

<b>Committee(s):</b>	<b>Date(s):</b>	<b>Item no.</b>
West Ham Park Committee	25 November 2013	
<b>Subject:</b> REVENUE BUDGETS – 2013/14 AND 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	1,327	1,506	179
Income	(573)	(521)	52
Support Services and Capital Charges	249	241	(8)
<b>Total Net Expenditure</b>	<b>1,003</b>	<b>1,226</b>	<b>223</b>

Overall the provisional Original budget for 2014/15 totals £1.226M, an increase of £223,000 compared with the latest approved budget for 2013/14. This is due to an increase in expenditure of £179,000 which is mainly due to an increase of £169,000 in Surveyor's Repairs & Maintenance, and a reduction in income of £52,000 which is mainly due to the reduction of City Bridge Trust (CBT) funding in Central Risk.

## **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 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 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. The main priorities for West Ham Park include :-
- Apprenticeships - Using funding already secured to engage 3 young people to undertake horticultural training across a range of sites.
  - Environment - Seek to reduce water usage by undertaking a full audit of water utilities.
  - Implement educational and biodiversity projects using CBT funding secured for 2011-14

## **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 and a further 1% saving in 2014/15. An allowance towards any potential pay and price increases of 1% for 2013/14 has been included, with 2% to be included for 2014/15. The existing 3 year scheme in respect of biodiversity ends on 31<sup>st</sup> March 2014, however, further funding of £39,000 has been agreed by the City Bridge Trust for 2013/14, and £61,000 in 2014/15. The budget has been prepared within the resources allocated to the Director.

TABLE 1

## WEST HAM PARK COMMITTEE SUMMARY – ALL FUNDS

Analysis of Service Expenditure	Local or Central Risk	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>EXPENDITURE</b>						
Employees	L	713	782	810	28	
Redundancy costs	C	3	0	0	0	
Premises Related Expenses	L	107	86	65	(21)	
R & M (City Surveyor's Local Risk including cleaning)	L	98	196	365	169	10
Transport Related Expenses	L	30	33	33	0	
Supplies & Services	L	238	200	202	2	
Third Party Payments	L	25	22	22	0	
Transfer to Reserves – Nursery	C	19	8	9	1	
<b>Total Expenditure</b>		<b>1,233</b>	<b>1,327</b>	<b>1,506</b>	<b>179</b>	
<b>INCOME</b>						
Other Grants, Reimbursements and Contributions	L	(60)	(43)	(67)	(24)	
Other Grants, Reimbursements and Contributions – City Bridge Trust	C	(75)	(75)	0	75	12
Customer, Client Receipts	L	(432)	(444)	(443)	1	
Investment Income	C	(3)	(1)	(1)	0	
Transfer from Reserve – Capital	C	(10)	(10)	(10)	0	
<b>Total Income</b>		<b>(580)</b>	<b>(573)</b>	<b>(521)</b>	<b>52</b>	
<b>TOTAL EXPENDITURE/ (INCOME) BEFORE SUPPORT SERVICES AND CAPITAL CHARGES</b>		<b>653</b>	<b>754</b>	<b>985</b>	<b>231</b>	
<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>						
Central Support and Capital Charges		226	217	209	(8)	
<b>Recharges within Fund</b>						
Directorate Recharges		41	39	39	0	
Corporate & Democratic Core		(7)	(7)	(7)	0	
<b>Total Support Services and Capital Charges</b>		<b>260</b>	<b>249</b>	<b>241</b>	<b>(8)</b>	
<b>TOTAL NET ENDITURE/(INCOME)</b>		<b>913</b>	<b>1,003</b>	<b>1,226</b>	<b>223</b>	

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.
9. Overall there is an increase of £223,000 in the overall budget between the 2013/14 latest approved budget and the 2014/15 original budget. This movement is explained by variances in the following paragraphs.
10. 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 £169,000 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 the Open Spaces and City Gardens Committee on 15 April 2013 which totalled £125,800, which was endorsed by the Corporate Asset Sub Committee in July 2013. The anticipated balance of remaining Additional Works Programme schemes of £197,750 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.

TABLE 2 - CITY SURVEYOR LOCAL RISK		Latest Approved Budget 2013/14 £'000	Original Budget 2014/15 £'000
Repairs & Maintenance (excluding cleaning)			
Additional Works Programme			
West Ham Park		155	324
		155	324
Planned & Reactive Works (Breakdown & Servicing)			
West Ham Park		33	33
Nursery		5	5
		38	38
Total City Surveyor		193	362

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

Table 3 - Manpower statement	Latest Approved Budget 2013/14		Original Budget 2014/15	
	Manpower Full-time Equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
West Ham Park/Nursery/CBT	22.1	£782	22.7	£810
<b>TOTAL WEST HAM PARK COMMITTEE</b>	<b>22.1</b>	<b>£782</b>	<b>22.7</b>	<b>£810</b>

12. The £75,000 decrease in central risk income (other grants, reimbursements and contributions) is due to the CBT funding for 2011-14 coming to an end. The new CBT grant for the horticultural training scheme is shown in Local Risk.

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

13. The £223,000 increase in West Ham Park is mainly due to an increase of £169,000 in the City Surveyors Additional Works Programme and a decrease of £56,000 in Central Risk non government grant income relating to the old CBT which has come to an end.

### **Potential Further Budget Developments**

14. The provisional nature of the 2013/14 and 2014/15 revenue budgets 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.

Any further revisions will be agreed in consultation with the Director of Open Spaces.

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

15. The forecast outturn for the current year is in line with the latest approved budget of £1.003M.

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## APPENDIX 1

Analysis by Service Managed	Actual 2012-13 £'000	Latest Approved Budget 2013-14 £'000	Original Budget 2014-15 £'000	Movement 2013-14 to 2014-15 £'000	Paragraph(s) Reference
<b><u>CITY CASH</u></b>					
WEST HAM PARK	913	1,003	1,226	223	13
CBT*	0	0	0	0	
NURSERY **	0	0	0	0	
<b>TOTAL (CITY CASH)</b>	<b>913</b>	<b>1,003</b>	<b>1,226</b>	<b>223</b>	

Reasons for zero budget lines:-

\* City Bridge Trust expenditure is a restricted fund which nets to zero.

\*\* The Nursery is a trading account where any surplus or shortfall go to reserve and nets to zero.

## APPENDIX 2

Support Services & Capital Charges from/to West Ham Park Committee	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>Support Services &amp; Capital Charges</b>					
<b>Central Recharges-</b>					
City Surveyor's Employee Recharge	38	39	37	(2)	
Insurance	22	18	17	(1)	
I.S.Recharges - Chamberlain	23	27	25	(2)	
Capital Charges	10	10	10	0	
<b>Support Services-</b>					
Chamberlain (including CLPS Recharges)	85	74	72	(2)	
Comptroller and City Solicitor	2	3	3	0	
Town Clerk	24	24	23	(1)	
City Surveyor	16	16	16	0	
Other Services*	6	6	6	0	
<b>Total Support Services &amp; Capital Charges</b>	<b>226</b>	<b>217</b>	<b>209</b>	<b>(8)</b>	
<b>Recharges Within Fund</b>					
Directorate Recharges	41	39	39	0	
Corporate and Democratic Core	(7)	(7)	(7)	0	
<b>Total Recharges Within Fund</b>	<b>34</b>	<b>32</b>	<b>32</b>	<b>0</b>	
<b>Total Support Services &amp; Capital Charges</b>	<b>260</b>	<b>249</b>	<b>241</b>	<b>(8)</b>	

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