

Committee(s)	Dated:
Epping Forest and Commons	20/11/2017
Subject: Revenue & Capital Budgets – ‘The Commons’ 2017/18 & 2018/19	Public
Report of: The Chamberlain Director of Open Spaces	For Decision
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Summary

This report updates the Committee on its latest approved revenue budget for 2017/18 and seeks your approval for a provisional revenue budget for 2018/19, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated to the Director and the table below summarises.

Summary of Table 1	Original Budget 2017/18 £000	Latest Approved Budget 2017/18 £000	Original Budget 2018/19 £000	Movement LAB 2017/18 to 2018/19 £000
Expenditure	(2,545)	(2,308)	(3,000)	(692)
Income	343	342	301	(41)
Support Services	(337)	(325)	(317)	8
Total Net Expenditure	(2,539)	(2,291)	(3,016)	(725)

Overall the provisional Original budget for 2018/19 totals £3.016M, an increase of £725,000 compared with the latest approved budget for 2017/18. The main reasons for this increase is a £755,000 increase in the City Surveyor’s Repairs & Maintenance costs.

A breakdown is provided in Appendix 3 of the movement between the 2017/18 Local Risk Original Budget and the 2017/18 Local Risk Latest Approved Budget.

Recommendation

The Committee is requested to:

- Review the provisional 2018/19 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. Any changes over £50,000 would be reported to Committee.
- Note the Building Repairs and Maintenance asset verification exercise being undertaken by the City Surveyor and agree that any minor changes to the 2017/18 latest approved budget and the 2018/19 original budget arising from this exercise be delegated to the Chamberlain.
- Review and approve the draft capital and supplementary revenue budget.

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, grants, and income from charges.
2. This report sets out the proposed revenue budget for 2018/19. 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 2017-2020 which was approved in May 2017. The activities of the Open Spaces Department reflect the charitable objectives of the preservation of open spaces and the provision of recreation and enjoyment for the public. The agreed departmental objectives are:
- a) Protect and conserve the ecology, biodiversity and heritage of our sites
 - b) Embed responsible business practices and ensure our workforce are supported and developed.
 - c) Enrich lives by providing high quality, welcoming and engaging, visitor, educational and volunteering opportunities
 - d) Improve the health and wellbeing through inclusive access to green space and heritage
 - e) Embed efficiency and financial sustainability across our activities and continuously develop our income generating endeavours

These high level objectives are being supported by a range of projects and actions, some of which are being delivered within divisions and some of which cross the department. The priorities for The Commons are:

- To implement the Stoke Common Management Plan. This plan is on target for final approval in November 2018 for commencement on 1st January 2019. Public consultation process now under review as too is a grant application under Natural England's new Countryside Stewardship Scheme. This funding replaces the current Higher Level Stewardship Scheme that benefits the site. There will be a funding gap, as the grant source changes, of some £3,500 in the 2018/18 financial year. Production costs associated with the production of the Management Plan are estimated at £7,500.
- To conserve the heritage associated with Kenley Airfield (Kenley Revival Project). The Kenley Revival Project remains within budget. 2017 has seen the completion of the conservation works to the heritage features including blast pens and rifle range. The Project has exceeded targets set for the activities programmes (Sky Heroes, Learning Festival, Community Archaeology). The role of an Events Management Assistant has been developed under the City's Apprenticeship Scheme and this will greatly assist the development and delivery of the 2018 activities programme. The work programme is supported by a growing team of local volunteers who assist in many aspects of project delivery.
- Progress delivery of the Burnham Beeches Pond Embankments Project. Initial surveys of the outlet pipes took place in 2017. More 'condition surveys' are required in 2018 (subject to approval of cyclical works funding) to ascertain the scope of the issues and guide any further necessary works.

Proposed Revenue Budget for 2018/19

6. The proposed detailed Revenue Budget for 2018/19 is shown in Table 1 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 2018/19 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. There has been no allowance for pay and price increases for 2018/19, however, a resource of £24,000 has been given to support the apprenticeship programme. A saving of £30,000 has been made in 2018/19 to reflect the 2% decrease in Local Risk Resources set out in the Efficiency and Sustainability Plan. The budget has been prepared within the resources allocated to the Director.

It should also be noted that the basis on which repairs and maintenance budgets have been prepared for the latest estimates for 2017/18 include a part year charge from the former repairs and maintenance contractor (MITIE) and 9 months from the new contractor (Skanska), whereas the original 2018/19 budgets are based on the tendered return of the new contractor.

Under the terms of the Building Repairs and Maintenance contract, Skanska are undertaking an asset verification exercise which is expected to be completed in February 2018, the outcome of the review is likely to result in variations to the figures that have been submitted for the 2017/18 latest approved and 2018/19 original budgets.

Committees are requested to acknowledge this potential change and allow the Chamberlain (in consultation with the City Surveyor) to make the necessary budget adjustments within overall approval, following the asset verification.

