

Committee(s)	Dated:
Open Spaces and City Gardens	10 December 2018
Subject: Revenue & Capital Budgets – Open Spaces & City Gardens 2018/19 & 2019/20	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 2018/19 and seeks your approval for a provisional revenue budget for 2019/20, for subsequent submission to the Finance Committee. The Open Spaces and City Gardens Committee is the strategic overarching committee for all of the open spaces and whilst this report details the 2018/19 & 2019/20 estimates for the Directorate, City Gardens, and Bunhill Fields, summary estimates for all of the other open spaces (excluding Keat's House, Monument, Crematorium and Cemetery, and Tower Bridge which are reported to their respective committees) are also provided in para 30 with detailed estimate reports for each committee in the appendices. The budgets have been prepared within the resources allocated to the Director and the table below summarises.

Summary of Table 1 (Includes Local Risk, Central Risk, and Recharges/Support Services)	Original Budget (OR)	Latest Approved Budget	Original Budget (OR)	Movement
	2018/19 £000	2018/19 £000	2019/20 £000	2018/19 OR to 2019/20 OR £000
Expenditure	(2,923)	(3,094)	(2,819)	104
Income	778	828	547	(231)
Support Services	101	170	392	291
Total Net Expenditure	(2,044)	(2,096)	(1,880)	164

Overall the provisional Original budget for 2019/20 totals £1.880M, a decrease of £164,000 compared with the original 2018/19 Budget. The main reason for this

decrease is reflected by the re-phasing of the Cyclical Works Programme (CWP) over the three-year period, these costs can be found in Table 1.

A breakdown is provided in Appendix 3 of the movement between the 2018/19 Local Risk Original Budget and the 2018/19 Local Risk Latest Approved Budget.

Recommendation

The Committee is requested to:

- Review the provisional 2019/20 revenue budget for the Directorate, Bunhill Fields and City Gardens to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee;
- Note the provisional 2019/20 revenue budget for the services overseen by the other Open Space Service Committees (appendices 4 - 7)
- 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.
- To delegate to the Chamberlain any minor budget changes for 2018/19 and 2019/20 as a result of the completion of the asset verification exercise.
- 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 City Gardens which is funded from the City Fund as part of the City Corporation's local authority functions, Bunhill Fields, and the Open Spaces Directorate which co-ordinates the management of the Department and works in co-operation with other Departments on cross service projects and corporative initiatives, both of which are funded through City's Cash.
2. This report sets out the proposed revenue budget for 2019/20 for these areas. 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.
 5. As the strategic lead Committee for Open Spaces , the proposed revenue budgets for Epping Forest, The Commons, West Ham Park, Hampstead Heath, Highgate Wood and Queens Park are attached (appendices 4-7) for information so that this Committee has an overview of the full financial position of the Open Spaces element of the Open Spaces Department. The individual Service Committees have/will be approving their budgets by mid December.
 6. The overall 2019/20 budget for Open Spaces (excluding Keat's House, Monument, Tower Bridge, and Cemetery & Crematorium) which include the Director of Open Spaces Local Risk, City Surveyor's Local Risk, Central Risk, and Recharges/Support Services is £18.75M, this is a reduction of £2.906M when compared with the 2018/19 Original Budget.

Business Planning Priorities

7. The Open Spaces Departmental Business Plan 2018/19 identified three top line objectives which were agreed by this committee on 16 April 2018. The top line objectives are:-
 - Open Spaces and historic sites are thriving and accessible.
 - Spaces enrich people's lives.
 - Business practices are responsible and sustainable.

For each objective a number of outcomes were identified together with a range of key programmes and projects, some of which are being delivered within divisions and some of which cross the Department. 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. Specific priorities for City Gardens, Bunhill Fields, and the Directorate are:

- Protect our heritage at risk: developing partnership funding bids at Bunhill Fields.
- Develop and agree a sustainable model for delivering Learning
- Work cross-departmentally through Asset Management Planning to maximise the value of our assets including Finsbury Circus.
- Secure funding to create new accessible public spaces within the City's churchyards.
- Progress the Departmental Programmes including; Fleet, Energy Efficiency, and Sports.
- Obtain agreement and implement the overarching Departmental and site specific 'events' policies.

