

Committee(s)	Dated:
Epping Forest & Commons Committee	9 July 2018
Subject: Revenue Outturn 2017/18 – Epping Forest	Public
Report of: The Chamberlain & the Director of Open Spaces	For Information
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Summary

This report compares the revenue outturn for the services overseen by your Committee in 2017/18 with the final agreed budget for the year.

In total, there was a deficit budget position of £6,000 (0.12%) for the services overseen by your committee compared with the final agreed budget for the year as set out below.

	Final Agreed Budget £000	Outturn £000	(Increase)/ Decrease £000
Local Risk			
Director of Open Spaces	(2,612)	(2,683)	(71)
City Surveyor	(1,062)	(893)	169
Central Risk	(495)	(510)	(15)
Recharges	(926)	(1,015)	(89)
Total	(5,095)	(5,101)	(6)

The Director's Local Risk budget deficit variance of £71,000 (2.72%) is mainly due to a £55,000 worse than budget position at Epping Forest, further detail can be found in paragraph 4a). This deficit budget position has been aggregated with budget variations on services overseen by other committees which produces a City Cash overall deficit budget position of £42,000 (Local Risk) across all Open Spaces. The City Surveyor had a surplus budget position of £169,000, further detail can be found in paragraph 4b). There was also an increase of £89,000 in recharges, a further breakdown of the contributing factors can be found in paragraph 4c).

Recommendation(s)

It is recommended that this revenue outturn report for 2017/18 and the consequential implications for the 2018/19 budget are noted.

Main Report

Budget Position for 2017/18

1. The 2017/18 latest approved budget for the Epping Forest services overseen by your Committee received in November 2017 was £5.110M. This budget was endorsed by the Court of Common Council in March 2018 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 2017/18

2. Actual net expenditure for your Committee's services during 2017/18 totalled £5.101M, an overspend of £6,000 (0.12%) compared with the final agreed budget.
3. A summary comparison with the final agreed budget for the year is tabulated below. In the tables, income, increases in income and reductions in expenditure are shown as positive balances, whereas brackets are used to denote expenditure, increases in expenditure, or shortfalls in income.

Epping Forest
Comparison of 2017/18 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	(2,606)	(2,518)	(2,573)	(55)	
Chingford Golf Course	75	55	28	(27)	
Wanstead Flats	(130)	(131)	(121)	10	
Woodredon & Warlies	28	(18)	(17)	1	
Total Director of Open Spaces Local Risk	(2,633)	(2,612)	(2,683)	(71)	4a)
City Surveyor					
City Surveyors Local Risk	(483)	(382)	(335)	47	
Cyclical Works Programme	(1,432)	(680)	(558)	122	
Total City Surveyor Local Risk	(1,915)	(1,062)	(893)	169	4b)
TOTAL LOCAL RISK	(4,548)	(3,674)	(3,576)	98	
CENTRAL RISK					
Epping Forest	(398)	(467)	(482)	(15)	
Wanstead Flats	(28)	(28)	(28)	-	
TOTAL CENTRAL RISK	(426)	(495)	(510)	(15)	
RECHARGES					
Insurance	(78)	(84)	(71)	13	
Support Services	(393)	(347)	(428)	(81)	4c)
Surveyor's Employee Recharge	(302)	(336)	(324)	12	
I. S. Recharge	(126)	(179)	(186)	(7)	
Recharges Within Fund (Directorate, Learning & Democratic Core)	(79)	(90)	(78)	12	
Recharges Across Funds					
(Woodredon & Warlies)	62	124	86	(38)	
(Structural Maintenance)	(14)	(14)	(14)	-	
Total Recharges Across Funds	48	110	72	(38)	
TOTAL RECHARGES	(930)	(926)	(1,015)	(89)	
OVERALL TOTAL	(5,904)	(5,095)	(5,101)	(6)	

*See paragraph 4

Reasons for Significant Variations

4. a) The £71,000 deficit budget position within Epping Forest Local Risk is a combination of an underspend within 'Employee Costs' due to vacancies during the year, overspends in 'Supplies & Services' and reduced rental income. The Supplies and Services overspends relate to:-

- Professional Fee spending on specialist advice regarding responses to Local Plans and Invasive Non-Native Species (INNS) management;
- Grazing equipment where a grant funded procurement was not delivered to contract resulting in the loss of grant;
- overcharges for a new Corporately negotiated water contract;
- There was also a reduction in anticipated rental income due to delays in the passage of the City of London Corporation (Open Spaces) Act 2018 in realising the letting of vacant property on Forest Land. Lodges on The Warren site were successfully let, but initial investment needed to bring the properties to a suitable letting standard absorbed rental income for the initial period.

- b) The £169,000 better than budget position within the City Surveyor's Local Risk is due to the following:-

- Facilities Management (CS Local Risk) – There was a minor underspend on cleaning and reactive costs.
- Cyclical Works/Additional Works – This underspend relates to works deferred to 2018/19 due to development of the Parkland Plan through the Wanstead Park Steering Group, with Historic Buildings and other smaller projects now spanning two financial years.

- c) The increase of £81,000 in support services is mainly due to an increased requirement in support time from City Procurement, I.T. (in relation to the Transformation project), and the City Surveyor on work that was undertaken on delivery of AWP & CWP projects / Delivery of the SKANSKA contract and related FM tasks / Corporate advice etc.

Local Risk Carry Forward to 2018/19

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 2018/19 budgets.
7. The Director's budget deficit position of £71,000 (Local Risk) has been aggregated with budget variations on services overseen by other committees which for City's Cash produce an overall worse than budget deficit position of £42,000 (Local Risk), the Director of Open spaces has therefore not requested any 'carry forwards'.

Appendices

- Appendix A – Movement between Original 2017/18 and the final agreed Budget

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