

Committee(s)	Dated:
Epping Forest & Commons	12 July 2021
Subject: Revenue Outturn 2020/21 – Epping Forest and Commons	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1, 2, 3, 4, 5, 8, 11 & 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of: The Chamberlain & the Director of Open Spaces	For Information
Report author: Beatrix Jako – Chamberlains Department	

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2020/21 with the final agreed budget for the year.

In total, there was a favourable budget position of £604,000 for the services overseen by your committee compared with the final agreed budget for the year as set out below.

	Final Agreed Budget	Outturn	(Increase)/ Decrease
	£000	£000	£000
Local Risk			
Director of Open Spaces			
<i>Expenditure</i>	(7,362)	(6,622)	740
<i>Income</i>	2,836	1,950	(886)
City Surveyor	(531)	(519)	12
Total Local Risk	(5,057)	(5,191)	(134)
Cyclical Works Programme	(1,127)	(482)	645
Central Risk	(862)	(775)	87
Recharges	(1,485)	(1,479)	6
Total	(8,531)	(7,927)	604

There were significant variations within the Director of Open Spaces, the Cyclical Works Programme, and Central Risk, further detail on these variations can be found in paragraphs 4a), 4b), 4c), 4d) and 4e) respectively.

The Director of Open Spaces had an unfavourable variance of £146,000 (Local Risk), this unfavourable variance has been aggregated with budget variations on services overseen by other committees which produces a City's Cash overall favourable position of £83,000 (Local Risk) across all Open Spaces.

Recommendation(s)

It is recommended that this revenue outturn report for 2020/21 is noted.

Main Report

Budget Position for 2020/21

1. The 2020/21 latest agreed budget for Epping Forest & Commons services overseen by your Committee received in January 2021 was £8.444m. This budget was endorsed by the Court of Common Council in March 2021 and subsequently updated for approved adjustments. There was a total increase of £87,000 in approved adjustments, consisting of an overall increase of £7,000 in Local Risk expenditure (of which £22,000 are for additional payments made to staff regarding additional work in relation to COVID-19, partly offset by a reduction of £15,000 to the centrally funded apprentices budget), an increase of £88,000 in Central Risk (due to an increase of £50,000 to the Supplementary Revenue Project budget and a £38,000 adjustment for costs relating to the flexible retirement pension strain costs). These budget adjustments were partly offset by a £8,000 reduction in Recharges. Movement of the original Local Risk budget to the final agreed budget is shown in Appendices A and B.

Revenue Outturn 2020/21

2. Actual net expenditure for your Committee's services during 2020/21 totalled £7.927m, an underspend of £604,000 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. Reason(s) for any larger variances (greater than £50,000) are indexed in the table.

Epping Forest
Comparison of 2020/21 Revenue Outturn with Final Agreed Budget

		Original Budget £000	Final Agreed Budget £000	Revenue Outturn £000	(Increase) Decrease £000	Reason Paragraph
LOCAL RISK						
Director of Open Spaces						
Epping Forest	Expenditure	(4,181)	(4,042)	(3,801)	241	
	Income	1,463	1,115	1,010	(105)	
		(2,718)	(2,927)	(2,791)	136	4a)
Epping Forest – Countryside Stewardship Scheme						
	Expenditure	-	(535)	(107)	428	
	Income	-	646	47	(599)	
		-	111	(60)	(171)	4b)
Chingford Golf Course						
	Expenditure	(290)	(306)	(253)	53	
	Income	338	374	362	(12)	
		48	68	109	41	
Wanstead Flats						
	Expenditure	(227)	(229)	(220)	9	
	Income	95	95	1	(94)	
		(132)	(134)	(219)	(85)	4c)
Woodredon & Warlies						
	Expenditure	(68)	(69)	(70)	(1)	
	Income	90	90	74	(16)	
		22	21	4	(17)	
Total Director of Open Spaces Local Risk						
	Expenditure	(4,766)	(5,181)	(4,451)	730	
Total Director of Open Spaces Local Risk						
	Income	1,986	2,320	1,494	(826)	
City Surveyor						
City Surveyors Local Risk						
		(287)	(343)	(300)	43	
Total City Surveyor Local Risk						
		(287)	(343)	(300)	43	
TOTAL LOCAL RISK						
		(3,067)	(3,204)	(3,257)	(53)	
Cyclical Works Programme						
		(1,250)	(743)	(349)	394	4d)
CENTRAL RISK						
Epping Forest						
		(463)	(650)	(597)	53	
Wanstead Flats						
		(28)	(72)	(72)	-	
Woodredon & Warlies						
		-	(8)	(7)	1	
TOTAL CENTRAL RISK						
		(491)	(730)	(676)	54	4e)
RECHARGES						
Insurance						
		(85)	(85)	(78)	7	
Support Services						
		(397)	(397)	(361)	36	
Surveyor's Employee Recharge						
		(309)	(309)	(292)	17	
I.S. Recharge						
		(163)	(163)	(206)	(43)	
Recharges Within Fund (Directorate Democratic Core, and Learning)						
		(221)	(169)	(192)	(23)	