Proposed Revenue Budget for 2019/20

8. The proposed detailed Revenue Budget for 2019/20 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.

9. The provisional 2019/20 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.

10. For 2019/20 there has been;

Local Risk –

- A 2% allowance for pay and prices, this has been off-set by efficiency savings of 2%.
- £241,000 has been reprovided representing reinstated inflation uplift which has yet to be allocated in 2019/20.
- a £90,000 provision has been made as a one-off resource from Resource Allocation Sub Committee to support the Learning programme through to the end of June following cessation of all CBT funding. A request for an increase in the base budget for the Department to continue to provide a core learning officer will be made in the Corporate Medium Term Financial Plan report in January.
- £24,000 reduction in apprenticeship funding to reflect the completion of an apprentice appointment and the need for the Department to request additional funding centrally to provide new apprentice appointments.

Central Risk -

- £51,000 funding for a Fundraising Officer funded by the Priorities Investment Pot.

The budget has been prepared within the resources allocated to the Director.

TABLE 1 CITY GARDENS, BUNHILL FIELDS AND DIRECTORATE SUMMARY – ALL FUNDS							
Analysis of Service Expenditure	Local or Central Risk	Actual 2017-18 £'000	Original Budget 2018-19 £'000	Latest Approved Budget 2018-19 £'000	Original Budget 2019-20 £'000	Movement 18-19OR to 19-20OR £'000	Paragraph Reference
EXPENDITURE							
Employees	L	(1,988)	(2,115)	(2,217)	(1,936)	179	18
Employees	C	-	-	(30)	(51)	(51)	18
Premises Related Expenses	L	(200)	(212)	(226)	(229)	(17)	
Premises Related Expenses	C	(81)	-	-	-	-	
R & M (City Surveyor's Local Risk	L	(217)	(331)	(245)	(100)	231	19
Transport Related Expenses	L	(36)	(44)	(45)	(45)	(1)	
Supplies & Services	L	(334)	(194)	(216)	(172)	22	
Supplies & Services	C	-	-	(29)	-	-	
Third Party Payments	L	(20)	(27)	(57)	(45)	(18)	
Unallocated Inflation	L	-	-	(29)	(241)	(241)	13
Total Expenditure		(2,876)	(2,923)	(3,094)	(2,819)	104	
INCOME							
Other Grants, Reimbursements and Contributions – (Section 106/Rechargeable Works/New Learning Programme – Directorate)	L	301	448	395	148	(300)	14
Other Grants, Reimbursements and Contributions – (Section 106/278)	C	81	-	-	-	-	
Customer, Client Receipts	L	324	330	370	334	4	
Transfer from Reserves (S106)	L	1	-	-	-	-	
Recharges to Capital Projects	L	17	-	63	65	65	15
Total Income		724	778	828	547	(231)	
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		(2,152)	(2,145)	(2,266)	(2,272)	(127)	
SUPPORT SERVICES							
Central Support and Capital Charges		(609)	(509)	(596)	(597)	(88)	*
Recharges within Fund (Directorate Recharges)		281	296	335	476	180	16
Recharges within Fund (Learning Recharges)		148	19	106	99	80	17
Recharges Across Funds (Directorate Recharges)		179	185	215	304	119	16
Recharges to Finance Committee (Corporate and Democratic Core)		106	110	110	110	-	
Total Support Services		105	101	170	392	291	
TOTAL NET EXPENDITURE		(2,047)	(2,044)	(2,096)	(1,880)	164	

*This is made up of smaller (under £50,000) increases and decreases in central Support costs as shown in appendix 2.

11. Income, increases in income, and reductions in expenditure are now shown as positive balances, whereas brackets are used to denote expenditure, increases in expenditure, or shortfalls in income. 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.
12. Overall there is a decrease of £164,000 for City Gardens, Bunhill Fields, and the Directorate between the 2018/19 original budget and the 2019/20 original budget. This movement is explained in the following paragraphs.
13. The £241,000 increase in unallocated inflation is due to the reinstated inflationary uplift for 2018/19.
14. The £300,000 decrease in other grants, reimbursements and contributions is due to the reduction in income associated with the Learning Programme.
15. The increase of £65,000 in Recharges to Capital Projects is due to the increase in staff time spent on Capital Projects.
16. The increase in Directorate recharges both within and across funds are mainly due to the reinstated inflation uplift which is explained in paragraphs 10 & 22.
17. The £80,000 increase in Learning Recharges are mainly due to a one-off £90,000 allocation from Resource Allocation Sub-Committee to fund the programme through until the end of June.
18. Analysis of the movement in staff related costs are shown in Table 2 below. There is a decrease of £128,000 in employee expenditure between the 2018/19 Original Budget and the 2019/20 Original Budget which is mainly due to the Department's Learning Programme only being funded up to the end of June 2019. Therefore the budgets only reflect the confirmed budgets for the Learning Programme and not the full year. It also reflects the confirmed apprenticeship budgets which are provided centrally, recognising that Departments are required to apply for additional resources when one apprenticeship concludes and before appointing a new apprentice. This reduction is partially off-set by a provision for a pay award, incremental progression, and an increase in central risk staff budget under the Directorate funded by the Priorities Investment Pot (PIP).

