

Committee(s)	Dated:
Epping Forest & Commons Committee	03/07/2017
Subject: Revenue Outturn 2016/17 – Epping Forest	Public
Report of: The Chamberlain & the Director of Open Spaces	For Information

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2016/17 with the final agreed budget for the year.

	Final Agreed Budget £000	Outturn £000	Increase/ (Decrease) £000
Local Risk			
Director of Open Spaces	2,800	2,931	131
City Surveyor	686	536	(150)
Central Risk	438	446	8
Recharges	1,063	951	(112)
Total	4,987	4,864	(123)

The Director had an adverse variance on his local risk budget position of £131,000 mainly due to increased reactive works needed on invasive species, hazardous trees and investment in property maintenance, further detail can be found in paragraph 4(a).

This Outturn position has been aggregated with budget variations on services overseen by other committees, which produces a City Cash overall favourable budget position of £167,000 (Local Risk) across all Open Spaces. A request to carry forward all of this £167,000 will be considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee, a breakdown of which can be found in paragraph 7.

The City Surveyor's favourable budget variance of £150,000 is mainly due to a cautious approach within the Additional Works Programme with a number of works being carried forward within the 3 year work allocation, detailed reasons can be found in paragraphs 4(b) & 4(c).

The decrease of £112,000 in recharges is mainly due to a reduction in Support Services Costs and Learning recharges.

Recommendation(s)

It is recommended that this revenue outturn report for 2016/17 and the consequential implications for the 2017/18 budget are noted.

Main Report

Budget Position for 2016/17

1. The 2016/17 latest approved budget for the Epping Forest services overseen by your Committee received in November 2016 was £4.885M. This budget was endorsed by the Court of Common Council in March 2017 and subsequently updated for approved adjustments. Movement of the original Local Risk budget to the final agreed budget is shown in Appendix A with explanations for larger variances over £50,000 .

Revenue Outturn 2016/17

2. Actual net expenditure for your Committee's services during 2016/17 totalled £4.864M, a favourable budget variance of £123,000 compared with the final agreed budget. This was a result of the better than budget position of City Surveyors expenditure and reductions in recharges.
3. A summary comparison with the final agreed budget for the year is tabulated below. In the tables, figures in brackets indicate income or in hand balances, increases in income or decreases in expenditure.

Epping Forest
Comparison of 2016/17 Revenue Outturn with Final Agreed Budget

	<i>Original Budget</i>	Final Agreed Budget	Revenue Outturn	Variation Increase/ (Decrease)	
	<i>£000</i>	£000	£000	£000	
LOCAL RISK					
Director of Open Spaces					Reason*
Epping Forest	2,668	2,742	2,856	114	a)
HLF - Branching Out Project	-	-	-	-	
Chingford Golf Course	(93)	(43)	(22)	21	
Wanstead Flats	129	129	105	(24)	
Woodredon & Warlies	(28)	(28)	(8)	20	
Total Director of Open Spaces Local Risk	2,676	2,800	2,931	131	
City Surveyor					
City Surveyors Local Risk	417	485	432	(53)	b)
Additional Works Programme	760	201	104	(97)	c)
Total City Surveyor Local Risk	1,177	686	536	(150)	
TOTAL LOCAL RISK	3,853	3,486	3,467	(19)	
CENTRAL RISK					
Epping Forest	420	410	418	8	
Wanstead Flats	28	28	28	-	
TOTAL CENTRAL RISK	448	438	446	8	
RECHARGES					
Insurance	94	77	76	(1)	
Support Services	420	404	339	(65)	d)
Surveyor's Employee Recharge	302	302	301	(1)	
I. S. Recharge	130	155	155	-	
Recharges Within Fund (Directorate, Learning & Democratic Core)	145	130	104	(26)	
Recharges Across Funds (Woodredon & Warlies) (Structural Maintenance)	32	(5)	(24)	(19)	
TOTAL RECHARGES	1,123	1,063	951	(112)	
OVERALL TOTAL	5,424	4,987	4,864	(123)	

*See paragraph 4

Reasons for Significant Variations

4. a) The £114,000 adverse variance within Epping Forest Local Risk is largely due to an increase in the Director's Property Repairs & Maintenance where lodge occupation has necessitated greater investment in maintenance and redecoration. There was also an increase in Supplies & Services where additional unplanned expenditure was necessary for tree inspections. These increases were off-set by an increase in grant income where additional grants were claimed for treating Phytopthera Ramorum in the Forest, other variances are due to exchange rates and re-alignment of payment schedules from grant agencies.

b) The £53,000 better than budget position within the City Surveyor's Local Risk is due to a £20,000 underspend on reactive maintenance, £20,000 on planned preventative maintenance, plus a further £13,000 saving on the corporate cleaning contract against a full year budget.

c) The reduction of £97,000 in the City Surveyor's Additional Works Programme is mainly due to works being re-phased from 2016/17 to 2017/18.

d) The reduction of £65,000 in Support Services is mainly due to a decreased requirement in support time from CLPS and Central Support.

Local Risk Carry Forward to 2017/18

5. Chief Officers can generally request underspends of up to 10% or £500,000 (whichever is the lesser) of the final agreed local risk budget to be carried forward, so long as the underspending is not fortuitous and the resources are required for a planned purpose. Such requests are subject to the approval of the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resources Allocation Sub Committee.
6. Overspends are carried forward in full and are met from the agreed 2016/17 budgets.
7. The Director's worse than budget position of £131,000 (Local Risk) has been aggregated with budget variations on services overseen by other committees which for City's Cash produce an overall better than budget position of £167,000 (Local Risk), where the following have been submitted for a carry forward.

£18,000 Playground equipment (Hampstead Heath) to be capitalised.

£149,000 To fund the Learning Programme (as agreed by Policy & Resources)

8. Efficiency & Sustainability

City of London overall Financial Position and context for the Efficiency and Sustainability Plan

The Court of Common Council approved the published Efficiency and Sustainability Plan on the 13th October 2016. This plan focuses on the existing Service Based Review programme which is now nearing completion, other agreed transformation initiatives and developing a framework for continuous efficiency improvement for 2017/18 and later years. This plan needs to be viewed in the context of the overall Medium Term Financial Strategy to have a five year plan with sufficient cashable savings to present a balanced budget for all four funds and adopting an investment approach utilising the headroom to invest in one-off projects such as the Museum of London relocation project and 'bow wave' list of outstanding repairs.

To assist with this context and messaging, a set of core messages on the City of London Corporation's Finances have been developed and are set out in Appendix B for members information.

Appendices

- Appendix A – Movement between Original 2016/17 and the final agreed Budget
- Appendix B – Efficiency & Sustainability Plan

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