RECHARGES (continued)
Recharges Across Fund

Woodredon & Warlies Structural Maintenance	- (12)	9 (12)	26 (11)	17 1
TOTAL RECHARGES	(1,187)	(1,126)	(1,114)	12
OVERALL TOTAL	(5,995)	(5,803)	(5,396)	407

The Commons
Comparison of 2020/21 Revenue Outturn with Final Agreed Budget

		Original Budget £000	Final Agreed Budget £000	Revenue Outturn £000	(Increase) Decrease £000	Reason Paragraph
LOCAL RISK						
Director of Open Spaces						
Burnham Beeches						
	Expenditure	(705)	(815)	(804)	11	
	Income	221	317	295	(22)	
		(484)	(498)	(509)	(11)	
Stoke Common						
	Expenditure	(53)	(56)	(55)	1	
	Income	31	31	22	(9)	
		(22)	(25)	(33)	(8)	
City Commons						
	Expenditure	(1,194)	(1,310)	(1,312)	(2)	
	Income	128	168	139	(29)	
		(1,066)	(1,142)	(1,173)	(31)	
Total Director of Open Spaces Local Risk						
	Expenditure	(1,952)	(2,181)	(2,171)	10	
Total Director of Open Spaces Local Risk						
	Income	380	516	456	(60)	
City Surveyor						
City Surveyors Local Risk						
		(188)	(188)	(219)	(31)	
Total City Surveyor Local Risk						
		(188)	(188)	(219)	(31)	
TOTAL LOCAL RISK						
		(1,760)	(1,853)	(1,934)	(81)	
Cyclical Works Programme						
		(357)	(384)	(133)	251	4d)
CENTRAL RISK						
Burnham Beeches						
		(33)	(92)	(78)	14	
City Commons						
		(25)	(40)	(21)	19	
TOTAL CENTRAL RISK						
		(58)	(132)	(99)	33	4e)
RECHARGES						
Insurance						
		(21)	(21)	(19)	2	
Support Services						
		(187)	(187)	(175)	12	
Surveyor's Employee Recharge						
		(41)	(41)	(39)	2	
I.S. Recharge						
		(74)	(74)	(96)	(22)	
Recharges Within Fund (Directorate & Democratic Core)						
		(57)	(36)	(36)	-	
TOTAL RECHARGES						
		(380)	(359)	(365)	(6)	
OVERALL TOTAL						
		(2,555)	(2,728)	(2,531)	197	

Reasons for Significant Variations

4. a) The £136,000 better than budget position within Epping Forest Local Risk is a combination of an underspend within employee expenses due to vacancy management and visitor services staff on furlough due to COVID-19 and an underachievement in rental income due to rent holidays and lower income agreements for commercial tenants during COVID-19 restrictions.
- b) The £171,000 unfavourable variance is due to a reduction in premises related expenditure and a reduction in government grant due to the transition to the new 10 year Countryside Stewardship Scheme (CSS).
- c) The £85,000 unfavourable variance within Wanstead Flat Local Risk is mainly due to a reduction in customer and client receipts. No football play was possible due to lockdowns coinciding with football season.
- d) Due to the economic impact of COVID-19 and subsequent reduced income revenue generation, the City Surveyor was tasked by the Chamberlain to review current programmes of work. This was to level the expenditure, smoothing some of the spend into a 'fourth' year to reduce the impact of committed expenditure within the next two years. The Chamberlain has confirmed acceptance of the proposals put forward by the City Surveyor. This provides the Chamberlain with an overall 4-year forecast expenditure across all funds and funding years.
- e) The £87,000 favourable variance in Central risk (PiP funded projects) is mainly due to a reduction in the wayleaves officer's working hours at Epping leading to lower staff costs of £61,000 and unspent expenditure associated with the Ecologist position at Burnham Beeches of £14,000. Both unspent budgets are the subject of carry forwards requested by the Director of Open Spaces.
- f) The Department's additional costs associated with Covid-19 relating to this Committee totalled £155,848 (of which £135,657 relates to Epping Forest and £20,191 relates to the Commons) in 2020/21.

