES, STOKE COMMON & CITY COMMONS SUMMARY						
Analysis of Service Expenditure	Local or Centr al Risk	Actual  2012- 13 £'000	Latest Approve d Budget 2013-14 £'000	Original  Budget 2014- 15 £'000	Movem ent 2013-14 to 2014-15 £'000	Paragra ph Referen ce
<b>EXPENDITURE</b>						
Employees	L	1,231	1,214	1,267	53	10
Premises Related Expenses	L	432	392	372	(20)	
R & M (City Surveyor's Local Risk including cleaning)	L	367	208	461	253	11
Transport Related Expenses	L	93	114	89	(25)	
Supplies & Services	L	241	173	180	7	
Third Party Payments	L	35	35	35	0	
Transfer to Reserves	L	36	0	0	0	
<b>Total Expenditure</b>		<b>2,435</b>	<b>2,136</b>	<b>2,404</b>	<b>268</b>	
<b>INCOME</b>						
Government Grants	L	(227)	(199)	(199)	0	
Other Grants, Reimbursements and Contributions	L	(25)	(17)	(15)	2	
Customer, Client Receipts	L	(154)	(122)	(122)	0	
Investment Income	L	(2)	0	0	0	
Transfer from Reserves	L	(50)	0	0	0	
Transfer from Reserve (to fund depreciation charges)	C	(18)	(18)	(18)	0	

<b>Total Income</b>				
		(476)	(356)	(354)
<b>TOTAL EXPENDITURE/(INCOME) BEFORE SUPPORT SERVICES AND CAPITAL CHARGES</b>		1,959	1,780	2,050
<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>				
Central Support & Capital charges		351	353	346
Recharges within Fund		60	50	50
<b>Total Support Services &amp; Capital charges</b>		411	403	396
<b>TOTAL NET EXPENDITURE/(INCOME)</b>		2,370	2,183	2,446
				2
				270
				(7)
				0
				(7)
				263

8. Income and favourable variances are presented in brackets. 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 an increase of £263,000 between the 2013/14 latest approved budget and the 2014/15 original budget. This movement is explained in the following paragraphs.

10. The main reason for the increase of £53,000 in employees is due to the 2013/14 Latest Approved Budget taking account of vacancies at both City Commons and Burnham Beeches which will be filled in 2014/15.

11. The 2013/14 Latest Approved Budget reflects the re-allocation of the full programme to reflect the expenditure that is anticipated will be incurred in the year.

The budget movement of £253,000 for Repairs & Maintenance relates to the re-phasing and level of new bids within the Additional Works Programme.

The 2014/15 Additional Works Programme is based on the bids detailed in the report to your Committee in May 2013 which totalled £205,200, which was endorsed by the Corporate Asset Sub Committee in July 2013. The anticipated balance of remaining Additional Works Programme schemes of £179,042 has also been incorporated.

A decision on the funding of the programme will be made by the Resource Allocation Sub Committee. It may therefore be necessary to adjust the budgets to reflect the Resource Allocation Sub Committee's decision.

Following the implementation of the MITIE contract in July 2012, budgets have been re-aligned to reflect the tendered cost of the new contracts. See Table 2 below.

<b>TABLE 2 - CITY SURVEYOR LOCAL RISK</b>	<b>Latest Approved Budget 2013/14 £'000</b>	<b>Original Budget 2014/15 £'000</b>
<b>Repairs and Maintenance (excluding cleaning)</b>		
<b>Additional Works Programme</b>		
City Commons	95	299
Burnham Beeches	36	85
	<b>131</b>	<b>384</b>
<b>Planned &amp; Reactive Works (Breakdown &amp; Servicing)</b>		
City Commons	28	28
Burnham Beeches	32	32
	<b>60</b>	<b>60</b>
<b>Total City Surveyor</b>	<b>191</b>	<b>444</b>

