

Committee(s)	Dated:
West Ham Park Committee	13 July 2021
Subject: Revenue Outturn 2020/21 – West Ham Park	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 £99,000 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>	(1,049)	(1,067)	(18)
<i>Income</i>	261	365	104
City Surveyor	(92)	(106)	(14)
Total Local Risk	(880)	(808)	72
Cyclical Works Programme	(150)	(90)	60
Central Risk	(77)	(77)	-
Recharges	(273)	(306)	(33)
Total	(1,380)	(1,281)	99

There were significant variations within Local Risk (West Ham Park Income) and the Cyclical Works Programme, further detail can be found in paragraph 4a) and 4b) respectively.

The Director of Open Spaces had an overall favourable budget position of £86,000 (Local Risk) which is made up of a smaller worse than budget position on expenditure of £18,000 and an overachievement of £104,000 on their income

targets. This overall favourable budget position has been aggregated with budget variations on services overseen by other committees which produces a City's Cash overall favourable budget 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 the services overseen by your Committee received in February 2021 was £1.298m. This budget was endorsed by the Court of Common Council in March 2021 and subsequently updated for approved adjustments. There was an overall increase of £82,000 in adjustments which consist of a £14,000 increase in Local Risk expenditure (of which £6,000 are increases to the centrally funded apprentices budget and £8,000 for additional payments made to staff regarding additional work in relation to COVID-19) and a £68,000 increase to the Supplementary Revenue Project budget under Central Risk expenditure. Movement of the original Local Risk budget to the Final Agreed budget is provided in Appendix A.

Revenue Outturn 2020/21

2. Actual net expenditure for your Committee's services during 2020/21 totalled £1.281m, a favourable budget variance of £99,000 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.

West Ham Park**Comparison of 2020/21 Revenue Outturn with Final Agreed Budget**

		Original Budget	Final Agreed Budget	Revenue Outturn	(Increase) Decrease	Reason Paragraph
		£000	£000	£000	£000	
LOCAL RISK						
Director of Open Spaces						
West Ham Park	Expenditure	(931)	(1,049)	(1,024)	25	
	Income	221	261	322	61	4a)
Parks and Gardens (Rechargeables)						
	Expenditure	-	-	(43)	(43)	
	Income	-	-	43	43	
Total Director of Open Spaces Local Risk	Expenditure	(931)	(1,049)	(1,067)	(18)	
Total Director of Open Spaces Local Risk	Income	221	261	365	104	
City Surveyor						
City Surveyors Local Risk		(92)	(92)	(106)	(14)	
Total City Surveyor Local Risk		(92)	(92)	(106)	(14)	
TOTAL LOCAL RISK		(802)	(880)	(808)	72	
Cyclical Works Programme		(192)	(150)	(90)	60	4b)
CENTRAL RISK						
West Ham Park		26	(77)	(77)	-	
TOTAL CENTRAL RISK		26	(77)	(77)	-	
RECHARGES						
Insurance		(19)	(19)	(17)	2	
Support Services		(87)	(87)	(109)	(22)	
Surveyor's Employee Recharge		(42)	(42)	(39)	3	
I.S. Recharge		(36)	(36)	(47)	(11)	
Recharges Within Fund (Directorate Democratic Core, and Learning)		(104)	(89)	(94)	(5)	
TOTAL RECHARGES		(288)	(273)	(306)	(33)	
OVERALL TOTAL		(1,256)	(1,380)	(1,281)	99	

Reasons for Significant Variations

4. a) The £61,000 favourable variance in respect of income relates to fees and charges (£28,000) and rental income (£33,000). Given the impact of the COVID pandemic, sports was anticipated to be lower than usual. In reality, the periods between lockdowns saw a much greater demand for certain sports, notably tennis, which resulted in a much higher than anticipated level of income. Furthermore, the 5-yearly rent review for the Cedars site resulted in a significant increase in terms, providing a higher than anticipated level of rental income.

b) 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.

c) The Department's additional costs associated with Covid-19 relating to this Committee totalled £41,946 in 2020/21.

Local 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 Finance Committee and Resources Allocation Sub Committee.
6. Overspends are carried forward in full and are met from the agreed 2021/22 budgets.
7. The Director's favourable budget position of £86,000 (Local Risk) has been aggregated with budget variations on services overseen by other committees which for City's Cash produce an overall favourable budget position of £83,000 (Local Risk) across all Open Spaces. The Director of Open Spaces has submitted the following carry forward request within City's Cash which relates to this Committee.
 - West Ham Park - £65,000 to replace existing road sweeper that is end of life and is not Ultra Low Emission Zone (ULEZ) compliant. Budget had been put aside in 2020/21 for its purchase. Trial vehicle testing delayed by COVID. Final paperwork submitted to Transport Co-ordination Group (TCG) on 15 December 2020. Approval was not granted until 31 March 2021. Delay in request being processed by City Procurement and Transport Co-ordination Group (TCG) has resulted in this purchase being unable to be made ahead of year end.

Consequently, West Ham Park year end position was £86k underspend. This vehicle is essential to comply with ULEZ regulations and replace an end of life vehicle to maintain the cleanliness of the park which is considerably busier than pre-Covid.

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

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Appendix A

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

West Ham Park	£000
Original Net Local Risk Budget (Director of Open Spaces & City Surveyor)	(802)
Director of Open Spaces	
Apprentices – centrally funded	(6)
Contribution Pay	(2)
Allocation from the Directorate to fund unsuccessful 2019/20 carry forward bids	(65)
Allocation from the Corporate COVID-19 fund	(8)
Resetting of departmental Budgets 2020/21 due to COVID-19 pandemic	11
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)	(880)