TABLE 1
THE COMMONS SUMMARY – ALL FUNDS

Analysis of Service Expenditure	Local or Central Risk	Actual 2016-17 £'000	Original Budget 2017-18 £'000	Latest Approved Budget 2017-18 £'000	Original Budget 2018-19 £'000	Movement LAB 2017-18 to 2018-19 £'000	Paragraph Reference
EXPENDITURE							
Employees	L	(1,185)	(1,310)	(1,336)	(1,373)	(37)	
Premises Related Expenses	L	(390)	(319)	(329)	(274)	55	10
Premises Related Expenses	C	(119)	0	0	0	0	
R & M (City Surveyor's Local Risk inc cleaning)	L	(293)	(658)	(371)	(1,126)	(755)	11
Transport Related Expenses	L	(61)	(63)	(65)	(53)	12	
Supplies & Services	L	(224)	(145)	(157)	(124)	33	
Third Party Payments	L	(30)	(32)	(32)	(32)	0	
Transfer to Reserves - Livestock	L	(15)	0	0	0	0	
Transfer to Reserves - Capital	C	(43)	0	0	0	0	
Capital Charges- Depreciation	C	(18)	(18)	(18)	(18)	0	
Total Expenditure		(2,378)	(2,545)	(2,308)	(3,000)	(692)	
INCOME							
Government Grants	L	156	165	163	122	(41)	
Other Grants, Reimbursements and Contributions	L	20	20	20	20	0	
Other Grants, Reimbursements and Contributions - Capital	C	161	0	0	0	0	
Customer, Client Receipts	L	157	158	159	159	0	
Investment Income	L	1	0	0	0	0	
Transfer from Reserves - Livestock	L	14	0	0	0	0	
Transfer from Reserves	C	1	0	0	0	0	
Total Income		510	343	342	301	(41)	
TOTAL (EXPENDITURE)/ INCOME BEFORE SUPPORT SERVICES		(1,868)	(2,202)	(1,966)	(2,699)	(733)	
SUPPORT SERVICES							
Central Support		(287)	(302)	(308)	(300)	8	
Recharges within Fund		(26)	(35)	(17)	(17)	0	
Total Support Services		(313)	(337)	(325)	(317)	8	
TOTAL NET (EXPENDITURE)/INCOME		(2,181)	(2,539)	(2,291)	(3,016)	(725)	

8. Income, increases in income, and reductions in expenditure are presented as positive balances, whereas expenditure, increases in expenditure or shortfalls in income are denoted by 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 £725,000 between the 2017/18 Latest Approved Budget and the 2018/19 Original Budget. This movement is explained in the following paragraphs.
10. The reduction of £55,000 from the 2017/18 Latest Approved Budget to the 2018/19 Original Budget in the premises related expenditure is due to reductions in general grounds maintenance budgets to partially offset the 2% efficiency savings, inflationary pressures and the loss of grant income.
11. The increase of £755,000 from the 2017/18 Latest Approved Budget to the 2018/19 Original Budget in the City Surveyor's Local Risk is mainly within the Additional and Cyclical Works Programme. The full year of the 2018/19 Cyclical Works Programme has been included in 2018/19 as it has not yet been profiled.

TABLE 2 - CITY SURVEYOR LOCAL RISK	Original Budget 2017/18 £'000	Latest Approved Budget 2017/18 £'000	Original Budget 2018/19 £'000
Repairs and Maintenance (including cleaning)			
Additional Works Programme			
Ashtead Common	(29)	0	(77)
West Wickham	(281)	(98)	(647)
Burnham Beeches	(156)	(116)	(257)
Stoke Common	0	0	0
	(466)	(214)	(981)
Planned & Reactive Works (Breakdown & Servicing)			
Ashtead Common	(11)	(11)	(11)
West Wickham	(89)	(69)	(56)
Burnham Beeches	(73)	(58)	(58)
Stoke Common	0	0	0
	(173)	(138)	(125)
Cleaning			
Ashtead Common	0	0	0
West Wickham	(15)	(15)	(16)
Burnham Beeches	(4)	(4)	(4)
Stoke Common	0	0	0
	(19)	(19)	(20)
Total City Surveyor	(658)	(371)	(1,126)

12. The increase in estimated costs between the 2017/18 Latest Approved Budget and the 2018/19 Original Budget in Table 3 below is due to allowance for a pay award of 1.5% in

2018/19, incremental progression, and the full year effect of additional staff employed in relation to the City Apprenticeship Programme.

Table 3 - Staffing statement	Original Budget 2017/18		Latest Approved Budget 2017/18		Original Budget 2018/19	
	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000
Ashtead Common	8.77	(267)	8.18	(264)	7.73	(253)
West Wickham	12.10	(560)	12.68	(580)	13.05	(602)
Burnham Beeches	13.25	(464)	12.75	(474)	12.75	(499)
Stoke Common	0.62	(19)	0.62	(18)	0.62	(19)
TOTAL	34.74	(1,310)	34.23	(1,336)	34.15	(1,373)

Potential Further Budget Developments

13. The provisional nature of the 2018/19 revenue budget recognises that further revisions may be required, including in relation to:

- decisions on funding of the Additional Work Programme by the Resource Allocation Sub Committee.

Revenue Budget 2017/18

14. The 2017/18 latest approved budget includes funding for contribution pay of £4,000. There were no agreed carry forwards for The Commons. However, a resource of £12,000 has been given to support the engagement of apprentices in the current year. Details of the movement between the 2017/18 Original Budget and the 2017/18 Latest Approved Budget can be found in Appendix 3. The forecast outturn for the current year is in line with the latest approved budget of £2.291M.

Draft Capital and Supplementary Revenue Budgets

15. The latest estimated costs for the Committee's draft capital and supplementary revenue projects are summarised in the Table below.

Table 4 Capital & Supplementary Revenue projects - latest estimated costs						
Service Managed	Project	Exp. Pre 01/04/17 £'000	2017/18 £'000	2018/19 £'000	Later Years £'000	Total £'000
	Authority to start work granted					
West Wickham	Kenley Revival	(258)	(598)	(317)	(26)	(1,199)
TOTAL WEST WICKHAM		(258)	(598)	(317)	(26)	(1,199)

16. There is one capital scheme in progress at Kenley, largely funded by HLF grant.

17. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2018.

Appendices

- Appendix 1 - Analysis by Services Managed
- Appendix 2 - Analysis of Support Services
- Appendix 3 - Movement of Local Risk Budgets 2017/18 OR to 2017/18 LAB

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