12. Analysis of the movement in manpower and related staff costs are shown in Table 3 below.

<b>Table 3 - Manpower statement</b>	<b>Latest Approved Budget 2013/14</b>		<b>Original Budget 2014/15</b>	
	<b>Manpower Full-time equivalent</b>	<b>Estimated cost £000</b>	<b>Manpower Full-time equivalent</b>	<b>Estimated cost £000</b>
Burnham Beeches/Stoke Common	13.33	450	13.33	469
City Commons	22.31	764	22.91	798
<b>TOTAL BURNHAM &amp; CITY COMMONS</b>	<b>35.64</b>	<b>£1,214</b>	<b>36.24</b>	<b>£1,267</b>

### **Larger Variances in Services Managed (Appendix 1)**

13. The £52,000 increase in Burnham Beeches is mainly due to the increase of £49,000 in the City Surveyor's Additional Works Programme.
14. The £211,000 increase in City Commons relates mainly to the £204,000 increase in the City Surveyor's Additional Works Budget.

### **Potential Further Budget Developments**

15. The provisional nature of the 2014/15 revenue budget recognises that further revisions may be required, including in relation to:
  - budget reductions to capture savings arising from the on-going PP2P reviews;
  - decisions on funding of the Additional Work Programme by the Resource Allocation Sub Committee.

### **Revenue Budget 2013/14**

16. The forecast outturn for the current year is in line with the latest approved budget of £2,183M.

### **Draft Capital and Supplementary Budgets**

17. With regard to the above, there is no movement to the Reservoirs and the Pond Embankments projects at Burnham Beeches as they are on hold, however, the Kenley Revival project is still progressing.

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**APPENDIX 1**

<b>Analysis by Service Managed</b>	Actual 2012- 13 £'000	Latest Approve d Budget 2013-14 £'000	Original Budget 2014- 15 £'000	Movemen t 2013-14 to 2014-15 £'000	Paragraph(s ) Reference
<b><u>CITY CASH</u></b>					
Burnham Beeches	676	624	676	52	13
Stoke Common	20	22	22	0	
City Commons	1,675	1,537	1,748	211	14
<b>TOTAL</b>	<b>2,371</b>	<b>2,183</b>	<b>2,446</b>	<b>263</b>	



**APPENDIX 2**

<b>Support Services &amp; Capital Charges from/to Burnham Beeches, Stoke Common, &amp; City Commons</b>	Actual 2012-13 £'000	Latest Approved Budget 2013-14 £'000	Original Budget 2014-15 £'000	Movement 2013-14 to 2014-15 £'000	Paragraph Reference
<b><u>Support Services &amp; Capital Charges</u></b>					
<b>Central Recharges-</b>					
City Surveyor's Employee Recharge	95	91	91	0	
Insurance	19	12	12	0	
I.S.Recharges - Chamberlain	36	44	41	(3)	
Capital Charges	18	18	18	0	
<b>Support Services-</b>					
Chamberlain (inc CLPS recharges)	51	51	50	(1)	
Comptroller and City Solicitor	33	34	33	(1)	
Town Clerk	51	53	51	(2)	
City Surveyor	39	40	40	0	
Other Services*	9	10	10	0	
<b>Total Support Services &amp; Capital Charges</b>	<b>351</b>	<b>353</b>	<b>346</b>	<b>(7)</b>	
<b><u>Recharges Within Fund</u></b>					
<b>Directorate Recharges</b>	<b>78</b>	<b>68</b>	<b>68</b>	<b>0</b>	
<b>Corporate and Democratic Core</b>	<b>(18)</b>	<b>(18)</b>	<b>(18)</b>	<b>0</b>	
<b>Total Recharges Within Fund</b>	<b>60</b>	<b>50</b>	<b>50</b>	<b>0</b>	
<b>Total Support Services &amp; Capital Charges</b>	<b>411</b>	<b>403</b>	<b>396</b>	<b>(7)</b>	

\* Various services including central heating, corporate printing, occupational health, union costs, environmental and sustainability section.