Local Risk and Central Risk Carry Forward to 2021/22

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 2021/22 budgets.

7. The Director's unfavourable budget position of £146,000 (Local Risk) has been aggregated with budget variations on services overseen by other committees which for City's Cash produce an overall favourable variance of £83,000 (Local Risk) across all Open Spaces. The Director of Open Spaces has submitted the following carry forward requests within City Cash which relate to this Committee:

- Epping Forest - £50,000 Insurance cost saving of root barrier provision. Requesting support for root-barrier installations to reduce insurance claim costs funded centrally. Climate warming is increasing the frequency of droughts, with dry summers in 2003, 2006 and 2018 causing significant increases in subsidence insurance claims. While Epping Forest and Insurance Team have successfully resisted a number of subsidence claims using strong evidential arguments, the Forest has been unable to evade responsibility for all tree root-related subsidence claims. The City Corporation self-insures for claims under £1m and the Insurance Team can only settle agreed insurance claims and does not have delegated powers to fund mitigation measures. The installation of 5 metre deep root barriers can mitigate against settling underpinning insurance claims of £100k per property – this approach was recognised by the Insurance team as providing excellent Value For Money however, CoL funding arrangements prevent an easily achieved offset. The request would be to provide root barrier at a number of locations which have the greatest likelihood of an insurance claim that the COL would lose. This carry forward request could save the central risk budget several hundreds of thousands of pounds.
- West Wickham and Coulsdon Common - £53,000 in total
 - a) £20,000 to fund essential health and safety works, also recorded on the risk register, were planned in order to stabilise the slope at Riddlesdown Quarry;
 - b) £17,000 to fund CCTV works at Merlewood Estate Office – project follows 12 separate incidents of vandalism over past 18 months. The project was delayed as various contractors were unavailable due to the impact of COVID-19 on their business and their availability of staff;
 - c) £16,000 to fund tree safety works on the West Wickham & Coulsdon Commons- project not delivered due to unavailability of contractors who suffered from an unforeseen reduction in capacity due to COVID-19.

In addition, there are four Central Risk Carry Forwards: -

- £61,000 Funding for the Wayleaves officer at Epping Forest
- £4,000 Funding for the “developing a parking strategy” project at Epping Forest

- £14,000 Unspent expenditure associated with the Ecologist position at Burnham Beeches
- £11,000 Unspent expenditure relating to the City funded Legacy Officer post linked to the Kenley Revival Project.

Strategic Implications

8. None

Financial Implications

9. All financial implications contained within the report.

Resource Implications

10. None.

Legal Implications

11. None.

Risk Implications

12. None.

Equalities Implications

13. None.

Climate Implications

14. None.

Security Implications

15. None

Public sector equality duty

16. Our fees and charges are regularly benchmarked with neighbouring / competing facilities, but we will continue to informally assess any negative impact on protected characteristic groups.

Conclusion

17. This report presents the revenue outturn position for 2020/21 for Members to consider and to note the carry forward bids for 2021/22 budgets.

Appendices

- Appendix A - Movement between the Original 2020/21 Budget and the 2020/21 Final Agreed Budget (Epping Forest)
- Appendix B - Movement between the Original 2020/21 Budget and the 2020/21 Final Agreed Budget (The Commons)

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Appendix A

Movement between the 2020/21 Original Budget to the 2020/21 Final Agreed Budget

Epping Forest	£000
Original Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(3,067)
Director of Open Spaces	
Apprentices – centrally funded	17
Contribution Pay	(22)
Allocation from the Directorate to fund unsuccessful 2019/20 carry forward bids	(31)
Allocation from the Corporate COVID-19 fund	(16)
Allocation from the Directorate to cover Oak Processionary Moth (OPM) costs	(15)
Additional payment to staff regarding work in relation to COVID-19	(14)
City Surveyor	
Planned & Reactive Works including Cleaning	(56)
Final Agreed Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(3,204)

Appendix B

Movement between the 2020/21 Original Budget and the 2020/21 Final Agreed Budget

The Commons	£000
Original Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(1,760)
Director of Open Spaces	
Apprentices – centrally funded	(2)
Contribution Pay	(9)
Allocation from the Directorate to fund unsuccessful 2019/20 carry forward bids	(11)
Allocation from the Corporate COVID-19 fund	(9)
Allocation from the Directorate to cover Oak Processionary Moth (OPM) costs	(29)
Resetting of departmental Budgets 2020/21 due to COVID-19 pandemic	(25)
Additional payment to staff regarding work in relation to COVID-19	(8)
City Surveyor	
Planned & Reactive Works including Cleaning	-
Final Agreed Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(1,853)