Table 2 - Staffing statement	Original Budget 2018/19		Latest Approved Budget 2018/19		Original Budget 2019/20	
	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000
Directorate/Learning Programme	13.00	(793)	13.42	(829)	8.00	(586)
City Gardens/Bunhill	34.70	(1,322)	36.80	(1,418)	34.47	(1,401)

Fields						
TOTAL EMPLOYEE COSTS	47.70	(2,115)	50.22	(2,247)	42.47	(1,987)

19. The decrease of £231,000 from the 2018/19 Original Budget to the 2019/20 Original Budget in the City Surveyor (see Table 3 below) is mainly within the Additional Works and Cyclical Works Programme. The Cyclical Works Programme is subject to variation in maintenance needs and a bid for resources each year, as funding is not ring-fenced to individual clients. Bids for departments are based on an annually agreed prioritisation process which considers health & safety, reputation, income generation and asset performance. Therefore the 2018/19 to 2019/20 budgets Original to Original will reflect the change in bid values each year together with the number of projects which are being delivered over the three years of the programme.

20. An asset verification exercise has now been completed across the Operational estate and has identified an additional 8% of assets to be maintained, including those in new buildings, that are not covered by the current contract. The outcome of this exercise has been reported to the relevant Corporation Committee and additional budgetary provision has been sought. Once this is agreed it is intended to adjust the relevant budget shown in this report as appropriate and Members are asked to agree a delegation to the Chamberlain to make these minor budgetary changes for both 2018/19 and 2019/20.

TABLE 3 - CITY SURVEYOR LOCAL RISK			
Repairs and Maintenance	Original Budget 2018/19 £'000	Latest Approved Budget 2018/19 £'000	Original Budget 2019/20 £'000
Additional Works Programme			
Bunhill Fields	(208)	(140)	(39)
City Gardens	(84)	(61)	(17)
Directorate	(9)	-	-
	(301)	(201)	(56)
Planned & Reactive Works (Breakdown & Servicing)			
Bunhill Fields	(8)	(9)	(9)
City Gardens	(21)	(35)	(35)
Directorate	(1)	-	-
	(30)	(44)	(44)
Total City Surveyor	(331)	(245)	(100)

Potential Further Budget Developments

21. The provisional nature of the 2019/20 revenue budget recognises that further revisions may be required, including in relation to:

- Decisions on funding of the Cyclical Work Programme by the Resource Allocation Sub Committee.
- During the first half of 2018/19 there have been two areas of significant exceptional spend which the Department had not specifically budgeted for. These were the costs associated with the fire at Wanstead Flats (£80,000) and the increased costs of managing Oak Processionary Moth (OPM) totalling £94,000 (Epping: £8,000, The Commons: £29,000, North London Open Spaces: £57,000). Note that alongside the cost of dealing with the Wanstead Flats fire, this may lead to an overspend potentially for the department at the end of the 2018/19 financial year. It is anticipated that the cost of managing tree pests and diseases in particular OPM in future years, will increase exponentially, potentially costing £250,000 in 2019/20 with the greatest increase in OPM costs likely to be at Epping. A growth bid for the Departments anticipated additional costs will be made within the Medium-Term Financial Plan report.
- There have been changes to the Rural Payment Agency Grant which will mean that in 2019/20 Epping Forest's grant will be reduced by approximately £114,000. The Department will make an additional growth bid for loss of Rural Payment Agency Grant within the Medium-Term Financial Plan report.
- The short-term City Bridge Trust funding the Department's Learning Programme ceases on 31 March 2019. The Learning programme delivers many of the Corporate priorities linked to education and learning, social mobility, health and wellbeing and delivers activities in some of London's more deprived communities. The Department will be requesting within the Medium-Term Financial Plan report, an increase in its base budget from April 2019 to fund a core learning offer. Pending such a decision the current budget estimates include only the three-month additional funding as agreed by Resource Allocation Sub-Committee on the 4th October 2018.

Revenue Budget 2018/19

22. The 2018/19 latest approved budget includes £30,000 funding for a 'Fundraising Officer', and £87,000 supplementary funding for the Learning programme, both of which are Central Risk and funded from the Priorities Investment Pot. An additional £29,000 has been provided from the Transformation Fund to improve I.T. in the City Gardens Team which is in Central Risk. Provision of £8,000 has been made to fund 'Contribution and backdated Holiday Pay', and an additional resource of £24,000 has been given to support the apprentice programme. Reinstated inflation uplift of £241,000 has also been provided of which £42,000 has been used to repay the City Cash element of the Open Spaces overspend from 2017/18, £29,000 has been retained as contingency, with a further £170,000 being transferred to other Open Spaces for one-off projects. The forecast outturn for the current year is in line with the latest approved budget of £2.096M. Movement of the

Local Risk Budgets from the Original 2018/19 budget to the 2018/19 Latest Approved Budget can be found in Appendix 3.

Draft Capital and Supplementary Revenue Budgets

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

Service Managed	Project	Exp. Pre 01/04/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Later Years £'000	Total £'000
CITY FUND							
	<u>Pre-implementation</u>						
City Gardens	Churchyard enhancement programme	(75)	(9)				(84)
City Gardens	Finsbury Circus public garden	(6)	(225)				(231)
	<u>Authority to start work granted</u>						
City Gardens	Seething Lane Garden	(123)	(6)				(129)
City Gardens	St Botolph's Ball Court	(86)	0	(20)			(106)
City Gardens	St Mary At Hill Churchyard	(135)	(13)	(328)			(476)
CITY'S CASH							
	<u>Pre-implementation</u>						
City Gardens	Bunhill Fields Heritage Lottery Fund	(6)	(62)				(68)
TOTAL OPEN SPACES & CITY GARDENS		(431)	(315)	(348)	0	0	(1,094)

24. Pre-implementation costs comprise feasibility and option appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work. It should be noted that the above figures exclude the implementation costs of those schemes which have yet to receive authority to start work.
25. Crossrail took possession of Finsbury Circus public garden for use as a work site and will return it to the City once the site works are complete. The reinstatement of the 1960s landscape will then proceed, largely funded by compensation monies from Crossrail.
26. The redevelopment of Seething Lane Garden has been completed and the garden is now open to the public.
27. The enhancement of facilities at St Botolph's Ball Court is subject to the negotiation of a new Churchyard maintenance agreement.
28. Work at St Mary at Hill Churchyard will start on site once access arrangements have been agreed with the owners of the adjacent building.
29. The latest Capital and Supplementary Revenue Project expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2019.

Estimates Summary of all Open Spaces.

30. The table below gives a summary overview of all the Open Spaces estimates which have or will be reported to their respective committee (excluding Keat's House, Monument, Tower Bridge, and the Crematorium & Cemetery).

Summary of all Open Spaces. (Includes Local Risk, Central Risk, and Recharges/Support Services)	Original Budget (OR) 2018/19	Latest Approved Budget 2018/19	Original Budget (OR) 2019/20	Movement 2018/19 OR to 2019/20 OR
	£000	£000	£000	£000
Expenditure				
Open Spaces & City Gardens	(2,923)	(3,094)	(2,819)	104
West Ham Park	(1,669)	(1,403)	(1,363)	306
Epping Forest	(6,692)	(5,936)	(5,594)	1,098
The Commons	(3,000)	(2,811)	(2,374)	626
Hampstead Heath, Highgate Wood & Queens Park	(10,253)	(9,214)	(9,172)	1,081
Income				
Open Spaces & City Gardens	778	828	547	(231)
West Ham Park	244	261	245	1
Epping Forest	1,443	1,419	1,424	(19)
The Commons	301	289	368	67
Hampstead Heath, Highgate Wood & Queens Park	2,680	2,889	2,822	142
Support Services				
Open Spaces & City Gardens	101	170	392	291
West Ham Park	(189)	(261)	(223)	(34)
Epping Forest	(881)	(964)	(1,078)	(197)
The Commons	(317)	(362)	(377)	(60)
Hampstead Heath, Highgate Wood & Queens Park	(1,282)	(1,455)	(1,551)	(269)
Total Net Expenditure	(21,659)	(19,644)	(18,753)	2906

Appendices

- Appendix 1 – Analysis by Services Managed
- Appendix 2 – Analysis of Support Services
- Appendix 3 – Movement in Local Risk Budgets 2018/19 OR to 2018/19 LAB
- Appendix 4 – Estimate Report (Epping Forest)
- Appendix 5 – Estimate Report (The Commons)
- Appendix 6 – Estimate Report (Hampstead Heath, Highgate Wood & Queen's Park)
- Appendix 7 – Estimate Report (West Ham Park)

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